

2015 Canadian Equity Investors - Canadian Equity Sales, Research & Trading

April 10, 2015

Executive Summary:

This report provides detailed information from investors in Canadian Equities based in Canada, including helpful benchmark data such as:

- Annual Canadian cash equity commissions
- Commission allocation for research & advisory and sales trading services
- Commission allocation for specific research & advisory services
- Commission rates: All-In blended, high-touch, electronic and portfolio trading rates

Graphic slides include:

- Canadian Cash Equity Commissions - Annual Spend into Q1 2015
- Concentration of Canadian Equity Trading Business with Top Five Brokers
- Commission Spend for Research-Advisory vs. Execution - Per Traders
- Percent of Trading Volume Requiring Capital Commitment
- Proportion of Research-Advisory Allocation for Research, Sales & Corporate Access
- Research-Advisory Services That Are Expected to Become More Important in the Next 1-2 Years
- Broker Services Tracked by Institutions
- Preference for Integrated North American Approach to Sector Research
- Use of Commission Sharing Arrangements
- High-Touch vs. Electronic Trading Trends with Larger Accounts
- Most Important Selection Criteria for Algorithmic Trading of Canadian Equities
- Difference Between Actual Spend & Vote-Determined Broker Allocations
- Communication of Broker Research-Advisory Vote to Sell-Side
- Communication of Broker Trading Vote to Sell-Side
- Number of Brokers Used for Canadian Research-Advisory
- Number of Brokers Used for Canadian Equity Trading

Methodology:

Research is based on personal interviews conducted from November 2014 through February 2015 with 60 equity portfolio managers and 59 equity traders. The data in this report is based upon aggregated results from individuals participating in the study.

Buy-side institutional investors were asked to provide quantitative and qualitative evaluations of the brokers they use for Canadian Equities as well as detailed information on important market trends like commission rates, commission allocation, fund performance, and number of brokers used.



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