Press Releases

Association of Institutional INVESTORS and DealVector Launch RMBS Initiative to Improve Investor Transparency and Bondholder Communications

Leverages existing DealVector platform to enhance surveillance, improve governance, facilitate new investment strategies and increase return on assets

SAUSALITO, Calif., February 26, 2016 — DealVector and the Association of Institutional INVESTORS have launched an investor-led initiative designed to ultimately link all institutional investors in the $100 trillion fixed income markets seamlessly and securely through DealVector's identity-protected online communication platform.

Association of Institutional INVESTORS member firms, which include several of the nation's largest institutional investors, have agreed to list their RMBS bonds on DealVector's encrypted asset registry, and use the secure electronic platform for market surveillance and communications. This initiative will enable investors to connect with each other on an asset-by-asset basis using DealVector's anonymized messaging service.

Although the initiative will expand to all fixed income asset classes, the initial focus is RMBS. This was where the absence of effective investor communication channels proved to be particularly problematic during the 2008 financial crisis and continues to hamper market recovery. RMBS investors absorbed significant costs due to their inability to identify and communicate with other investors in addressing servicing and reps and warranty breaches.

In addition to participating on the platform, the Association of Institutional INVESTORS will form a product advisory board to guide future development by DealVector. This will allow DealVector to ensure that the service continues to address the association's highest priority needs, and functions in ways that best support its businesses.

"This initiative with DealVector offers investors a chance to make a real difference in market structure," said John Gidman, president of Association of Institutional INVESTORS. "If investors in specific bonds can quickly communicate, we can enforce rights and resolve issues in ways that have not previously been possible. Having a universal but identity-protected phone book of all your co-investors will make it possible to call end-of-life deals quickly and easily, execute successful votes to amend servicer practices where necessary, and source liquidity on hard-to-find assets."

The initiative represents a concrete, already-operational solution to an issue that has been cited for the past several years at industry events as an important ingredient to a recovery in the RMBS market: improved bondholder communications. It complements other initiatives, such as the creation of a deal agent to represent investor interests, which are also crucial to luring investors back to the asset class.

Mike Manning, CEO and co-founder of DealVector said, "The Association initiative gives investors a simple, effective way to ensure that *'rights-on-paper'* equals *'rights-in-practice.'* It also enables third parties, like deal agents and servicers, to get direction from investors far more quickly and cost-effectively. As such, we see this as improving the functioning of the entire market, which benefits all parties to a deal."

Strength in Numbers

The larger the network, the more powerful it becomes. The addition of Association of Institutional INVESTORS members' several hundred billion dollars in RMBS holdings to DealVector's already-strong investor base across RMBS, CLOs, CDOs, ABS and leveraged loans means that the network has achieved critical mass. But bigger is always better.

"We launched this initiative with DealVector to encourage all institutional investors to join," said Gidman. "This is a unique opportunity to advance both investor interests and market efficiency."

Investors can sign up at www.DealVector.com/INVESTORS.

About DealVector:

Founded in 2011, DealVector, Inc. (www.dealvector.com) connects fixed income professionals directly to authenticated, non-public holders of specific assets quickly and securely for the first time. DealVector provides both an online registry and communications platform for the $100 trillion, fixed income market that enables fixed income professionals with an interest in a particular bond or loan to quickly locate and communicate with one another. DealVector empowers issuers, investors, advisors and brokers to efficiently address governance and restructuring issues, improve market surveillance, conduct price discovery, source illiquid assets and engage in other activities requiring collective effort.

About Association of Institutional INVESTORS:

The Association of Institutional INVESTORS is an organization of the oldest, largest, and most trusted federally registered investment advisers in the United States. All our members have a fiduciary duty to put their clients' interests first. Put simply, it's not our money. Our member's clients include companies and labor unions, public and private pension plans, mutual funds and 401Ks, and individuals and families who depend on our firms to help them provide for their retirements, to have funds available to educate their family members, to meet other obligations, and to support their financial aspirations. Collectively, the Association's members manage investments for more than 80,000 ERISA pension plans, 401Ks, and mutual funds on behalf of more than 100 million American workers and retirees.