



RBC Capital Markets

Execution & Unbundling Post-MiFID II

A Global Multi-Asset Market Survey

SEPTEMBER 2018

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CLIENT FEEDBACK SUMMARY

EXECUTION COUNTERPARTIES & TCA



40% of all respondents have decreased the number of execution counterparties they face

This is down from the projections in 2017 where 67% of respondents expected some consolidation

Only 15% of respondents expect to have less than 10 counterparties in 12 months time. Last year 38% of respondents expected to have less than 10

43% of respondents expect in excess of 50% of their trading volume to be electronic in 12 months time

TCA

93% of respondents indicated they are using TCA in their Broker selection process, and **42%** expect to rely on it even more in the next 12 months

TRADING & LIQUIDITY



Trading moving from dark to lit markets

While last year, 34% of respondents expected MiFID II to lead to a decrease in dark trading, our survey indicates that this has not materialised

Only 3% of respondents reported an increase in trading in lit markets as a result of the elimination of BCNs

Similarly, only 14% of respondents decreased their dark trading volumes in response to the double volume caps

Access to Liquidity & Risk

While 43% of respondents continue to be most concerned about their access to liquidity, only 30% reported an actual decrease in liquidity post MiFID II. Additionally, 75% of respondents indicated no change in their use of risk capital

RESEARCH & CORPORATE ACCESS

Research

47% of respondents reported a decrease in their number of research providers, while 44% saw no change. This is in contrast to the 69% last year who anticipated a decrease

64% of respondents expect the research pricing discovery process to continue for at least 2 years which may explain why 48% of respondents reported no change in their research budgets



Corporate Access

46% of respondents have not yet determined the method they will utilize to pay for Corporate Access

BEST EXECUTION & REGULATION

Best Execution

Respondents ranked 'Best Execution Obligations' as the factor that **most** impacted how they trade

Most Important Qualitative Variable for Best Execution:

Equities → Information Leakage

FICC → Dealer Reliability in Pricing

Drivers for Market Structure Change

34% of respondents see further European Regulation as the biggest driver

25% New Venues and Liquidity Fragmentation

18% Shift to Passive Trading/Consolidation

16% Brexit

6% the Development of a Consolidated Tape



GLOBAL MARKET REACTIONS TO MIFID II IMPACTS IN EXECUTION, TRADING AND RESEARCH

Investment Firms Adjust to an Ever Evolving Market Structure

In 2017 RBC Capital Markets published two successful surveys examining buy-side attitudes to and preparedness for MiFID II. These surveys provided insights into how the respondents expected the new rules to impact both their trading relationships and their consumption of investment research. In Q2 of this year, we reengaged our client base to learn how this sweeping regulatory change had impacted them in practice and to ask how they expected the markets would continue to evolve. Over 250 buy-side professionals¹ responded to this latest survey, which included questions on market fragmentation, trading, best execution, research and corporate access.

The results received were incredibly interesting. Concerns evidenced in the 2017 results had not manifested to the extent anticipated, and the emergence of alternative sources of liquidity has illustrated how regulation often results in innovation. The results also highlighted the cross-asset and global reach of MiFID II in relation to both research and corporate access and the pricing uncertainties that still exist with respect to both.

While MiFID II may still be in its relative infancy, it is not too soon to examine the extent to which its primary objectives have been achieved. The key information gathered from our clients provides certain indications as to where the regulation has and has not had its intended effect.

Main Drivers for European Market Structure Change

With many questions relating to the scope and practical implementation of MiFID II still to be answered at the time

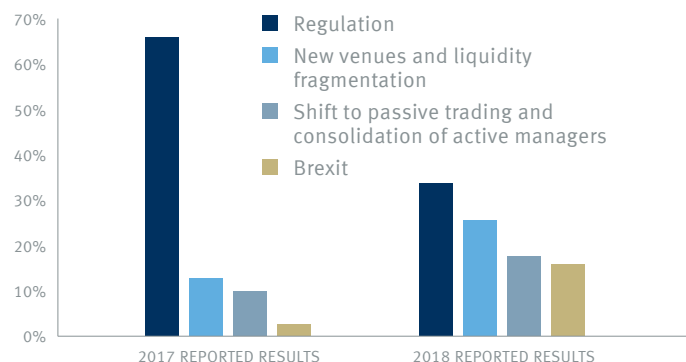
of the 2017 survey, it was perhaps foreseeable that 66% of respondents expected regulation to be the main driver for market structure change in Europe. This year however, while regulation continues to be seen as the most likely driver for change, that number has dropped to 34%, suggesting that the buy-side is now ready to look beyond regulatory factors for market influences. With the proliferation of systematic internalisers (SIs) (there are presently over 100 registered SIs², compared to just 14 at the same time last year), the growth in periodic auction books and the significant increase in block trading, unsurprisingly 26% (up from 13% last year) chose market fragmentation and the utilisation of new trading venues as a main driver for change. Increasing concerns around the UK's withdrawal from the EU were also evident, with 16% of respondents selecting Brexit, up from 3% in 2017.

Execution Counterparties and TCA

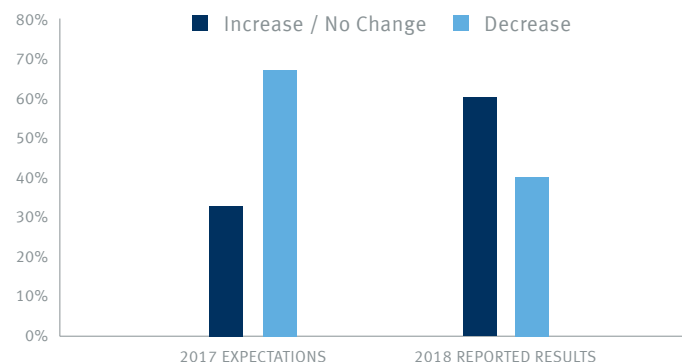
40% of respondents reported a decrease in the number of execution counterparties they face, compared to 67% who anticipated a decrease in our 2017 survey. 45% reported no change and 15% reported some increase.

These outcomes are in line with the number of execution counterparties that respondents expect to transact with in 12 months' time. 58% of respondents expect to trade with more than 20 counterparties and only 15% expect that number to be fewer than 10. In comparison, when we asked our client base to consider the number of counterparties they would face in 18 months as part of our 2017 survey, 38% of respondents anticipated having fewer than 10 and only 28% expected that number to exceed 20.

MAIN DRIVERS FOR MARKET STRUCTURE CHANGE IN EUROPE OVER THE NEXT 2 YEARS



NUMBER OF EXECUTION COUNTERPARTIES



1. Respondents may consist of multiple members of the same firm. 2. ESMA SI Register

This may be as a result of the fact that the two main requirements that were expected to contribute to the consolidation of execution counterparties - (i) post-trade reporting and (ii) research unbundling - were less impactful than anticipated. Many banks decided to opt-in to the SI regime, thus assuming the post-trade reporting obligation, and as set out later in this summary, the consolidation of research providers has not been as acute as expected.

The results also indicate a continuing shift to electronic trading. 43% of respondents expect that more than 50% of their trading volume will be electronic in 12 months' time. This is in line with the results we received in 2017 when 40% of respondents expected an increased electronic trading bias.

One factor that the results suggest will have a greater effect than expected on the broker selection process is the regulatory focus on best execution. 93% of respondents are utilizing Transaction Cost Analysis (TCA) in their broker selection process (up from 78% last year) and of those respondents 46% anticipated using it to a greater extent over the next 12 months. Interestingly, when we examined the responses on this matter from Multi-Asset and FICC respondents only, 57% indicated that they intended to place a greater reliance on TCA, illustrating how enhanced best execution obligations are transforming the fixed income investment process.

Trading and Access to Risk

One of the main objectives of MiFID II was to move trading volume from dark to lit markets through measures such as the elimination of Broker Crossing Networks (BCNs) and the implementation of the double volume caps on dark pool trading (DVCs). However, when we asked our client base how the elimination of BCNs had most affected their trading only 3% of respondents said they have increased their use of lit markets, while 45% had seen no change.

Similarly, when we asked how the implementation of the DVCs had changed trading decisions, 50% reported no change and only 14% of respondents reported a decrease in dark trading.

These results indicate that despite the potential market disruption concerns that existed prior to Jan 3rd, market participants have adapted their practices and have continued to find liquidity away from the lit markets.

For example, as a result of the elimination of BCNs, 9% of respondents reported an increased use of SIs, 12% reported

Elimination of Broker Crossing Networks – only 3% of respondents reported a decrease in Dark trading

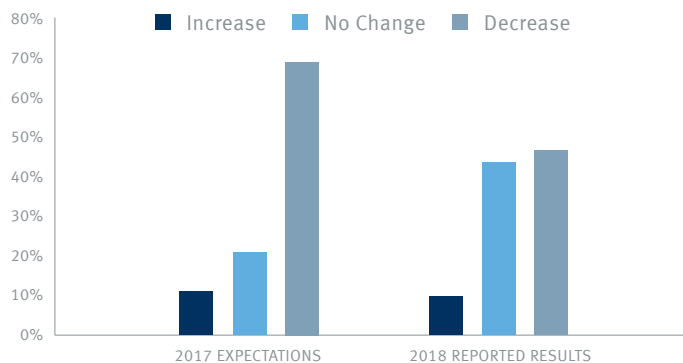
Double Volume Dark Pool Trading Caps – only 14% of respondents reported a decrease in Dark trading

an increased use of periodic auctions and 17% reported an increased use of Large in Scale (LIS). Similarly, in response to the DVCs, 20% of respondents reported an increase in LIS trading. These results are also illustrative of how some of MiFID's objectives, in this case best execution and transparency, may at times be at odds with one another.

Another concern previously expressed in relation to the elimination of BCNs was the impact on the buy-side's ability to access risk and block liquidity. Last year, 53% of respondents indicated that they expected the elimination of BCNs to impact the manner in which they accessed block liquidity. This year however, when we asked how MiFID II affected their use of risk capital, 75% of respondents reported no change.

This sentiment was also reflected in the response we received when we asked our client base what, from a trading perspective, was their greatest concern: only 2.5% of respondents chose 'access to risk'. Instead, 'access to liquidity' came out on top at 43%, followed by 'regulatory compliance' at 20%, 'market fragmentation' at 12% and 'increased volatility' at 7%. This is in stark contrast to last year when 75% of our respondents viewed market fragmentation as their greatest concern. Interestingly while access to liquidity ranked highest at 43%, only 30% of respondents reported a decrease in liquidity in the first quarter of this year, suggesting that a degree of trepidation remains.

NUMBER OF RESEARCH PROVIDERS



Research and Corporate Access

The unbundling of research and corporate access from the payment for execution services was expected to have profound effects on the buy-side and sell-side both in Europe and globally. Our survey indicated that 33% of respondents reported a year-on-year decrease in their research budgets and 47% reported a year-on-year decrease in the number of research providers they are utilising. These decreases however were not as marked as expected – in 2017 those results were 61% and 69% respectively.

The disparity between the anticipated and actual year-on-year decrease in the number of research providers may be explained by a number of developments. Firstly, the last few months of 2017 saw a sharp decrease in the prices quoted by some institutions for access to their research portals, which meant that budgets could stretch further than initially expected. Secondly, the emergence of a variable payment model for research, which allows the buy-side to assess the value of the research they have consumed and pay for it in arrears, enabled the buy-side to continue research relationships with providers without having to agree a firm upfront figure. With the research pricing regime still in flux, both of these developments were well received by the market. Our survey indicates that such pricing uncertainty continues to exist - when we asked our client base how long they expected the research pricing discovery process to last, 64% of respondents indicated between 2-3 years and 30% were undecided.

In relation to fixed-income, where market participants were most unaccustomed to paying for research, 60% of such respondents indicated that they found research to be significantly important

to their investment process. When we asked if they were utilising the option to access free written FICC/Macro-Economic research, 79% said yes, however 25% of those respondents were unsure whether they would continue to be able to do so in the future. Interestingly, 60% of fixed income investors indicated that where they were accessing free written materials, they were not paying those providers for any other FICC/Macro-Economic research services, e.g.: analyst meetings/calls.

The responses we received also reflected the growing consensus that some level of research unbundling is expected to take effect globally in the next few years. When we asked our non-MiFID clients whether they would consider paying for research in the United States via P&L or a Research Payment Account if permitted by the SEC, only 23% indicated no. 16% responded that they would or would consider it and 61% required more information. Additionally, when we asked those same respondents whether they had or were planning to engage their research providers on pricing, 22% said yes, while a further 30% remained undecided. Already 37% of our North American respondents reported some decrease in the number of research providers they were using, year-on-year.

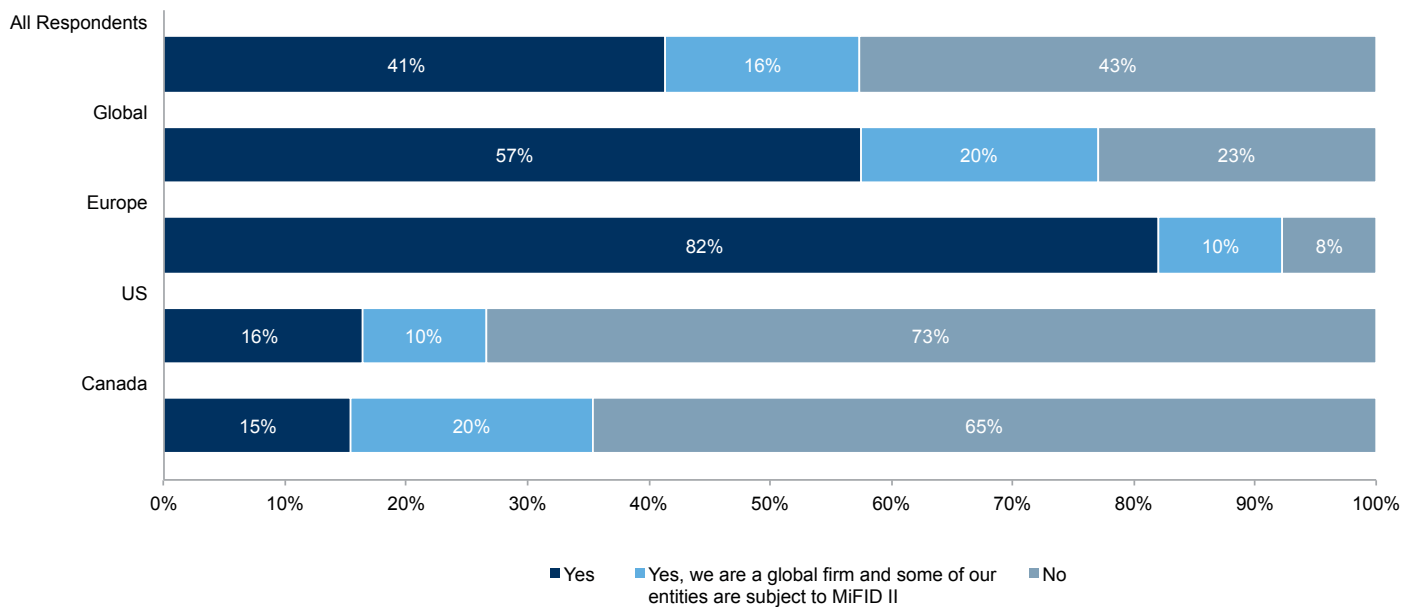
As expected our survey illustrated a shift in the research payment mechanisms being utilised, with 25% of respondents indicating they were paying for research via P&L, which is a large increase from last year when that number was 9%. Of our global respondents, 45% indicated they were using P&L, but on the assumption global clients have ring-fenced their MiFID entities, we would expect this number to grow when/if other regions allow for hard dollar payments.

Another service directly affected by the MiFID II unbundling provisions is corporate access, but significant ambiguity remains with respect to pricing and payment mechanisms. 49% of respondents reported allocating up to 10% of their broker spend to corporate access, and 23% of respondents (mainly non-EEA) indicated allocating more than 20%. Yet 46% of all our respondents indicated that at present they had not determined how they were paying for corporate access. Interestingly, 11% of respondents reported paying via an annual subscription fee.

Overall, our results illustrate that while it may be some time before the implementation of MiFID II can be considered complete and its effects are fully felt and understood, as is often the case, the market has adjusted to this new regulatory landscape with less disruption than initially anticipated.

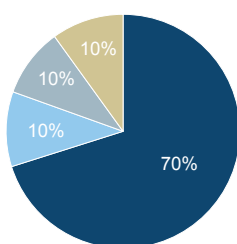
SURVEY RESPONDENT PROFILE

ARE YOU, OR ANY PART OF YOUR GROUP, SUBJECT TO MIFID II?



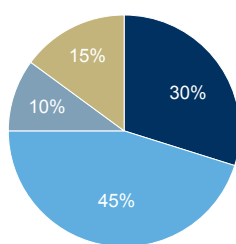
WHICH OF THE FOLLOWING BEST DESCRIBES YOUR FIRM?

- Asset manager
- Hedge fund
- Bank
- Other



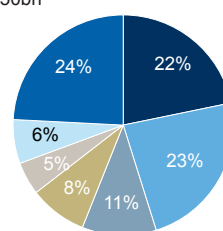
WHICH OF THE FOLLOWING BEST DESCRIBES YOUR ROLE?

- Execution/Trader/Dealer
- Portfolio Manager/Analyst
- COO/Broker Liaison
- Other



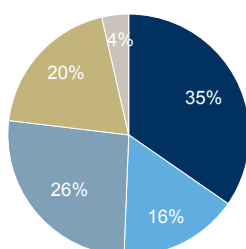
WHAT IS THE APPROXIMATE VALUE OF YOUR FIRM'S ASSETS UNDER MANAGEMENT (USD AUM)?

- Less than \$1bn
- \$1bn - \$10bn
- \$10bn - \$25bn
- \$25bn - \$50bn
- \$50bn - \$100bn
- \$100bn - \$150bn
- Above \$150bn



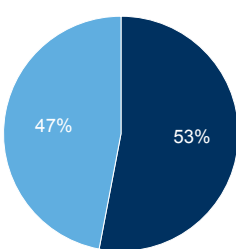
WHICH REGION DO YOU OPERATE IN?

