Crisil
Coalition
Greenwich

A Brave New World for Asset Managers—and the Brokers Who Serve Them

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Executive Summary:

By requiring investors to set research budgets based on specific monetary values for the sell-side products and services they consume, the new rules could prompt asset managers to cut back on the number of brokers they use in order to limit a significant new administrative burden. Consequently, independent providers and global bulge-bracket brokers alike could find themselves in the crosshairs. The end result could be a reduction in the amount and quality of research and advisory services available to investors, especially to smaller institutions that could find their investment teams at a severe disadvantage.

Methodology:

In May 2015 Greenwich Associates interviewed 118 buy-side U.S. equity broker liaisons, heads of commission management, and head traders.

Respondents answered a series of qualitative and quantitative questions about the structure of their broker vote process, valuing broker research, and expected influences from the changing regulatory landscape coming out of Europe.

All respondent institutions in Greenwich Associates' Equity Investors research are placed into one of seven tiers, based on their aggregate cash equity commissions generated. Greenwich Associates Priorities are the largest commission generators, comprised of Tiers 1-4.

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We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

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