- Global
- Europe
- Canada
- US
- Asia Pacific



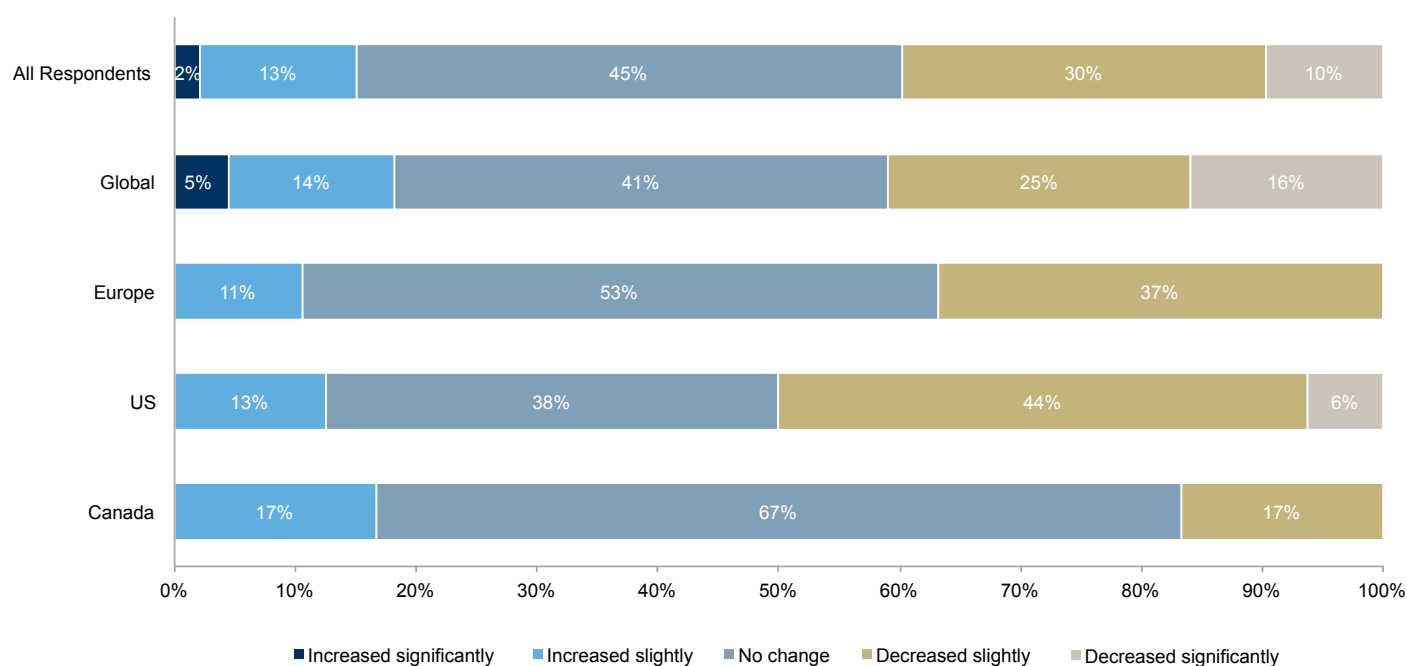
WHICH ASSET CLASSES WILL YOU CONSIDER IN YOUR RESPONSE TO THIS SURVEY?

- Equities
- Multi-Asset/FICC

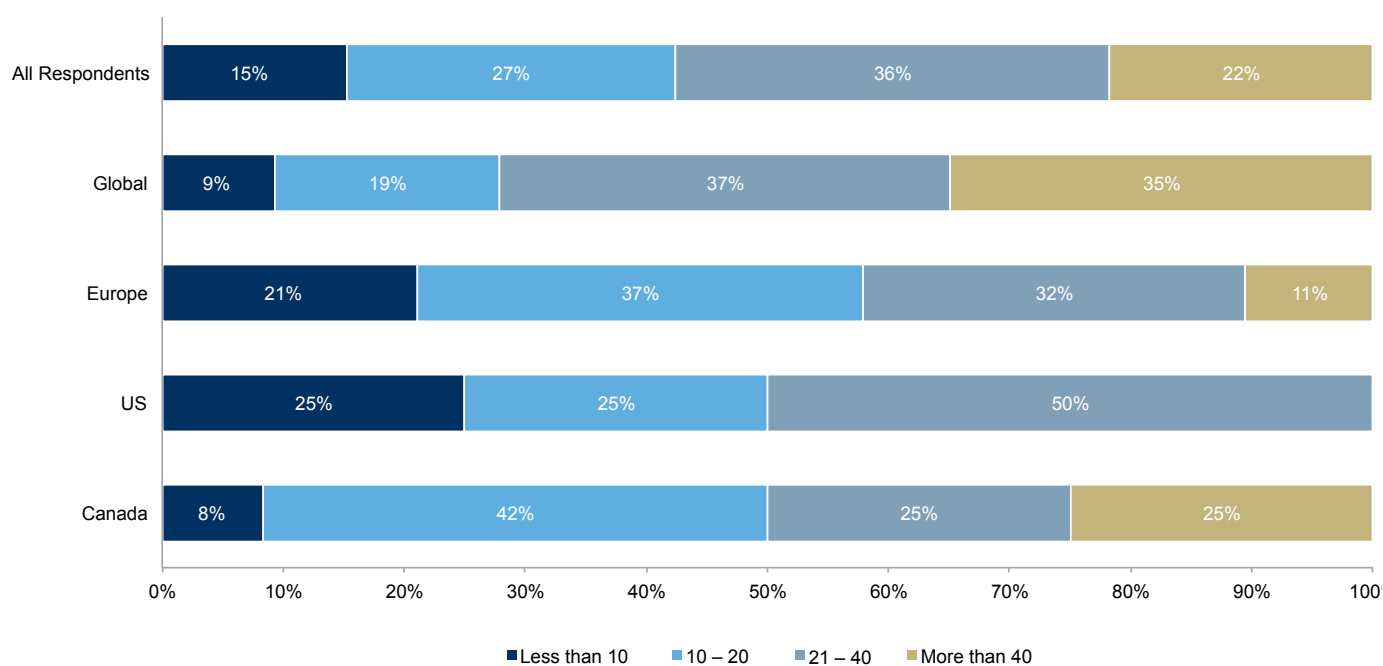


EXECUTION & TRADING SURVEY RESULTS

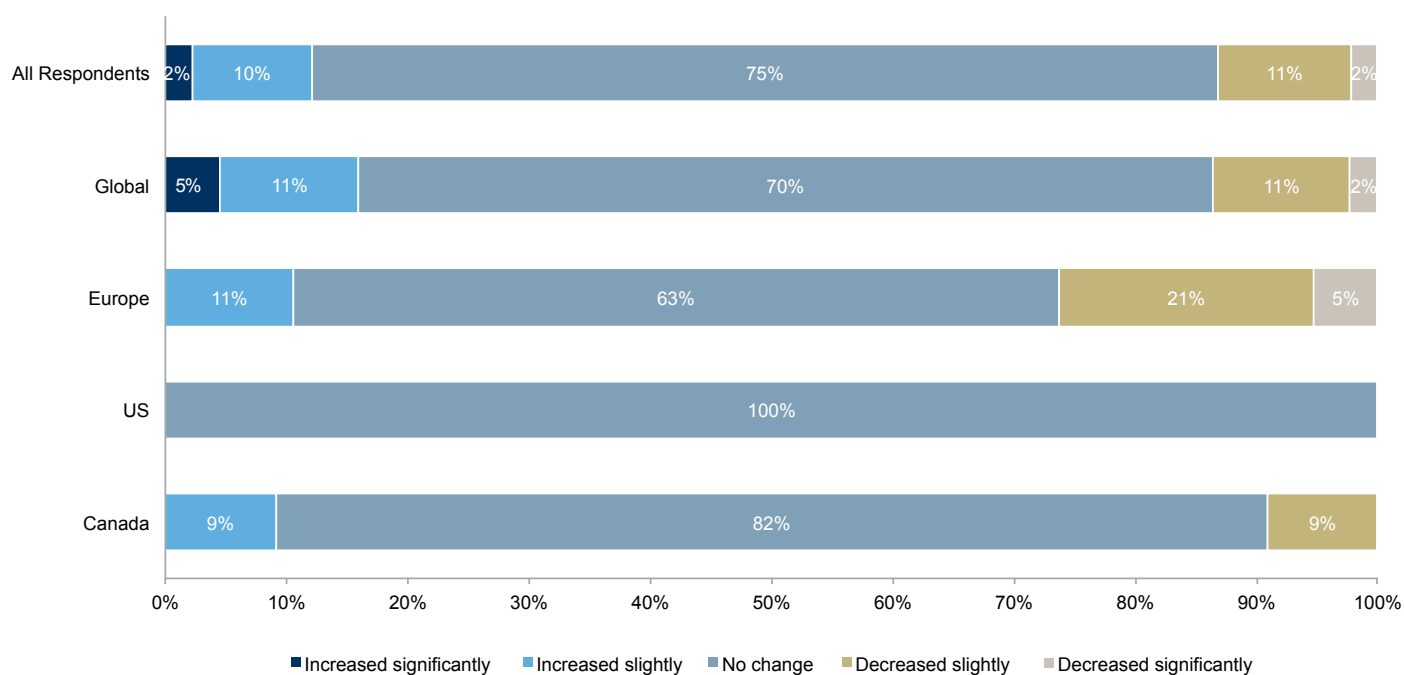
HOW DOES THE NUMBER OF EXECUTION COUNTERPARTIES YOU'VE FACED IN THE FIRST QUARTER OF 2018 COMPARE TO 12 MONTHS AGO?



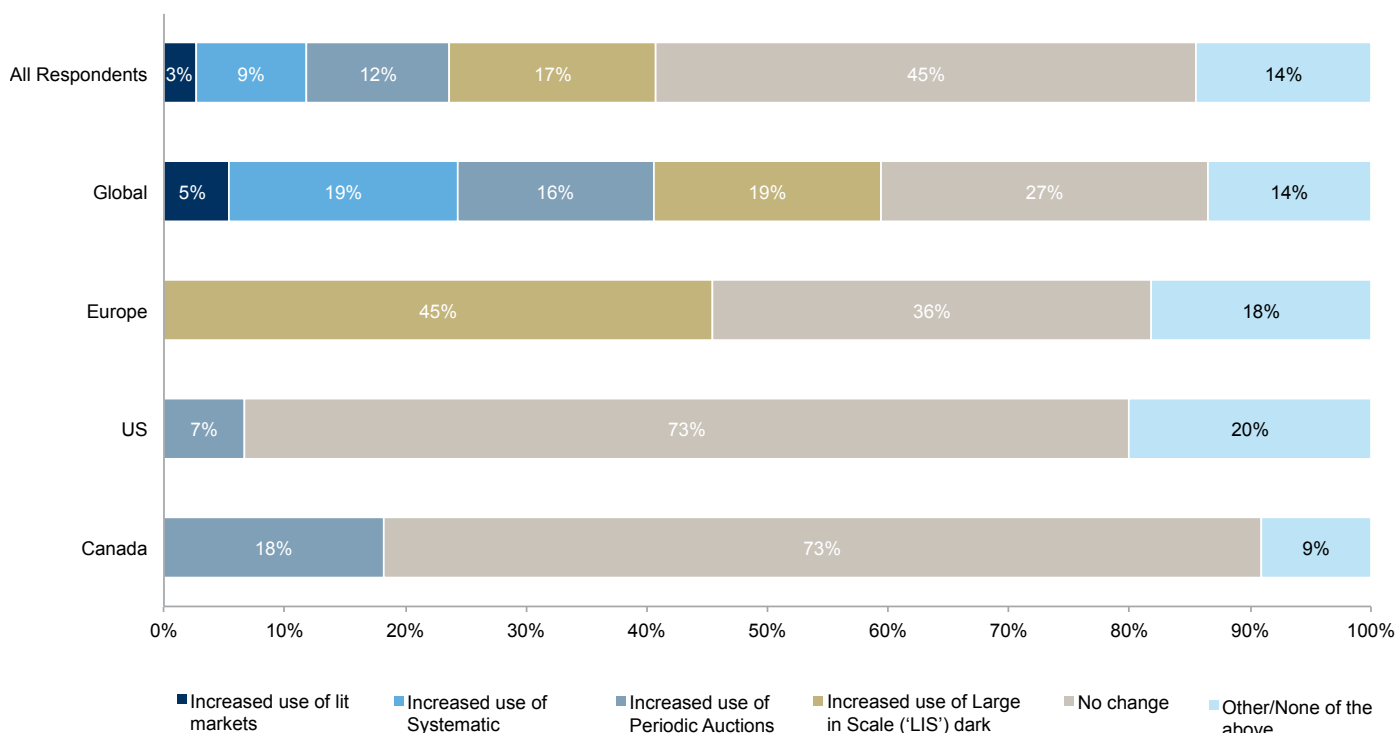
HOW MANY EXECUTION COUNTERPARTIES DO YOU EXPECT YOU WILL HAVE 12 MONTHS FROM NOW?



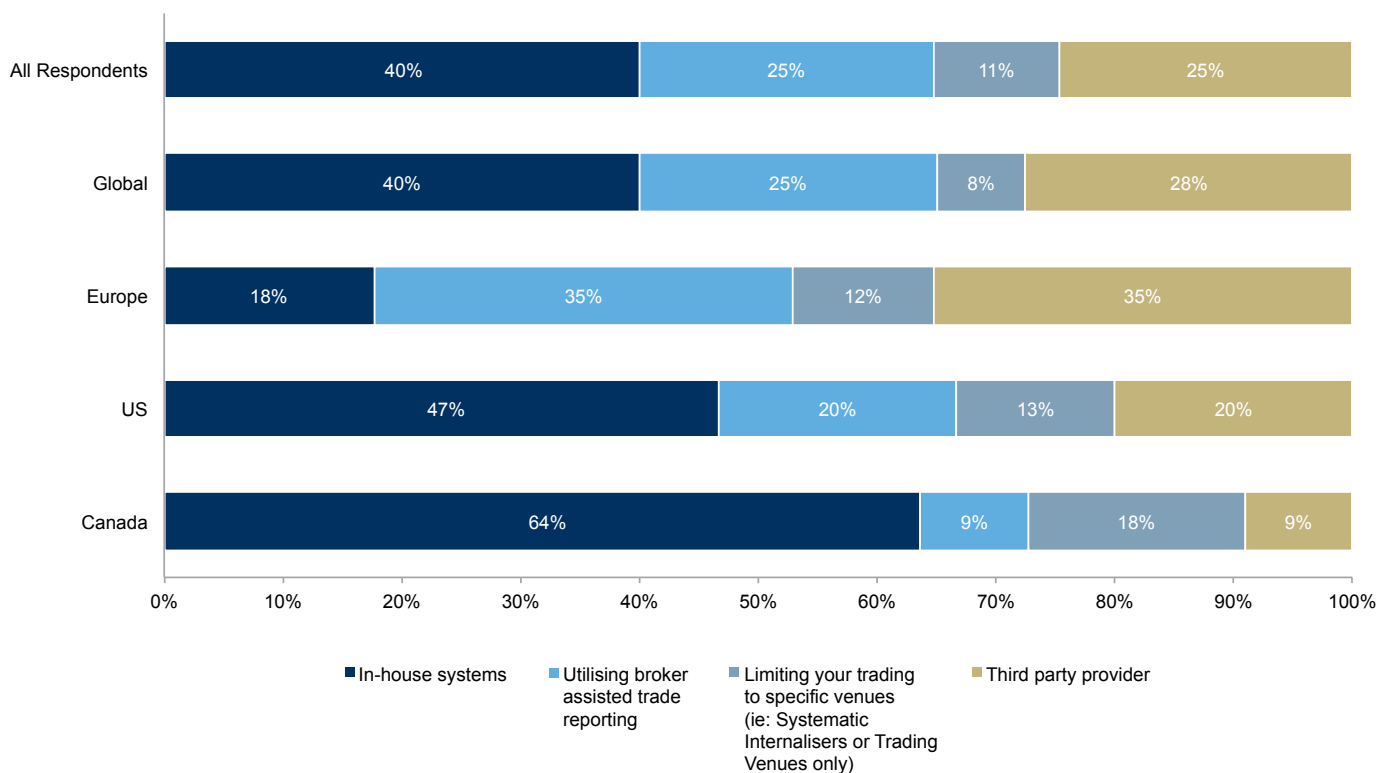
POST MIFID II, HOW HAS YOUR USE OF RISK CAPITAL CHANGED?



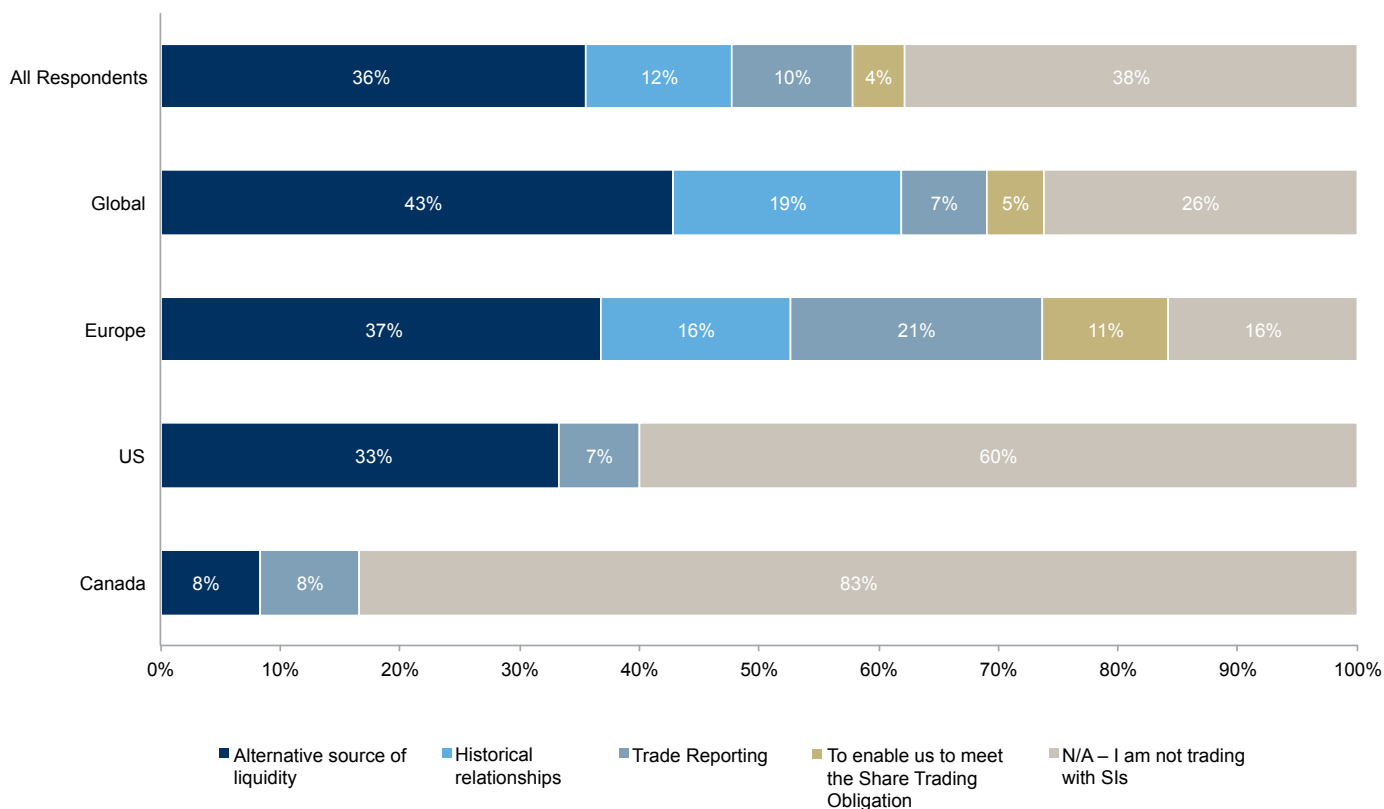
THE ELIMINATION OF BROKER CROSSING NETWORKS HAS MOST AFFECTED YOUR TRADING IN THE FOLLOWING WAY:



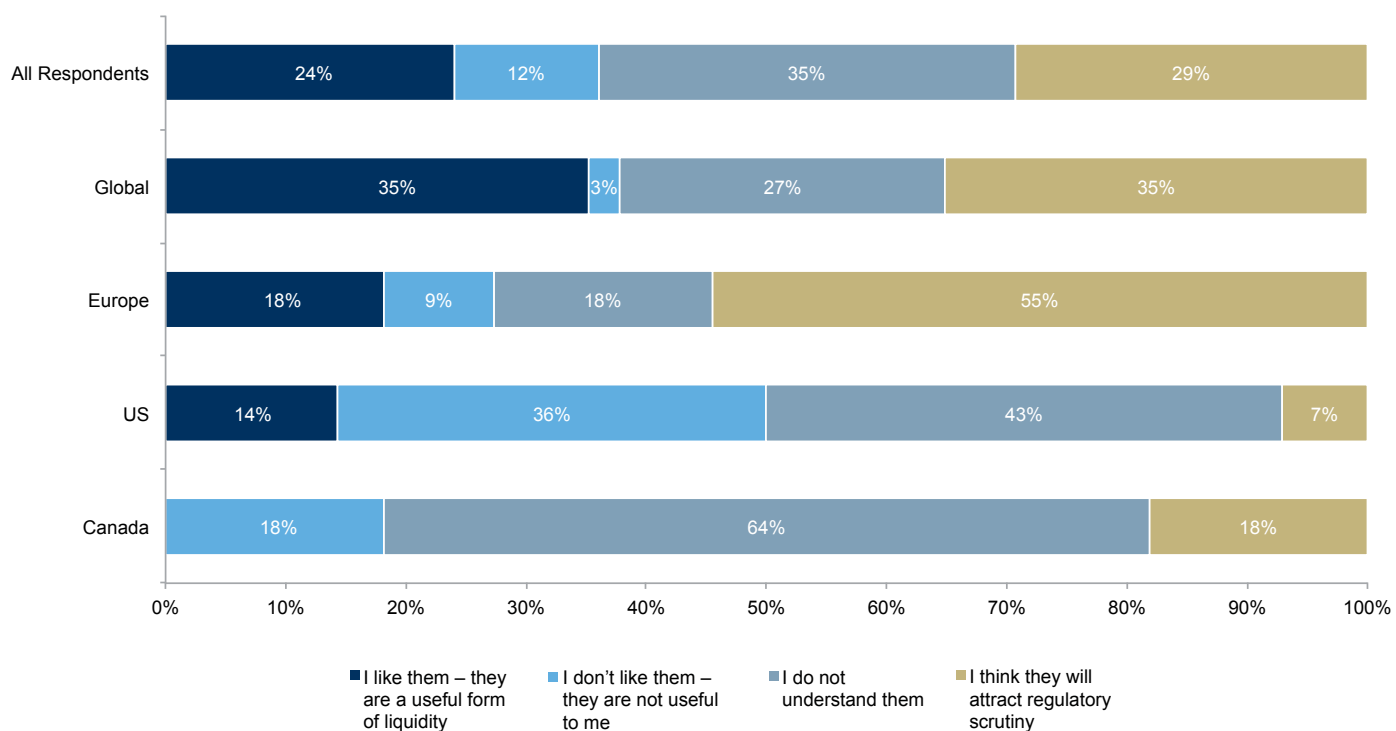
HOW ARE YOU MEETING YOUR TRADE REPORTING OBLIGATIONS?



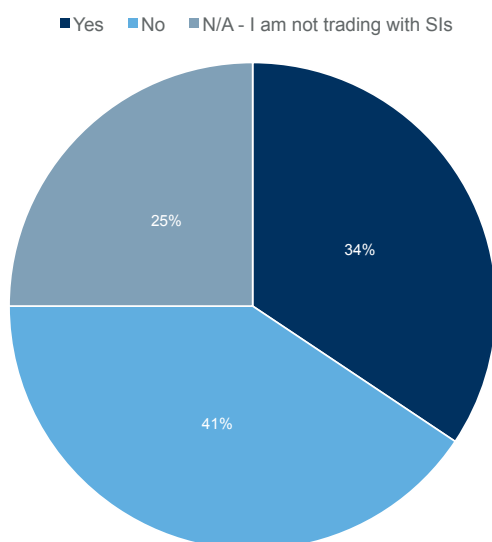
WHY ARE YOU TRADING WITH SYSTEMATIC INTERNALISERS (SIS)?



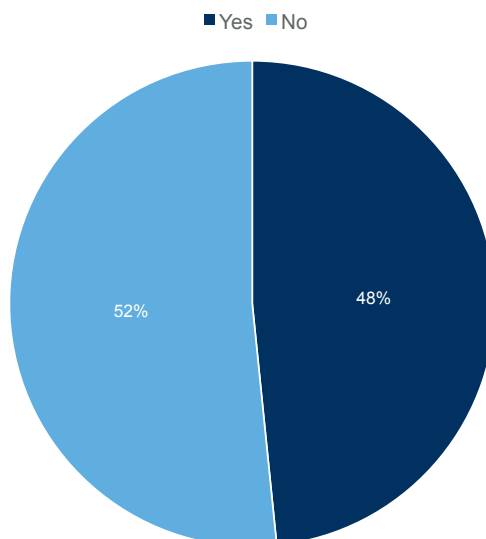
WHAT IS YOUR VIEW OF PERIODIC AUCTIONS? – EQUITIES & MULTI-ASSET ONLY



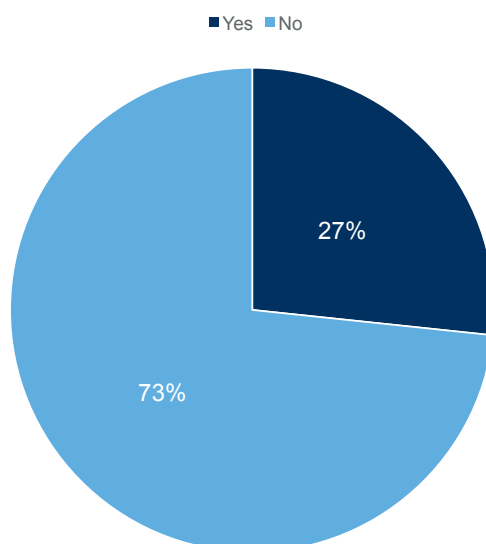
POST MIFID II, ARE YOU TRADING DIRECTLY WITH SIS RATHER THAN USING PLATFORMS? – FICC & MULTI-ASSET ONLY



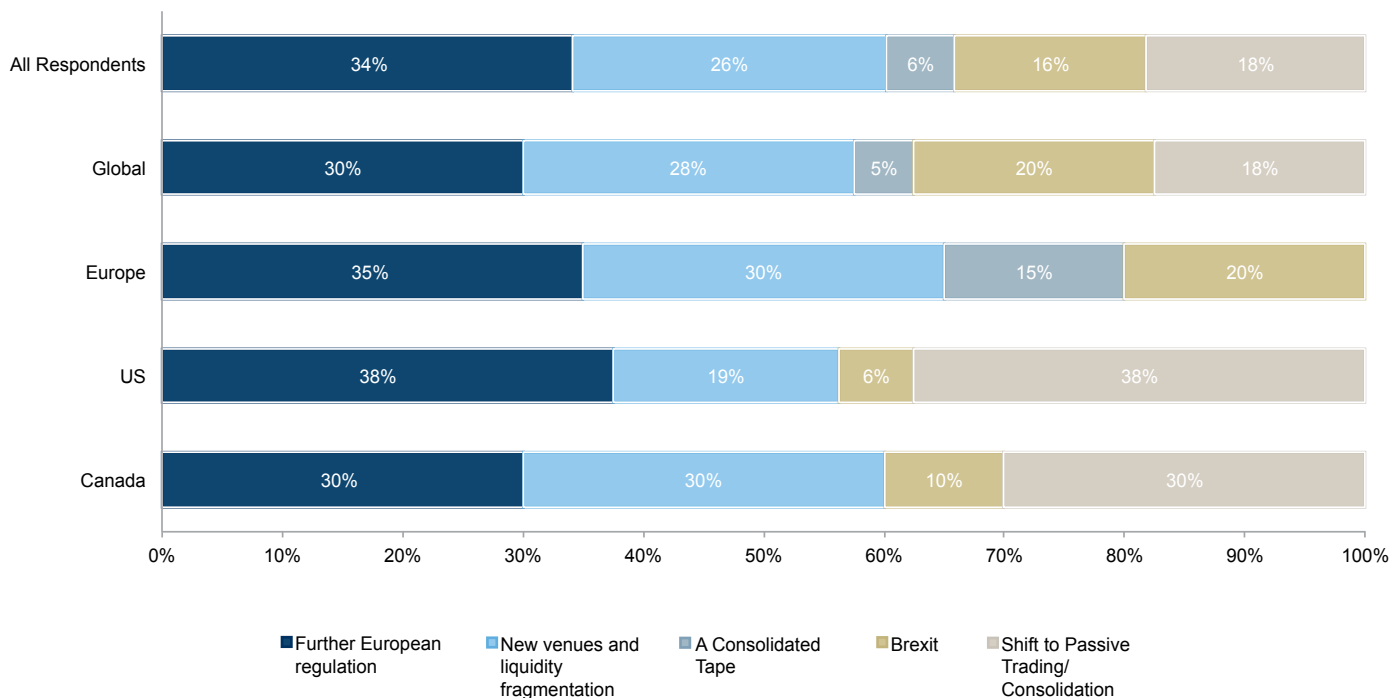
ARE YOU LOOKING FOR DIRECT API (IE: FIX CONNECTIONS) ACCESS TO BANKS' LIQUIDITY TO AID IN EXECUTION/REPORTING OPTIMIZATION?
– FICC & MULTI-ASSET ONLY



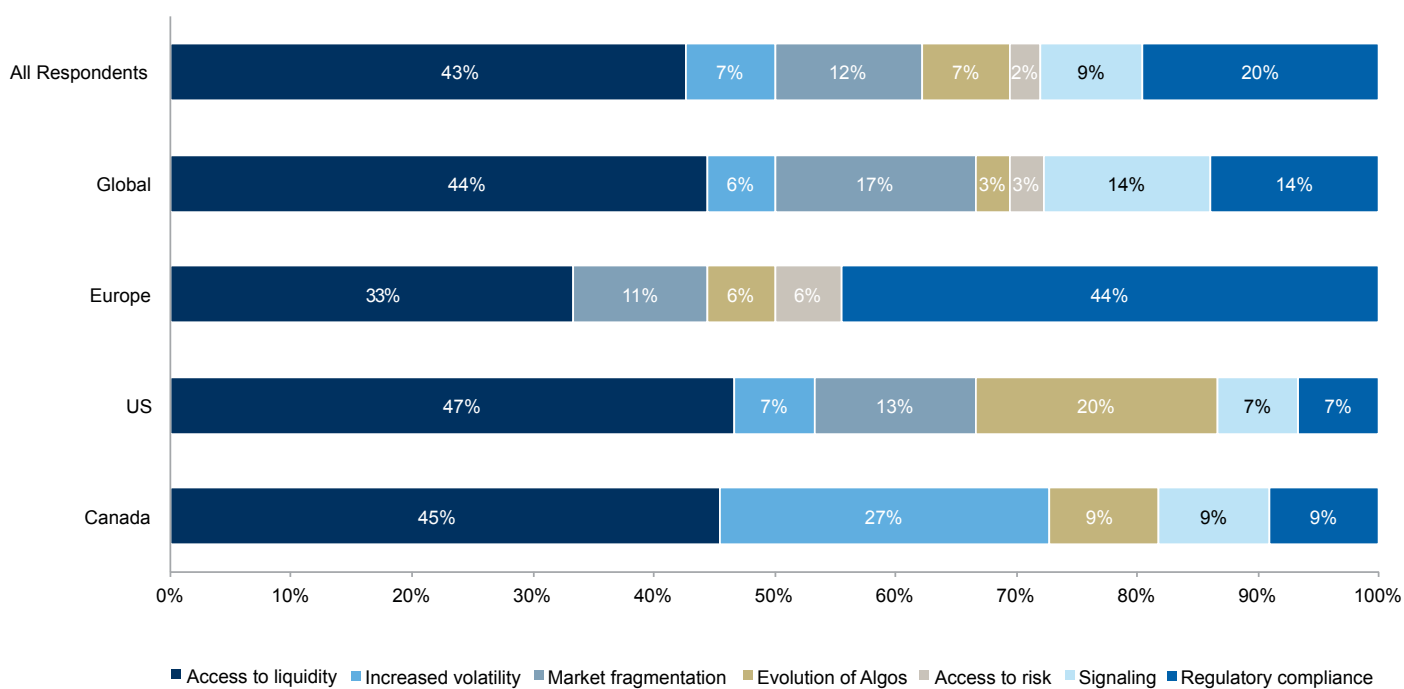
AS IRS TRADES ARE MANDATED TO CLEAR ON MTF/SEFS ARE YOU ABLE TO EXECUTE WITHOUT THE NEED FOR ISDA/CSAS?
– FICC & MULTI-ASSET ONLY



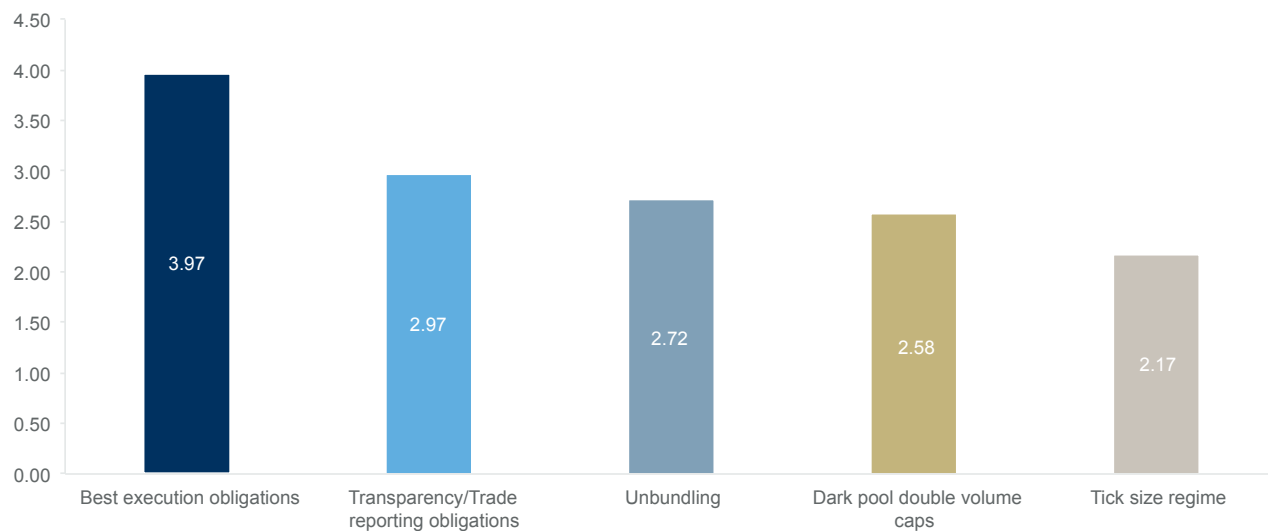
WHAT DO YOU EXPECT WILL BE THE MAIN DRIVER FOR MARKET STRUCTURE CHANGE IN EUROPE OVER THE NEXT 2 YEARS ?



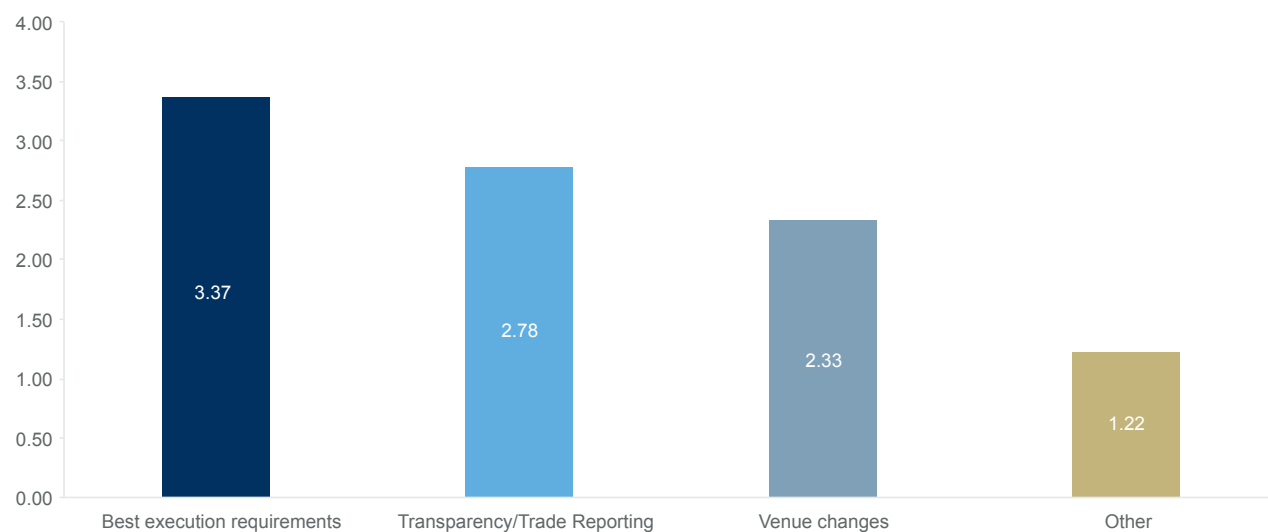
FROM A TRADING PERSPECTIVE, WHICH OF THE FOLLOWING IS YOUR GREATEST CONCERN AT PRESENT?



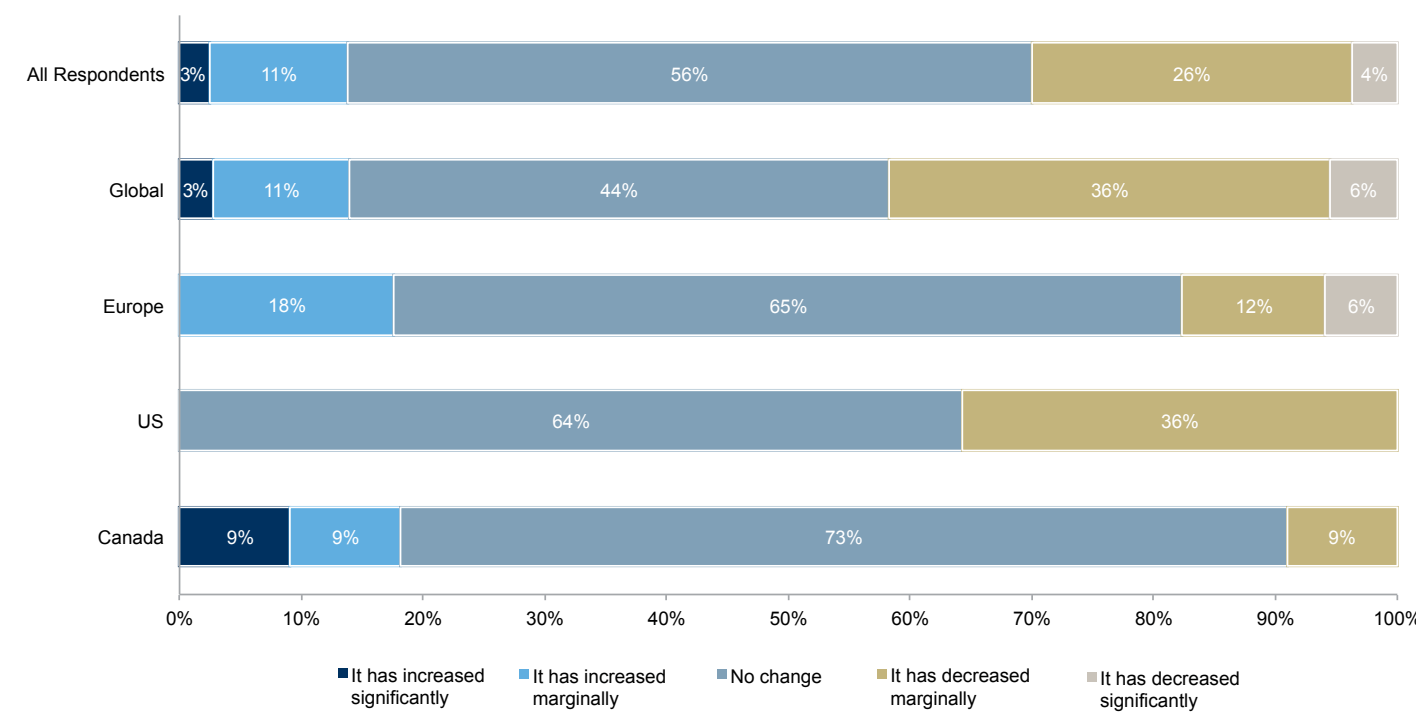
PLEASE RANK THE FOLLOWING ISSUES IN ORDER OF HOW THEY HAVE IMPACTED HOW YOU TRADE (WHERE 5 IS THE GREATEST IMPACT AND 1 IS THE LOWEST IMPACT). – EQUITIES & MULTI-ASSET ONLY



PLEASE RANK THE FOLLOWING ISSUES IN ORDER OF HOW THEY HAVE IMPACTED HOW YOU TRADE (WHERE 4 IS THE GREATEST IMPACT AND 1 IS THE LOWEST IMPACT). – FICC & MULTI-ASSET ONLY

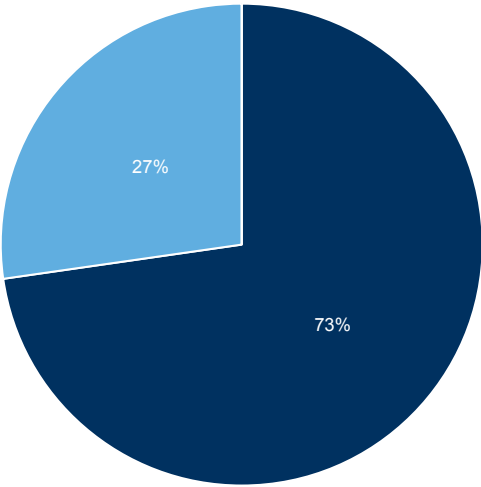


HOW HAS MIFID II IMPACTED LIQUIDITY?



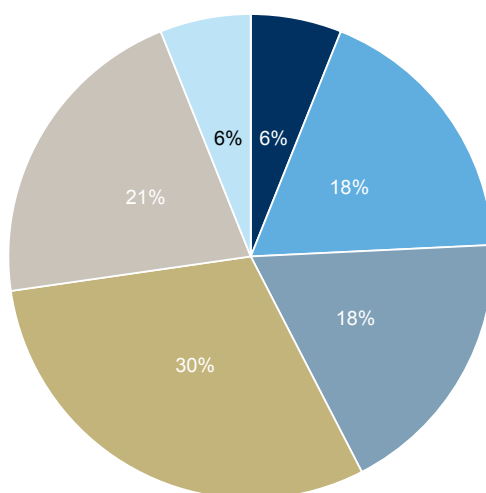
DO YOU HAVE A CENTRALIZED EXECUTION DESK? – FICC & MULTI-ASSET ONLY

■ Yes ■ No ■ Not at present, but we will move to a centralized model in the next 12 months



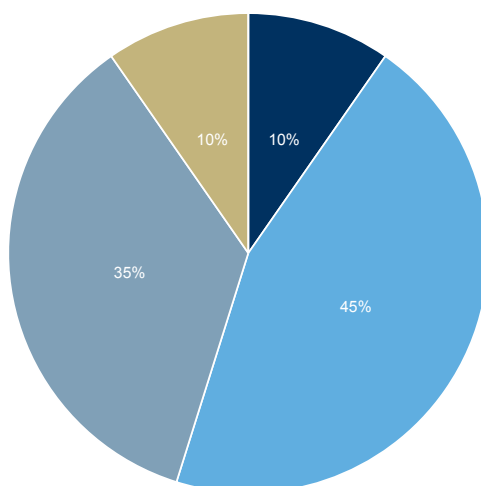
HOW DOES YOUR TRADING VOLUME IN THE FIRST QUARTER OF 2018 COMPARE TO 12 MONTHS AGO?

■ Increased by more than 25% ■ Increased by 11% to 25% ■ Increased by up to 10% ■ No change
 ■ Decreased by up to 10% ■ Decreased by 11% to 25% ■ Decreased by more than 25%

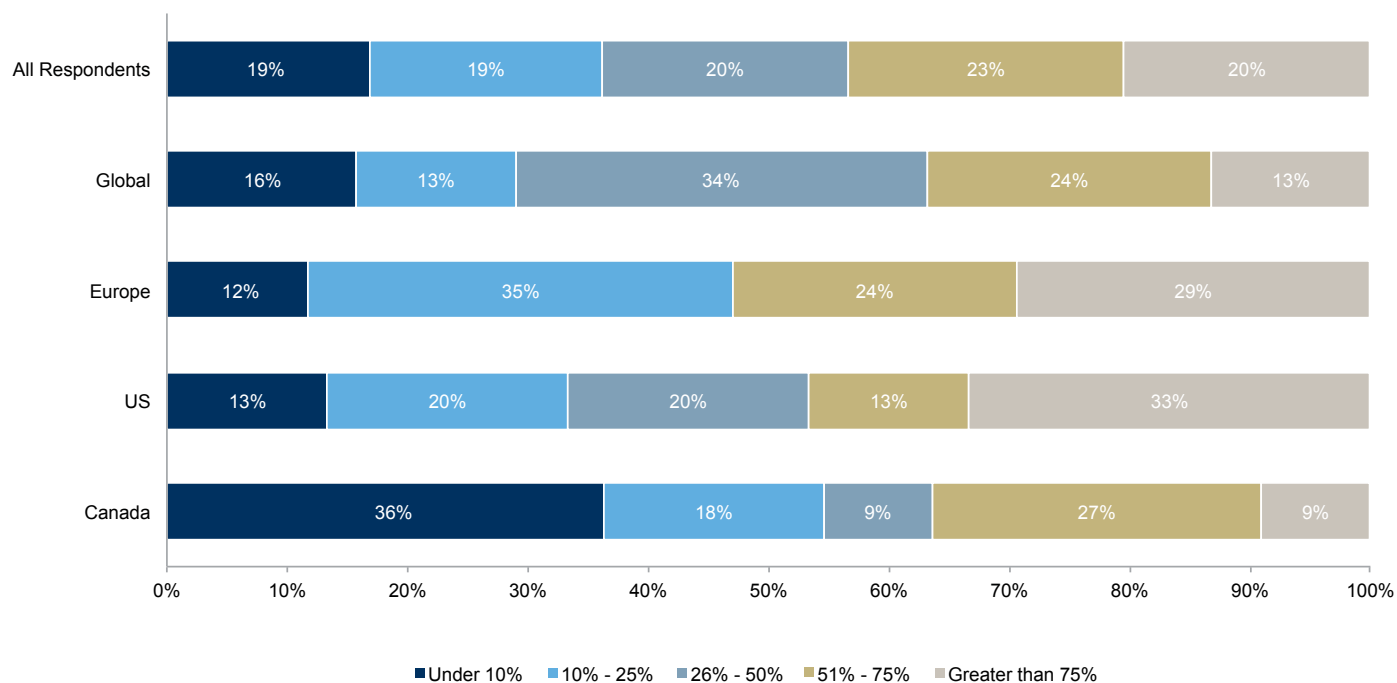


HOW DOES YOUR ELECTRONIC TRADING VOLUME IN THE FIRST QUARTER OF 2018 COMPARE TO 12 MONTHS AGO?

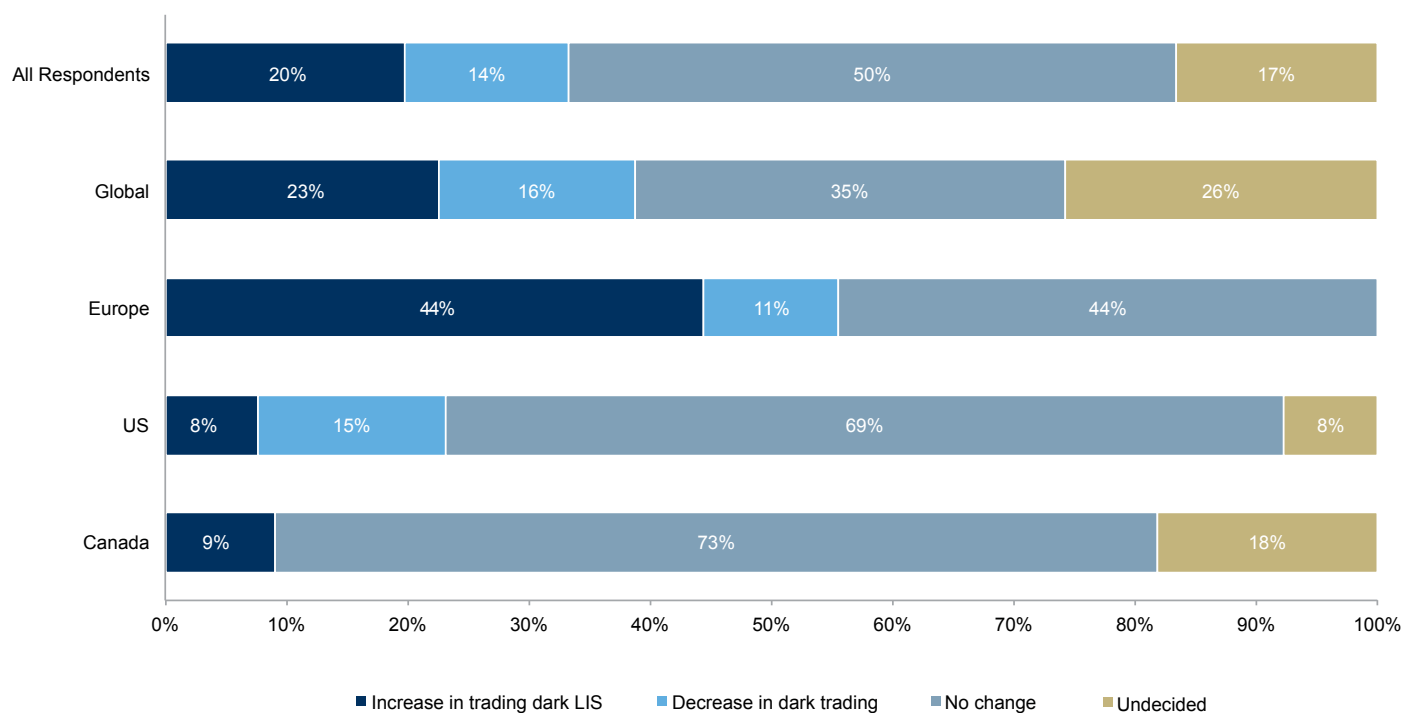
■ Increased significantly ■ Increased slightly ■ No change ■ Decreased slightly ■ Decreased significantly



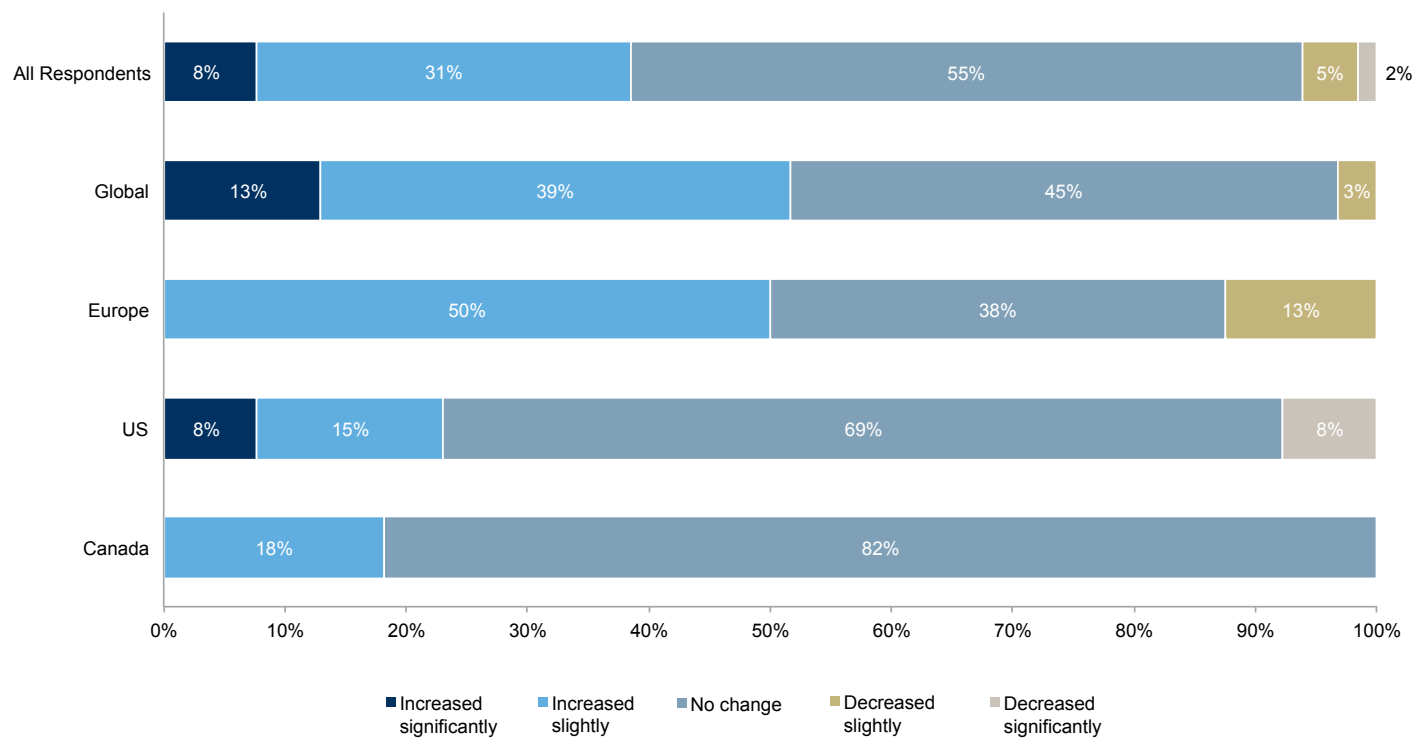
WHAT PROPORTION OF YOUR TRADING VOLUME DO YOU EXPECT WILL BE ELECTRONIC 12 MONTHS FROM NOW?



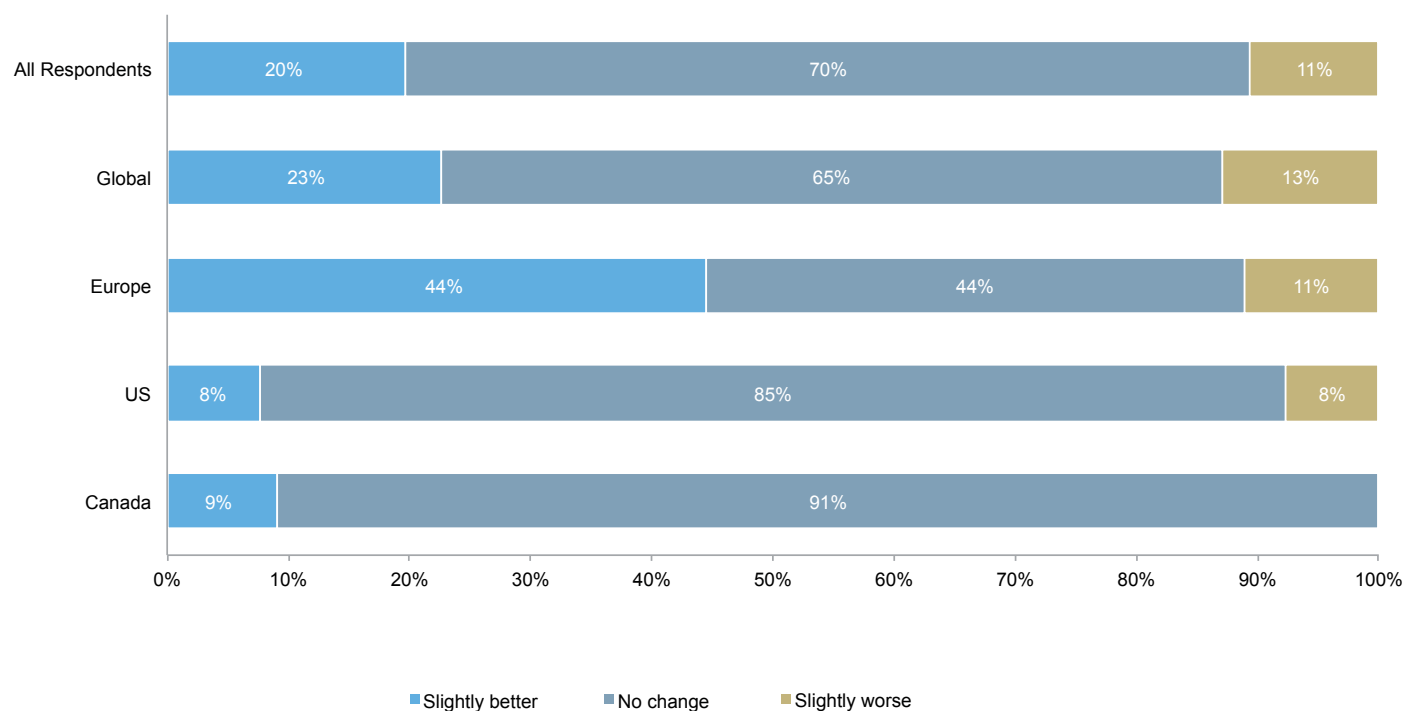
HOW HAS THE IMPLEMENTATION OF DARK POOL DOUBLE VOLUME CAPS CHANGED YOUR TRADING? – EQUITIES & MULTI-ASSET ONLY



HOW DOES YOUR LIS TRADING VOLUME IN THE FIRST QUARTER OF 2018 COMPARE TO 12 MONTHS AGO? – EQUITIES & MULTI-ASSET ONLY

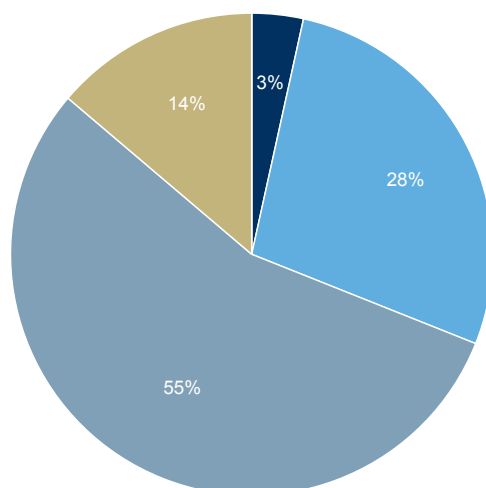


HOW HAS THE IMPLEMENTATION OF THE DARK POOL DOUBLE VOLUME CAPS AFFECTED THE EXECUTION YOU'VE RECEIVED ON LIS ORDERS IN DARK POOLS? – EQUITIES & MULTI-ASSET ONLY



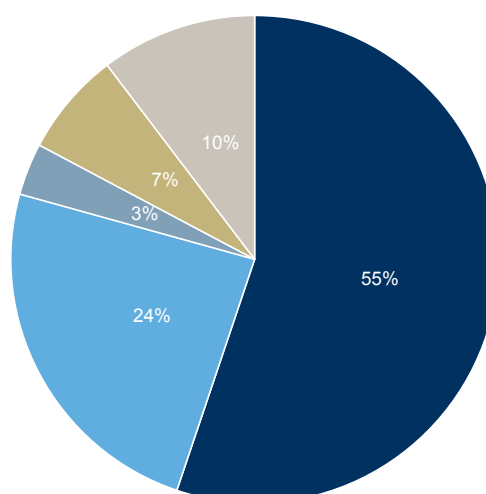
HOW DOES YOUR BLOCK TRADING VOLUME IN THE FIRST QUARTER OF 2018 COMPARE TO 12 MONTHS AGO? – FICC & MULTI-ASSET ONLY

■ It has increased significantly ■ It has increased slightly ■ No change ■ It has decreased slightly ■ It has decreased significantly

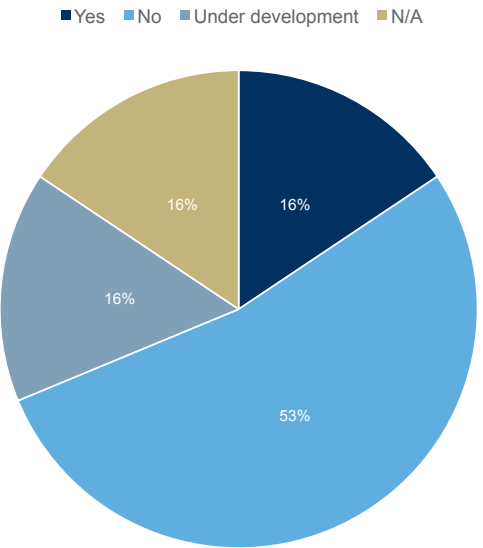


HOW MUCH OF THE VOICE BUSINESS YOU EXECUTE IS DONE VIA PROCESS TRADES? – FICC & MULTI-ASSET ONLY

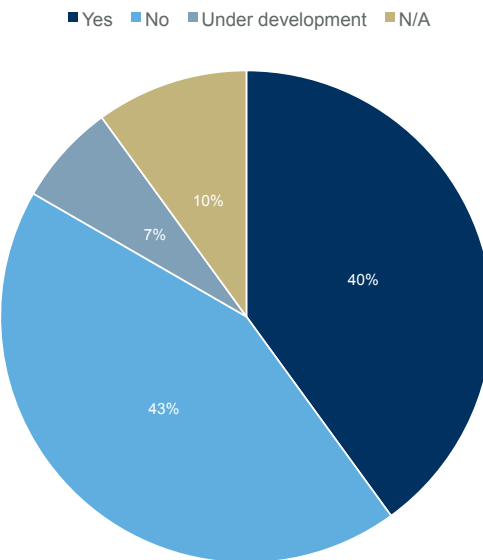
■ <25% ■ 25-40% ■ 41-60% ■ 61-80% ■ >80%



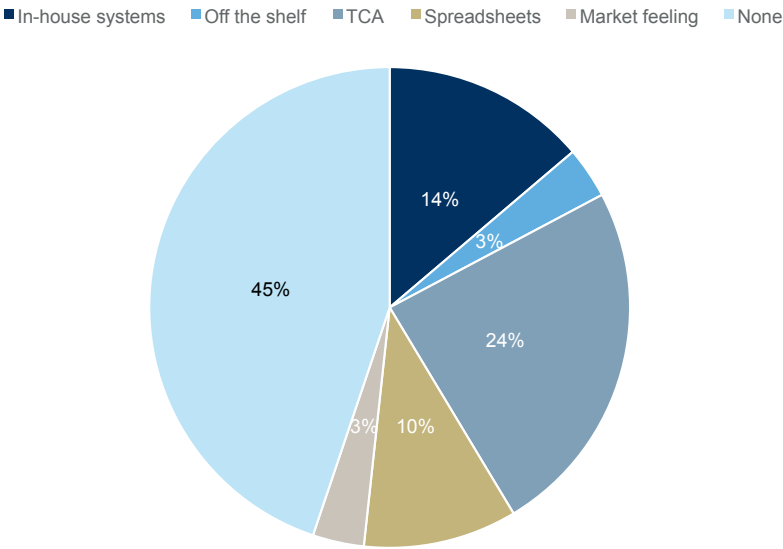
ARE YOU DEVELOPING YOUR ORDER MANAGEMENT SYSTEM (OMS) TO RECEIVE DEALER AXES? – FICC & MULTI-ASSET ONLY



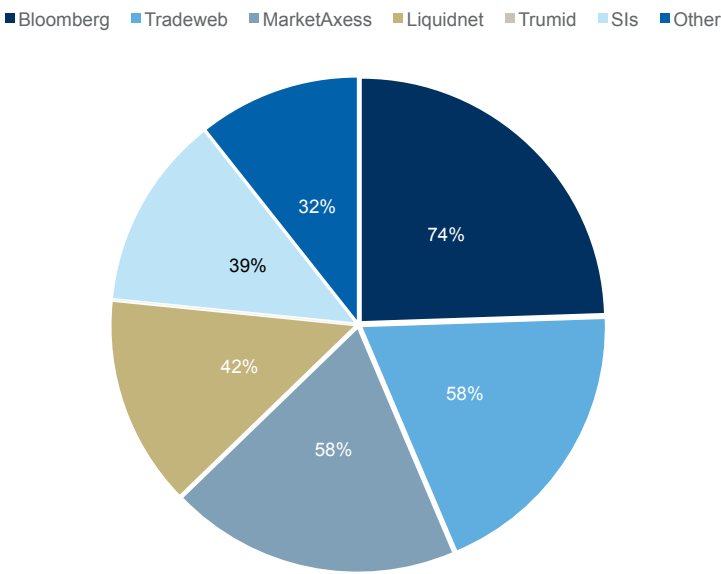
DO YOU HAVE AN EXECUTION MANAGEMENT SYSTEM (EMS) IN ADDITION TO YOUR OMS? – FICC & MULTI-ASSET ONLY



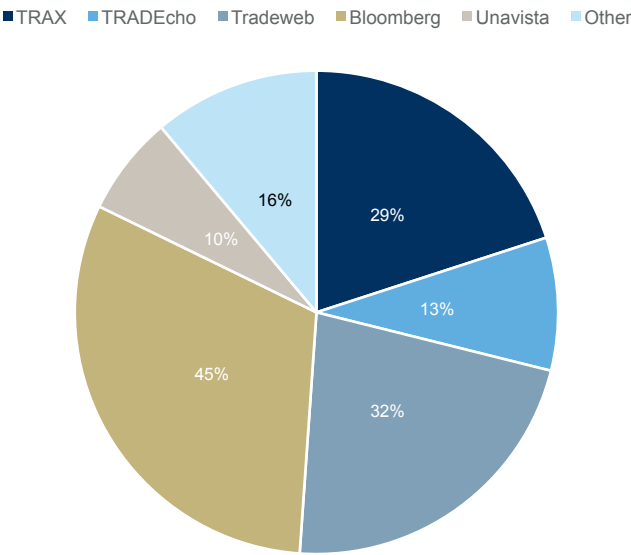
WHAT KIND OF AI OR MACHINE LEARNING ARE YOU UTILIZING TO AID IN THE DECISION MAKING PROCESS? – FICC & MULTI-ASSET ONLY



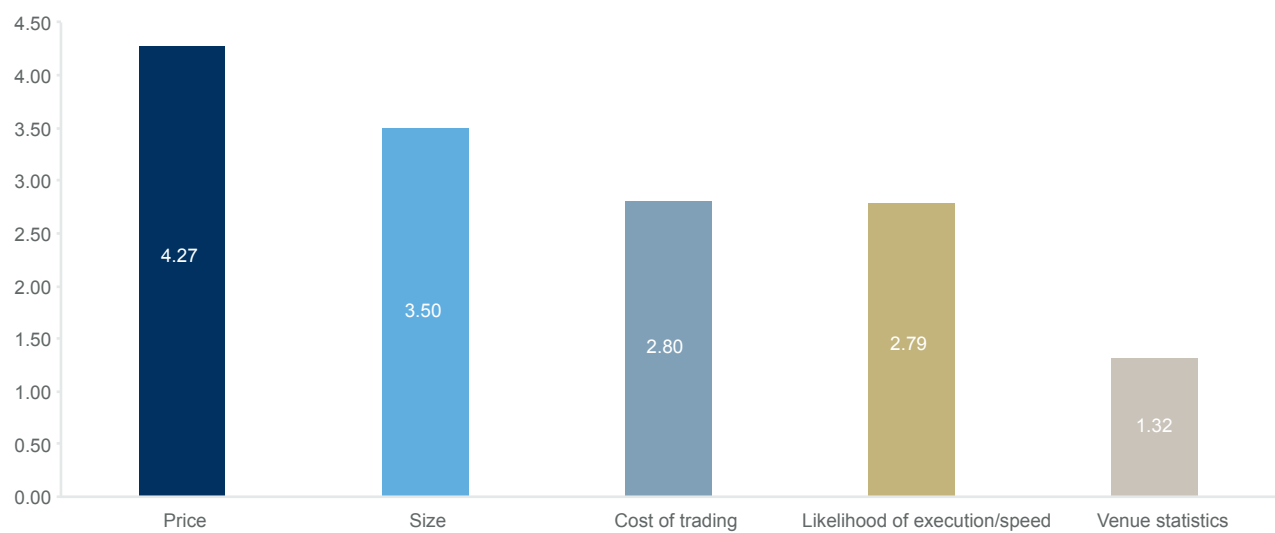
WHICH OF THE FOLLOWING CHANNELS ARE YOU USING FOR EXECUTION? (PLEASE TICK ALL THAT APPLY) – FICC & MULTI-ASSET ONLY



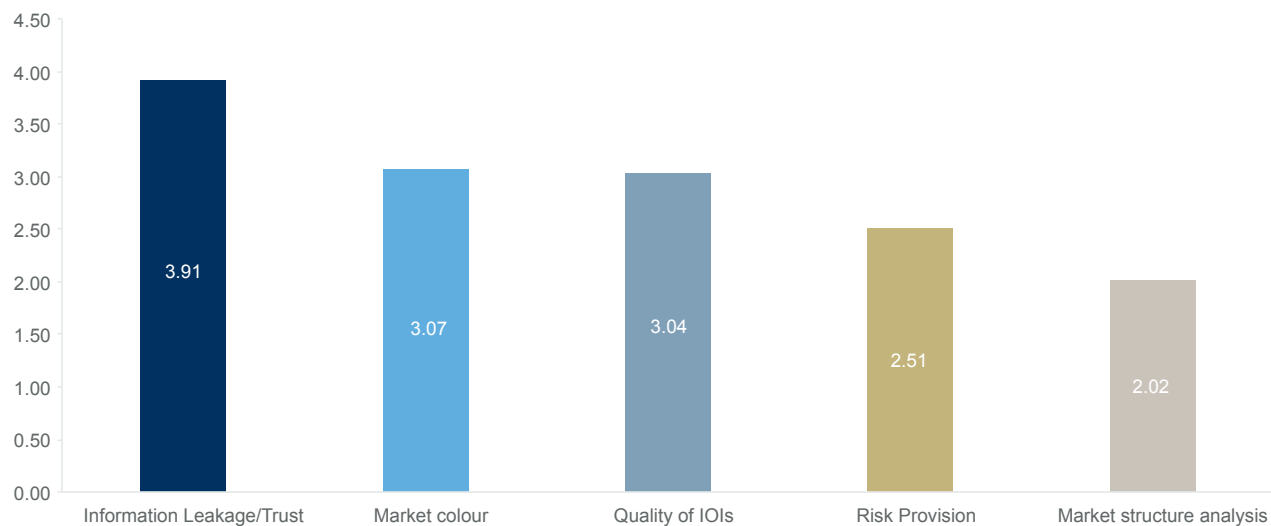
WHICH APAS ARE YOU USING? (PLEASE TICK ALL THAT APPLY) – FICC & MULTI-ASSET ONLY



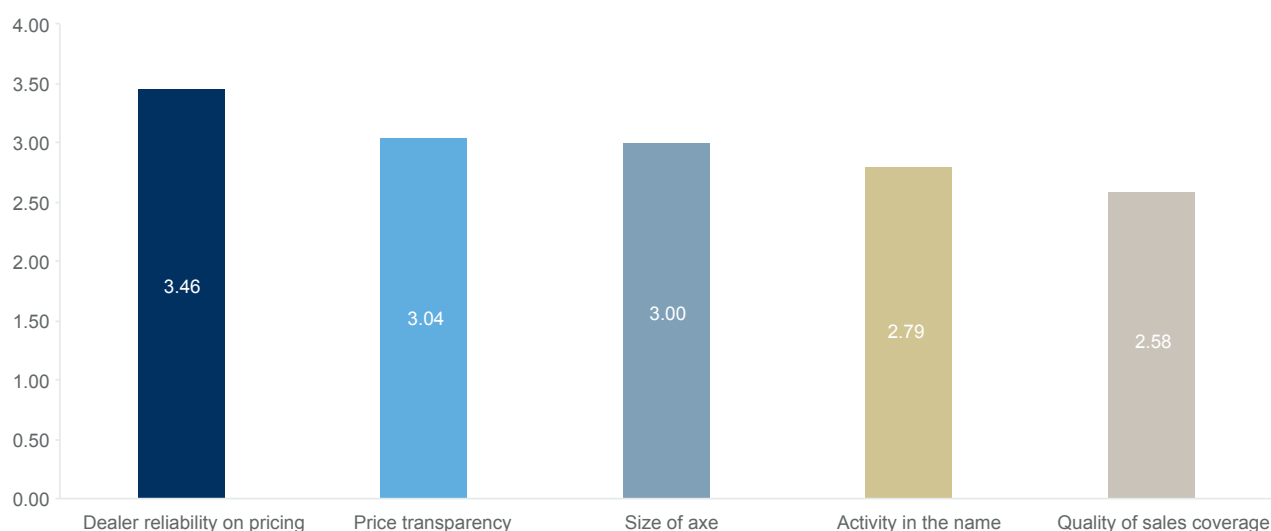
PLEASE RANK THE FOLLOWING QUANTITATIVE VARIABLES IN ORDER OF IMPORTANCE WITH RESPECT TO YOUR BEST EXECUTION DECISION MAKING PROCESS (WHERE 5 IS THE MOST IMPORTANT AND 1 IS THE LEAST IMPORTANT).



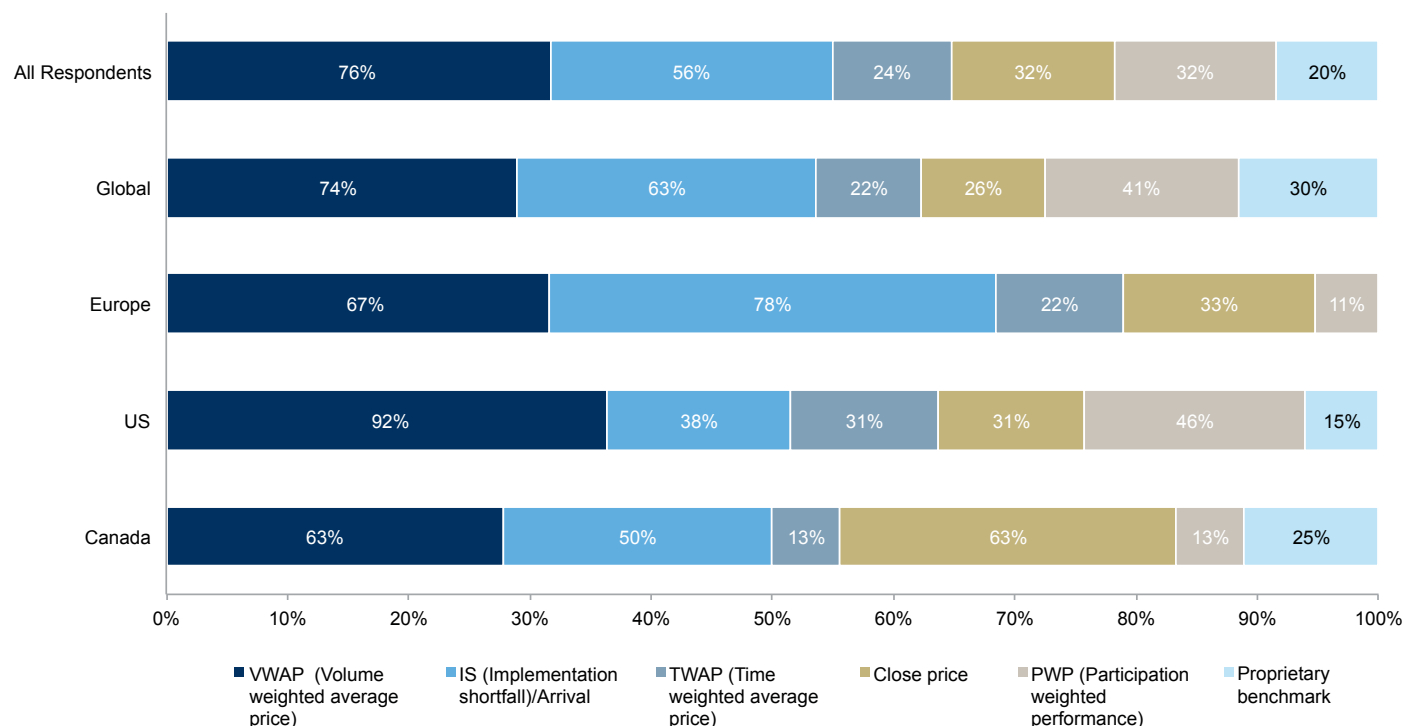
PLEASE RANK THE FOLLOWING QUALITATIVE VARIABLES IN ORDER OF IMPORTANCE WITH RESPECT TO YOUR BEST EXECUTION DECISION MAKING PROCESS (WHERE 5 IS THE MOST IMPORTANT AND 1 IS THE LEAST IMPORTANT). – EQUITIES & MULTI-ASSET ONLY



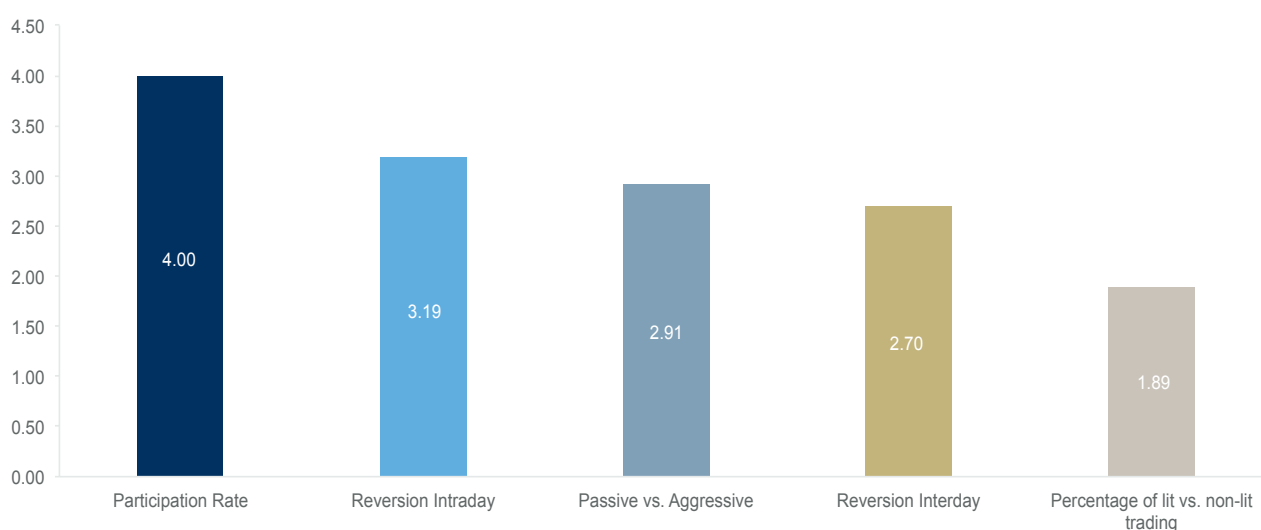
PLEASE RANK THE FOLLOWING QUALITATIVE VARIABLES IN ORDER OF IMPORTANCE WITH RESPECT TO YOUR BEST EXECUTION DECISION MAKING PROCESS (WHERE 5 IS THE MOST IMPORTANT AND 1 IS THE LEAST IMPORTANT). – FICC & MULTI-ASSET ONLY



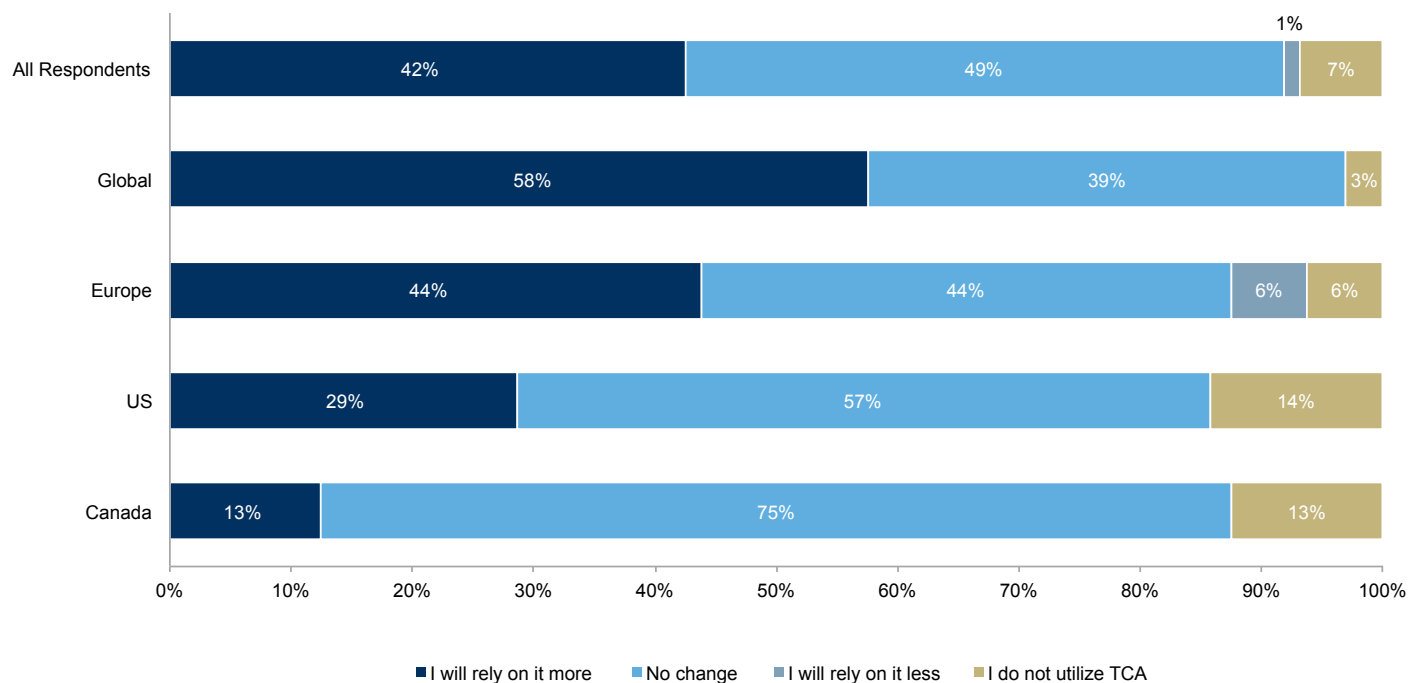
WHICH OF THE FOLLOWING BENCHMARKS DO YOU UTILIZE AS PART OF YOUR BEST EXECUTION ARRANGEMENTS? (PLEASE TICK ALL THAT APPLY) – EQUITIES & MULTI-ASSET ONLY



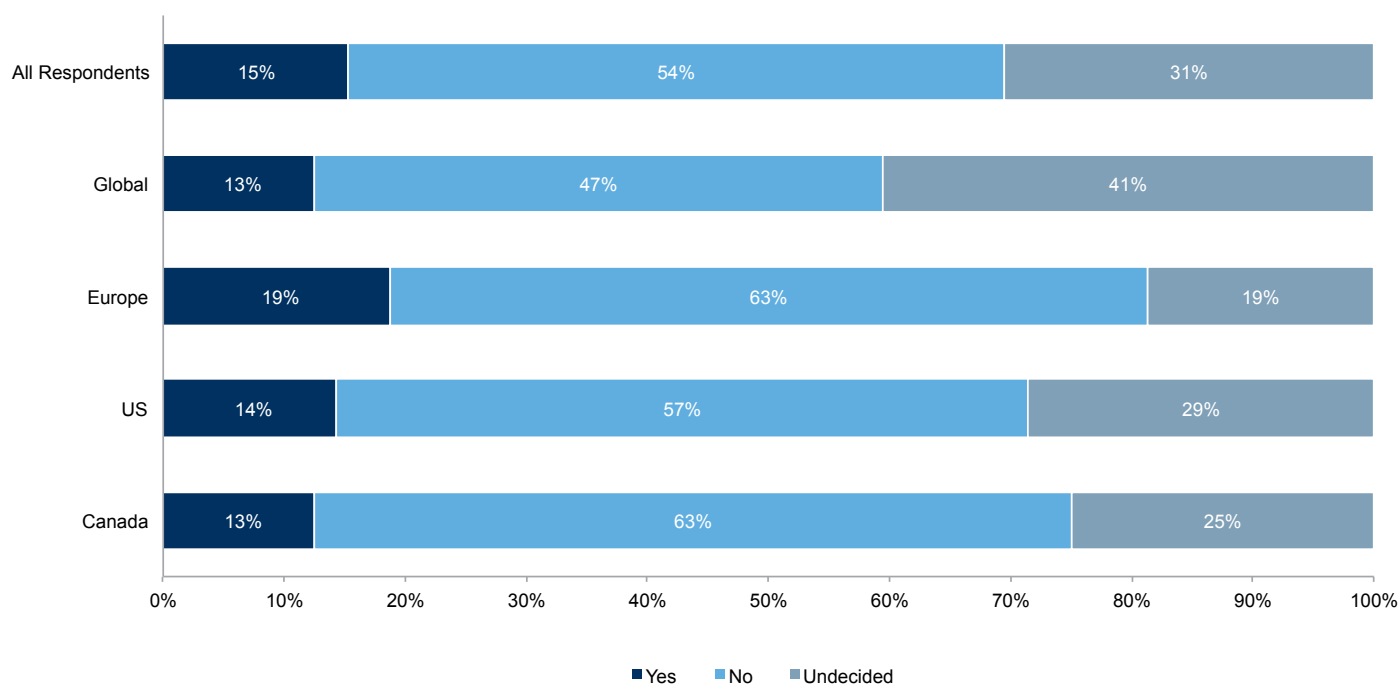
PLEASE RANK THE FOLLOWING METRICS IN ORDER OF IMPORTANCE WITH RESPECT TO YOUR TRANSACTION COST ANALYSIS (TCA) (WHERE 5 IS THE MOST IMPORTANT AND 1 IS THE LEAST IMPORTANT). – EQUITIES & MULTI-ASSET ONLY



HOW DO YOU EXPECT TCA TO DRIVE YOUR EXECUTION COUNTERPARTY SELECTION PROCESS IN THE NEXT 12 MONTHS?

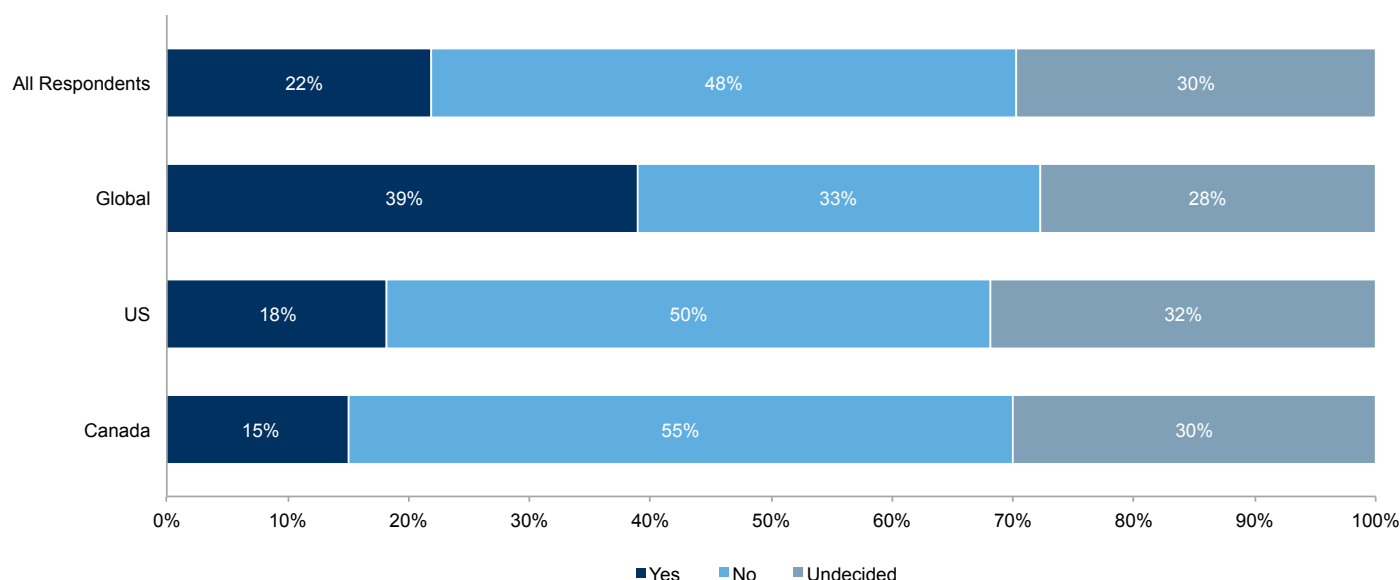


ARE YOU PLANNING ON UTILIZING AN ALGO WHEEL?

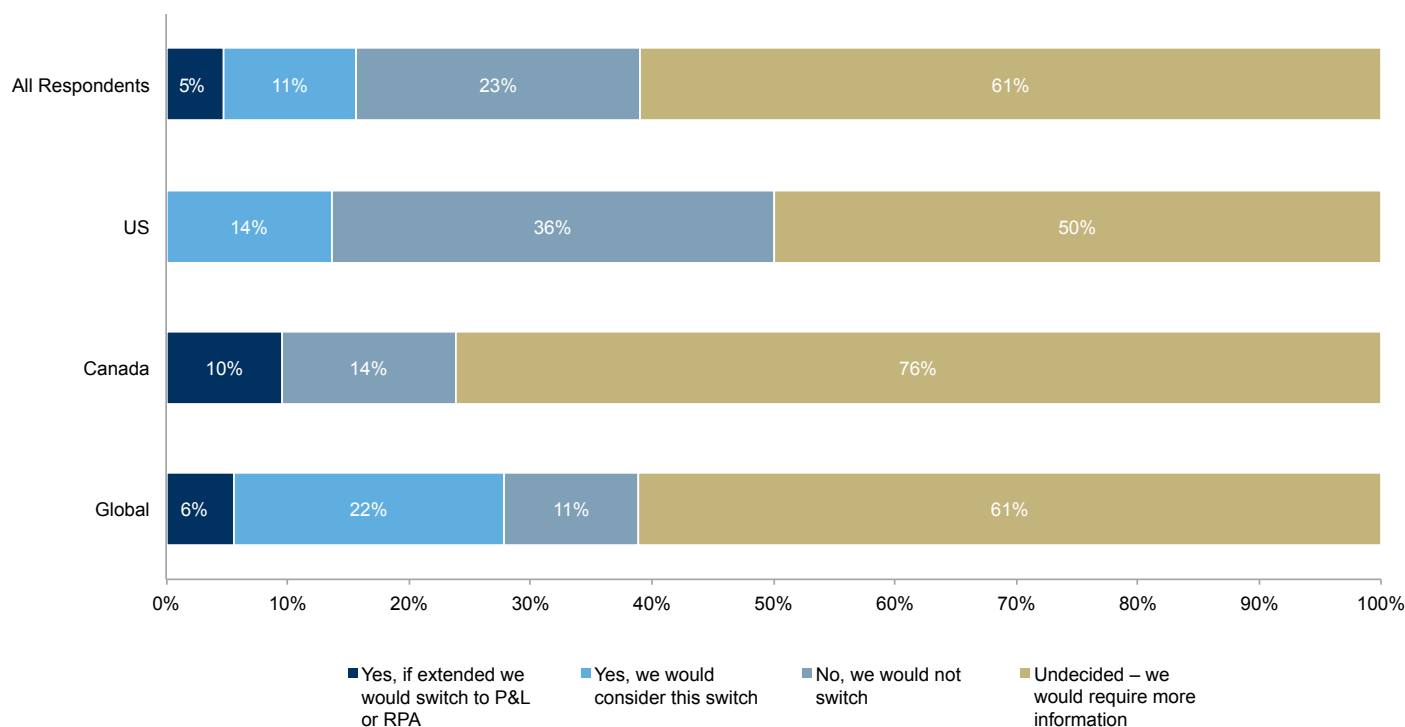


RESEARCH AND CORPORATE ACCESS SURVEY RESULTS

AS A NON-MIFID INVESTMENT FIRM OR A GLOBAL FIRM WITH NON-MIFID ENTITIES, DO YOU PLAN TO OR HAVE YOU ALREADY ENGAGED YOUR RESEARCH PROVIDERS REGARDING RESEARCH PRICING?

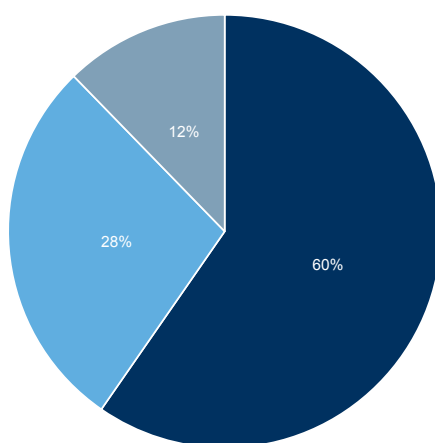


LAST YEAR THE SEC PROVIDED NO ACTION RELIEF TO BROKERS TO ALLOW THEM TO RECEIVE “HARD DOLLAR” PAYMENTS FOR RESEARCH FROM FIRMS THAT ARE REQUIRED UNDER MIFID II, EITHER DIRECTLY OR BY CONTRACTUAL OBLIGATION, TO PAY FOR RESEARCH FROM ITS OWN MONEY OR AN RPA. IF THE SEC WAS TO EXTEND THIS RELIEF TO INVESTMENT FIRMS THAT ARE NOT DIRECTLY OR CONTRACTUALLY OBLIGATED BY MIFID II, WOULD YOU CONSIDER CHANGING YOUR RESEARCH PAYMENT MECHANISM TO P&L OR RPA?

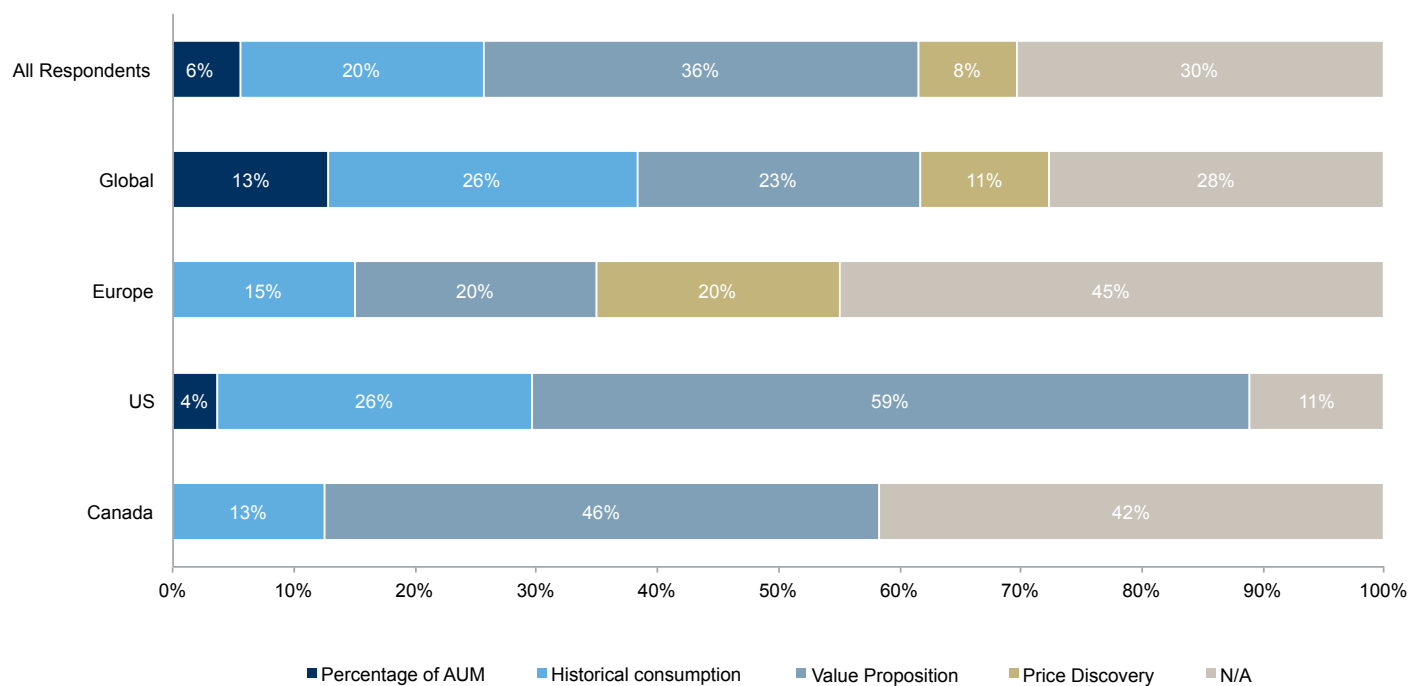


HOW IMPORTANT IS RESEARCH TO YOUR INVESTMENT PROCESS? – FICC & MULTI-ASSET ONLY

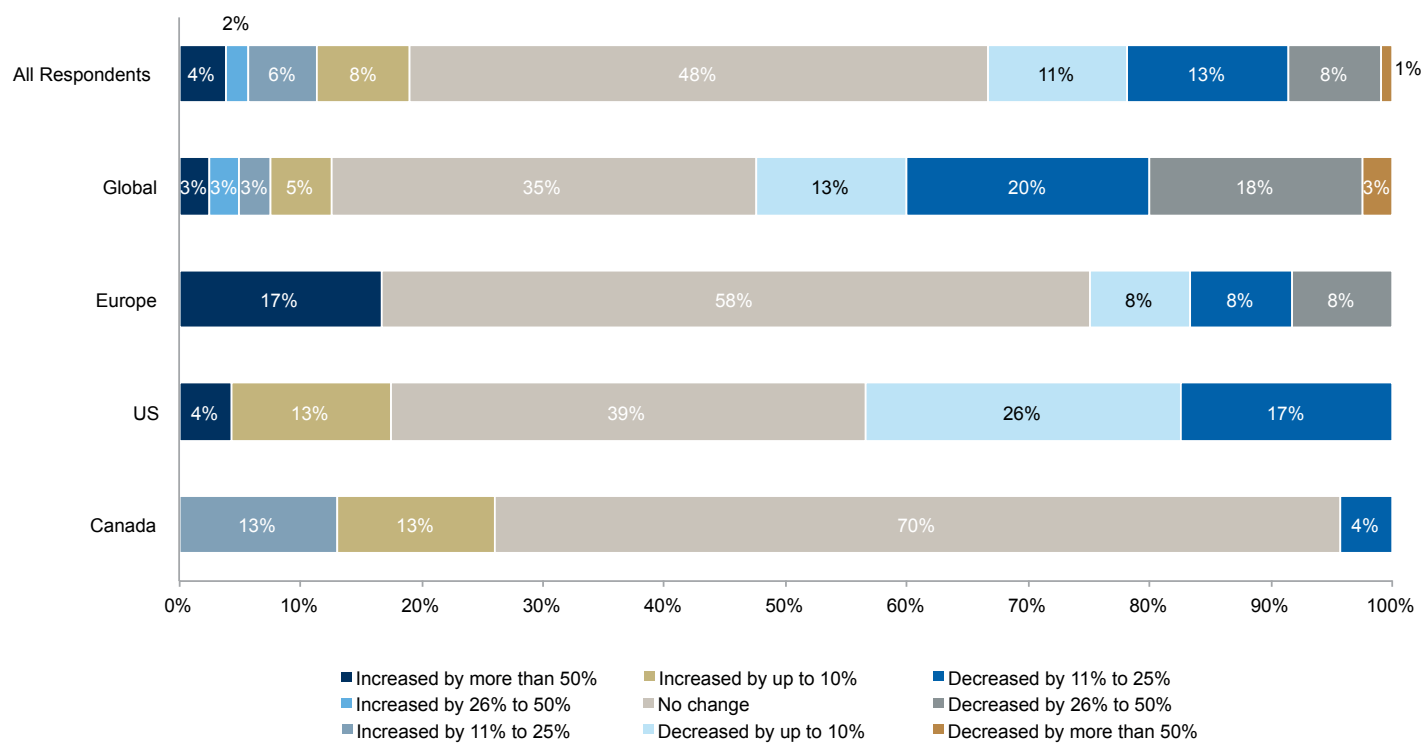
■ Significantly important ■ Slightly important ■ Research does not impact my investment process



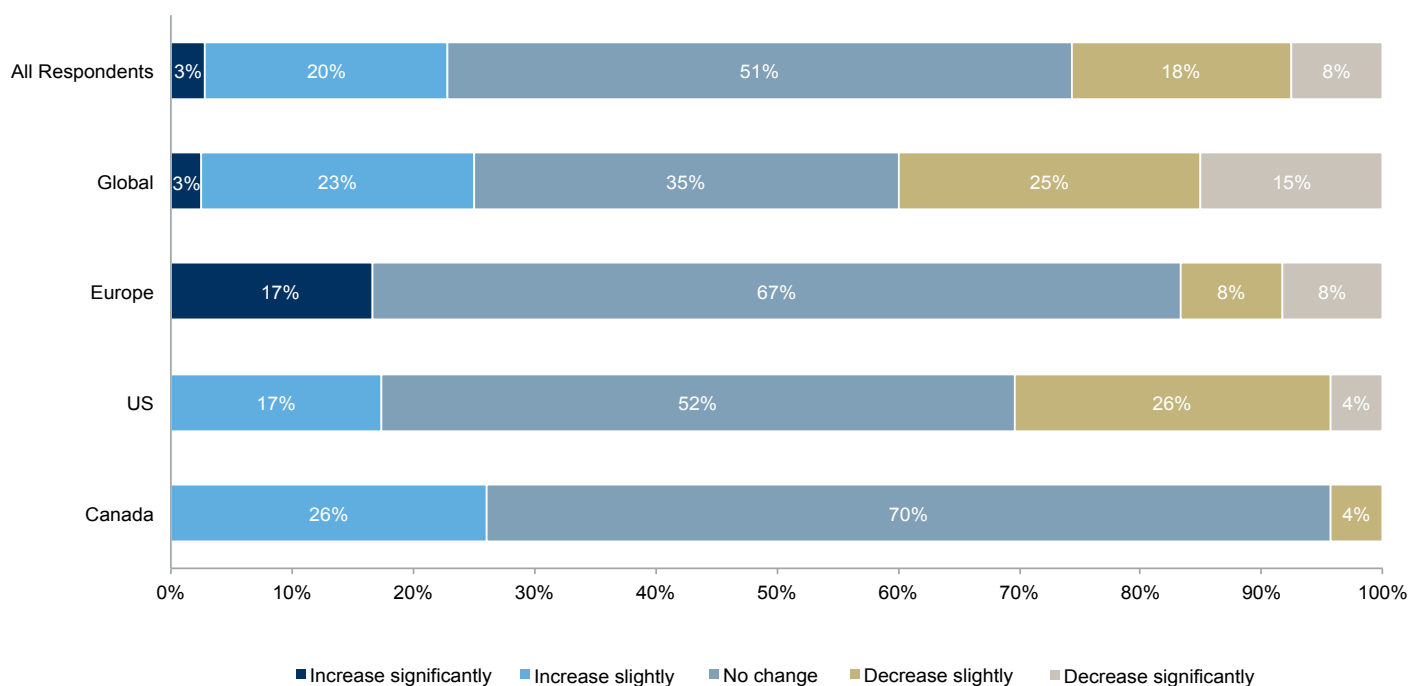
HOW DID YOU DETERMINE YOUR RESEARCH BUDGET?



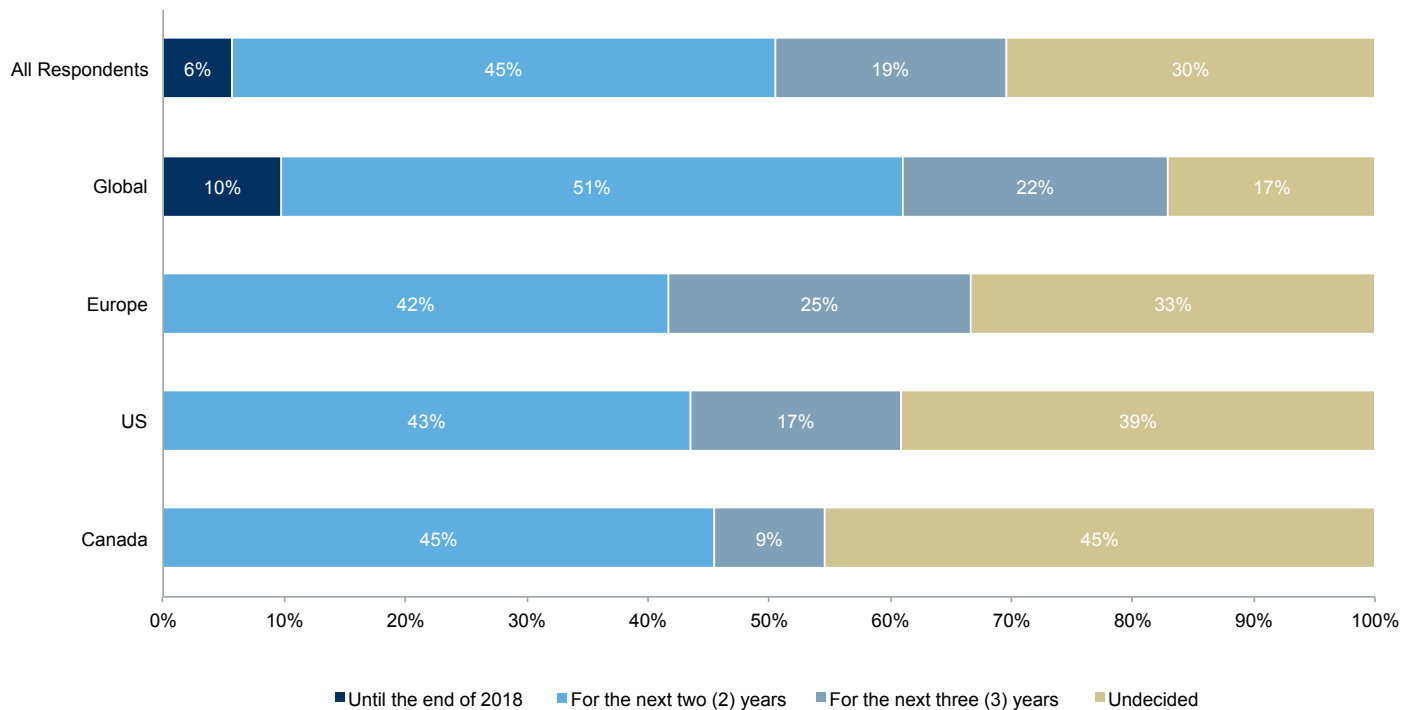
HOW DOES YOUR 2018 RESEARCH BUDGET COMPARE TO YOUR 2017 RESEARCH BUDGET? – EQUITIES & MULTI-ASSET ONLY



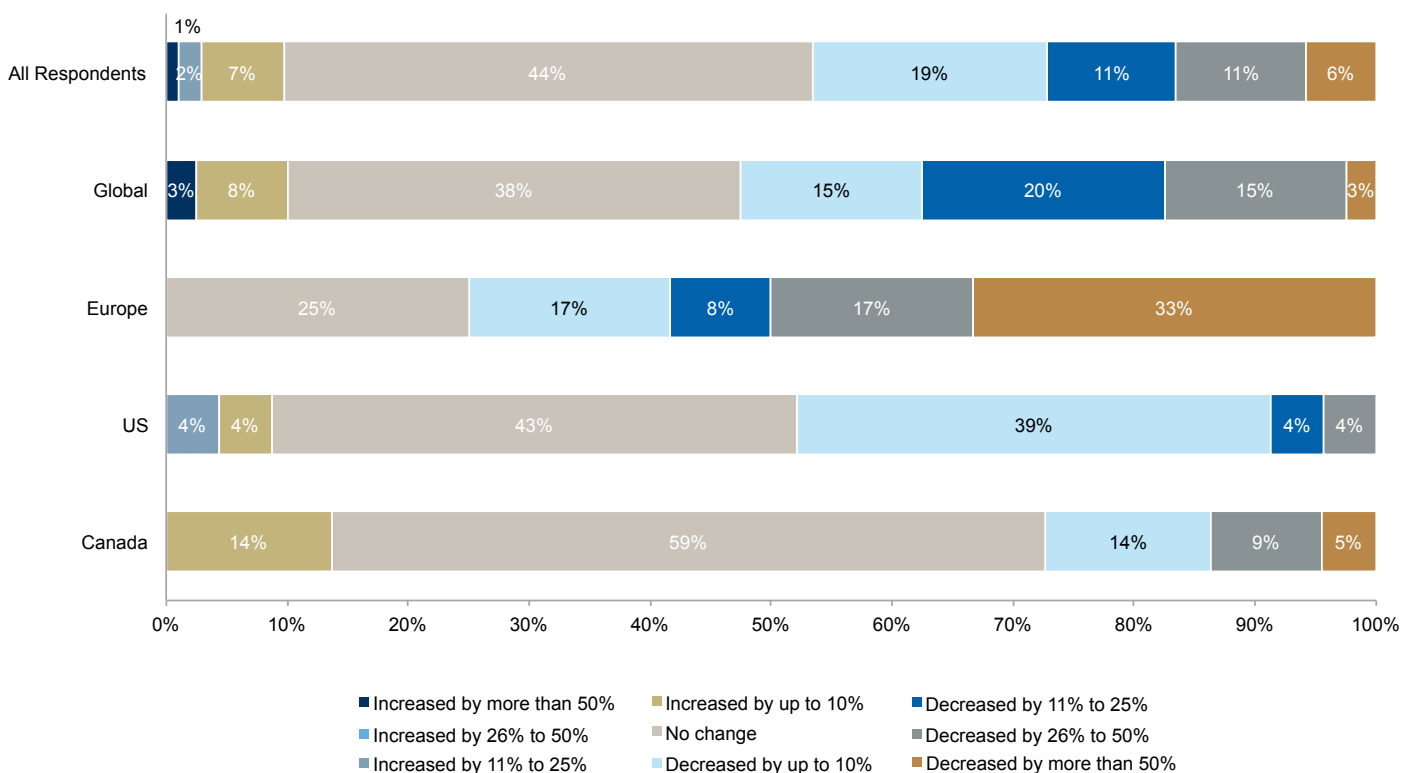
HOW DOES YOUR DOLLAR SPEND PER CORE RESEARCH PROVIDER IN 2018 COMPARE TO 2017? – EQUITIES & MULTI-ASSET ONLY



YOU EXPECT THE RESEARCH PRICE DISCOVERY PROCESS TO CONTINUE:

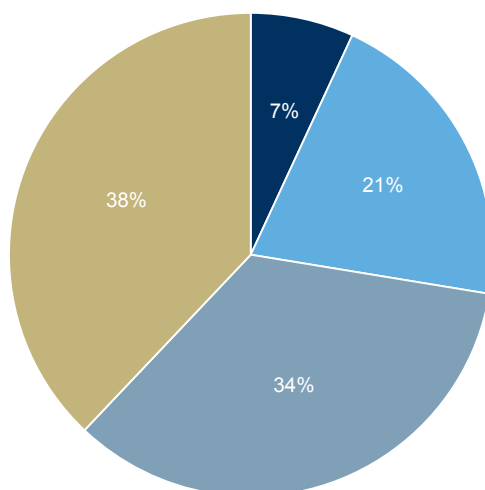


HOW DO THE NUMBER OF PROVIDERS YOU USE FOR RESEARCH IN THE FIRST QUARTER OF 2018 COMPARE TO 12 MONTHS AGO? – EQUITIES & MULTI-ASSET ONLY

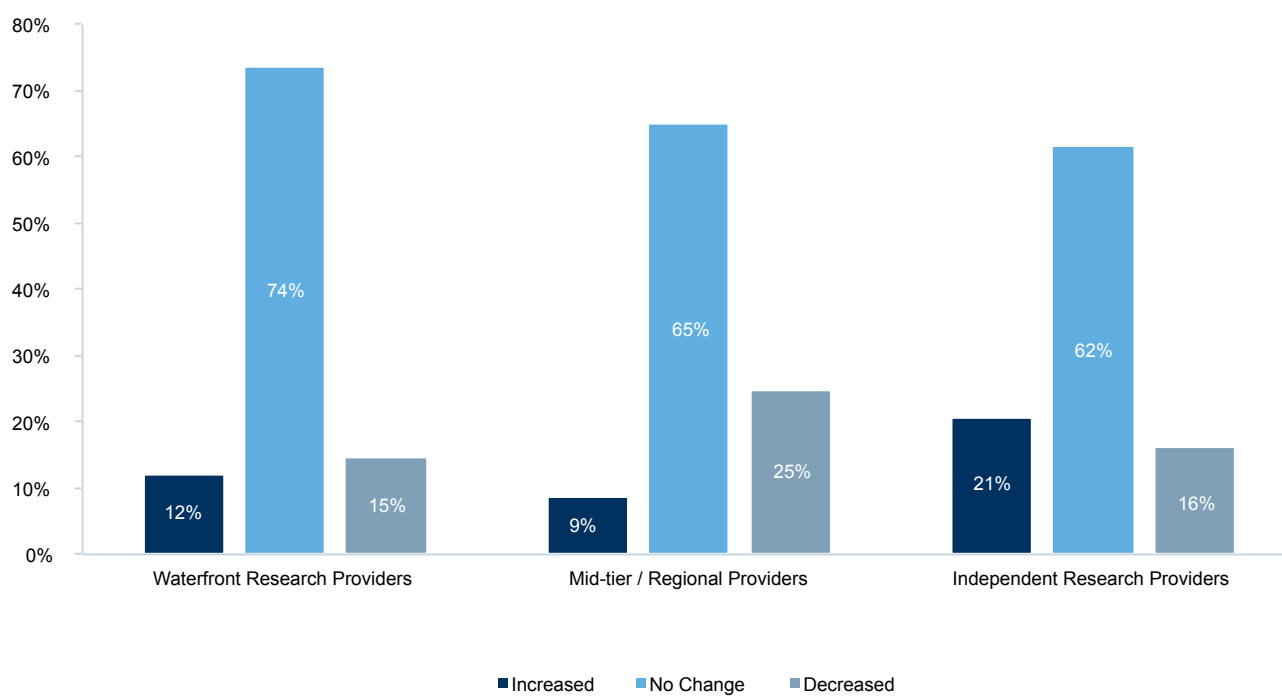


IN THE NEXT 2 TO 3 YEARS, I EXPECT MY RESEARCH BUDGET TO: – FICC & MULTI-ASSET ONLY

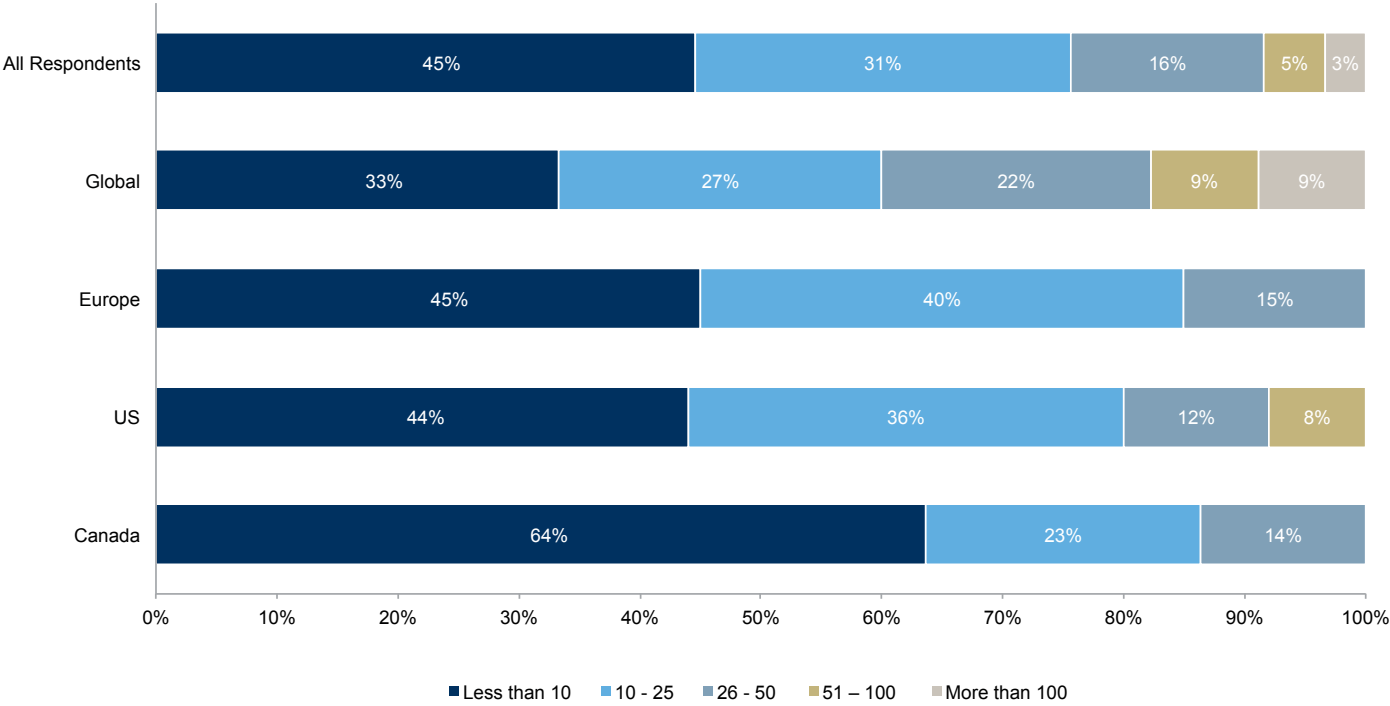
■ Increase ■ Remain the same ■ Decrease ■ Unsure, the price discovery process is continuing



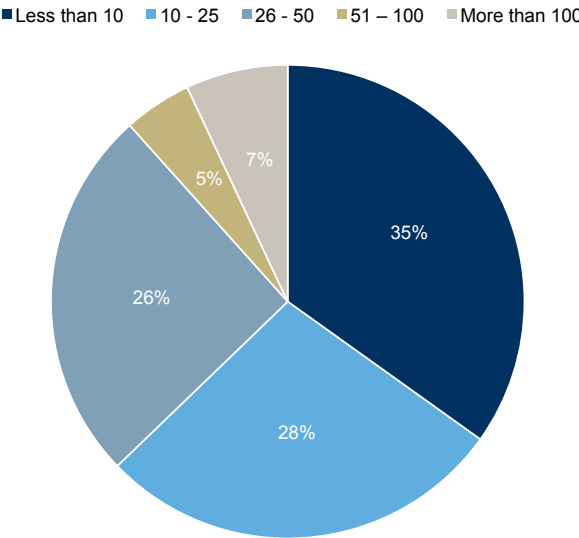
POST MIFID II HOW HAS THE ALLOCATION OF YOUR RESEARCH BUDGET TO THE FOLLOWING TYPES OF RESEARCH PROVIDERS CHANGED?



AT PRESENT, HOW MANY RESEARCH PROVIDERS ARE YOU PAYING TO ACCESS THEIR RESEARCH?

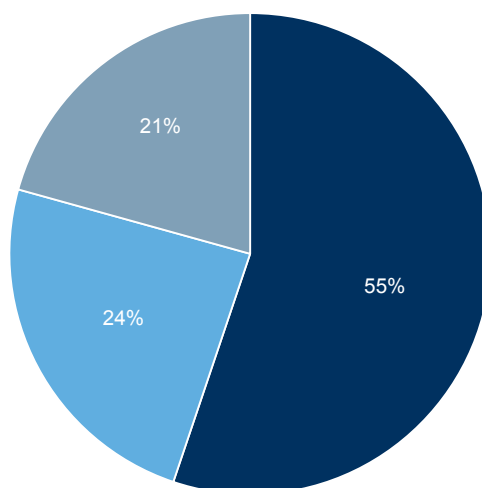


IN 12 MONTHS' TIME, YOU ANTICIPATE YOUR NUMBER OF RESEARCH PROVIDERS WILL BE:



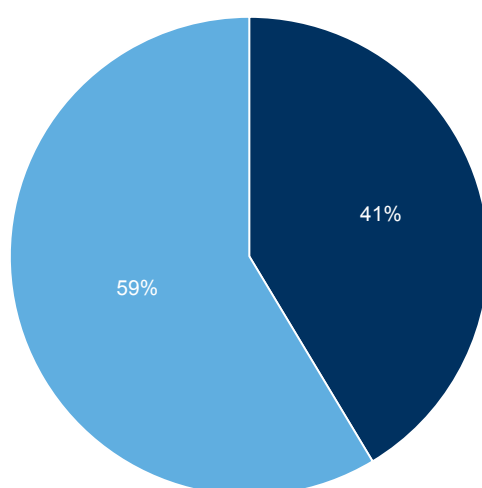
ARE YOU UTILIZING THE OPTION TO ACCESS FREE WRITTEN FICC/MACRO ECONOMIC RESEARCH WHERE A PROVIDER IS MAKING IT AVAILABLE?
– FICC & MULTI-ASSET ONLY

■ Yes ■ Yes, but we are unsure as to whether we will continue to do so in the future ■ No, we only consume content which we are paying for

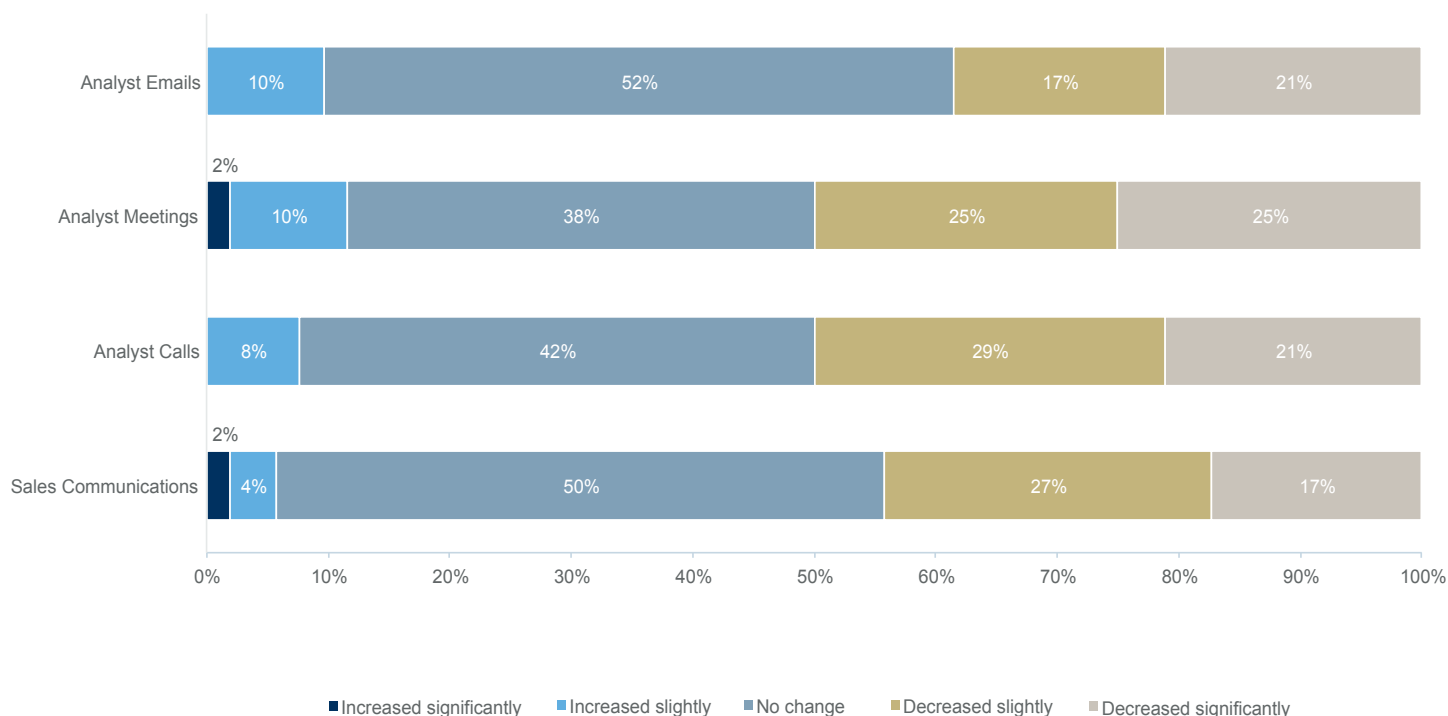


ARE YOU PAYING FIRMS FOR RESEARCH WHO ARE PROVIDING FREE ACCESS TO THEIR WRITTEN FICC/MACRO ECONOMIC RESEARCH?
– FICC & MULTI-ASSET ONLY

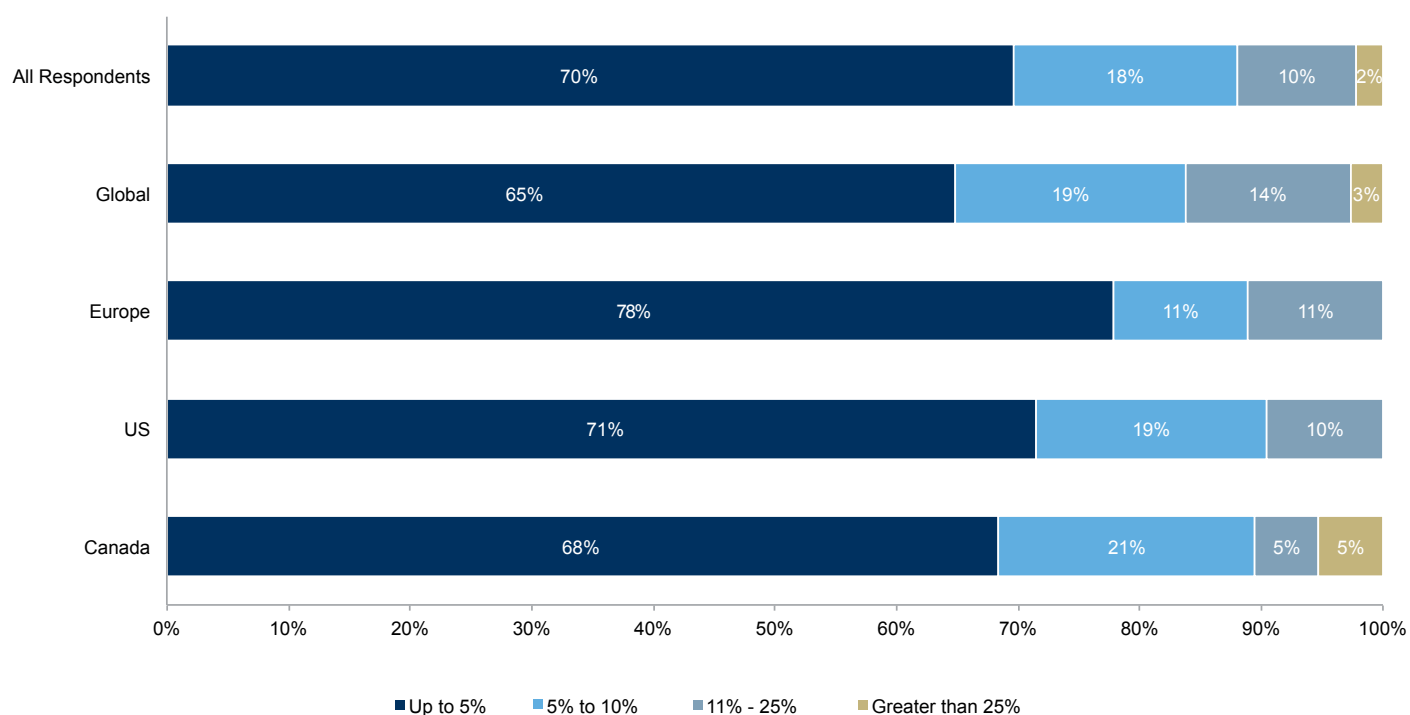
■ Yes ■ No



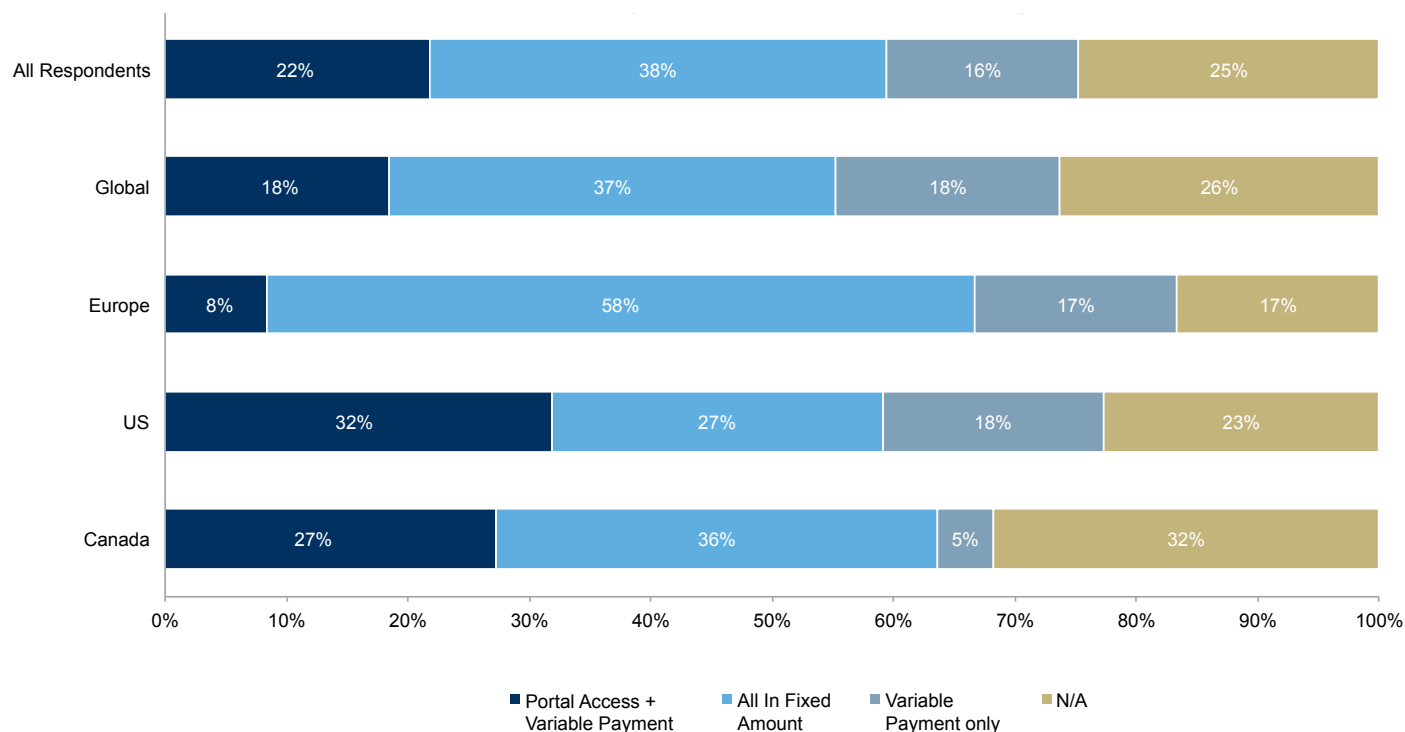
HOW DOES YOUR CONSUMPTION OF THE FOLLOWING SERVICES IN THE FIRST QUARTER OF 2018 COMPARE TO 12 MONTHS AGO?



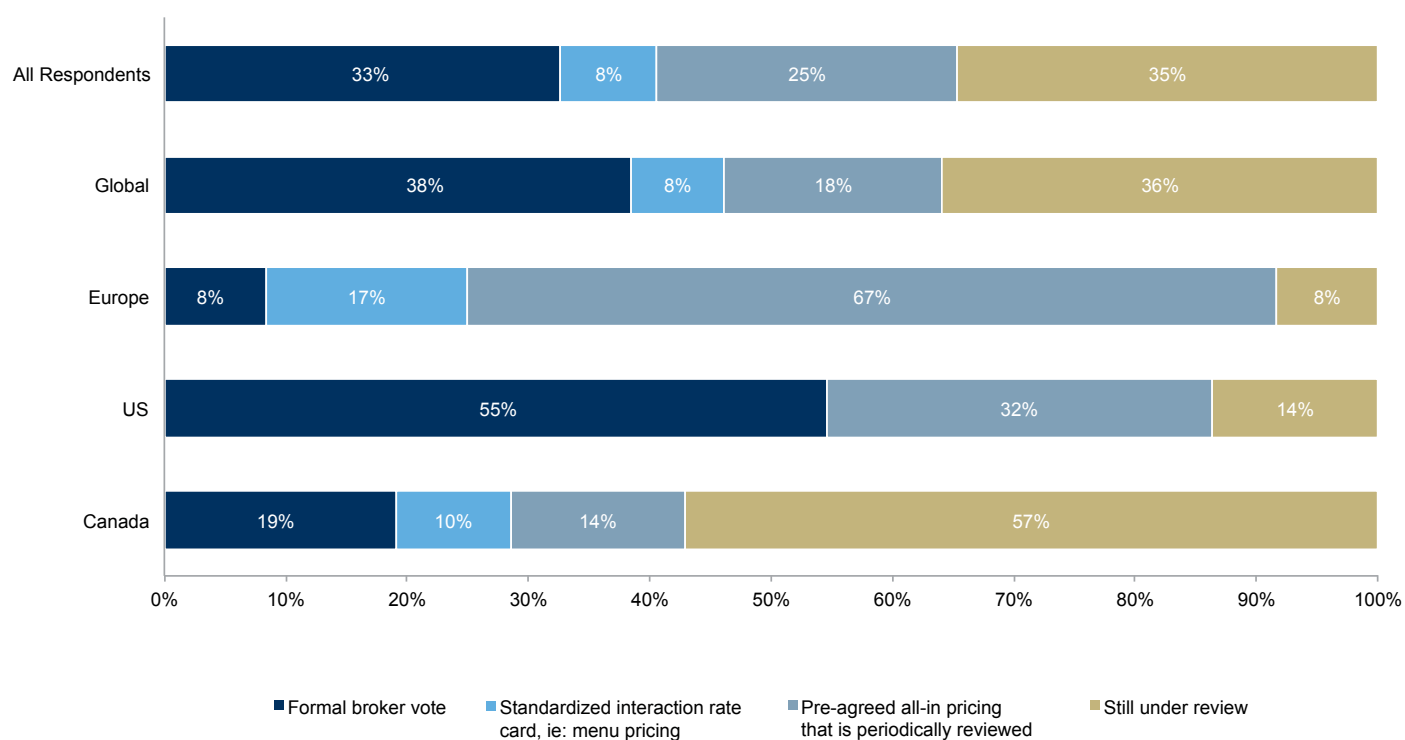
DATA SETS ARE INCREASINGLY INCLUDED IN RESEARCH BUDGETS. WHAT PROPORTION OF YOUR RESEARCH BUDGET IS ALLOCATED TO DATA SETS? – EQUITIES & MULTI-ASSET ONLY



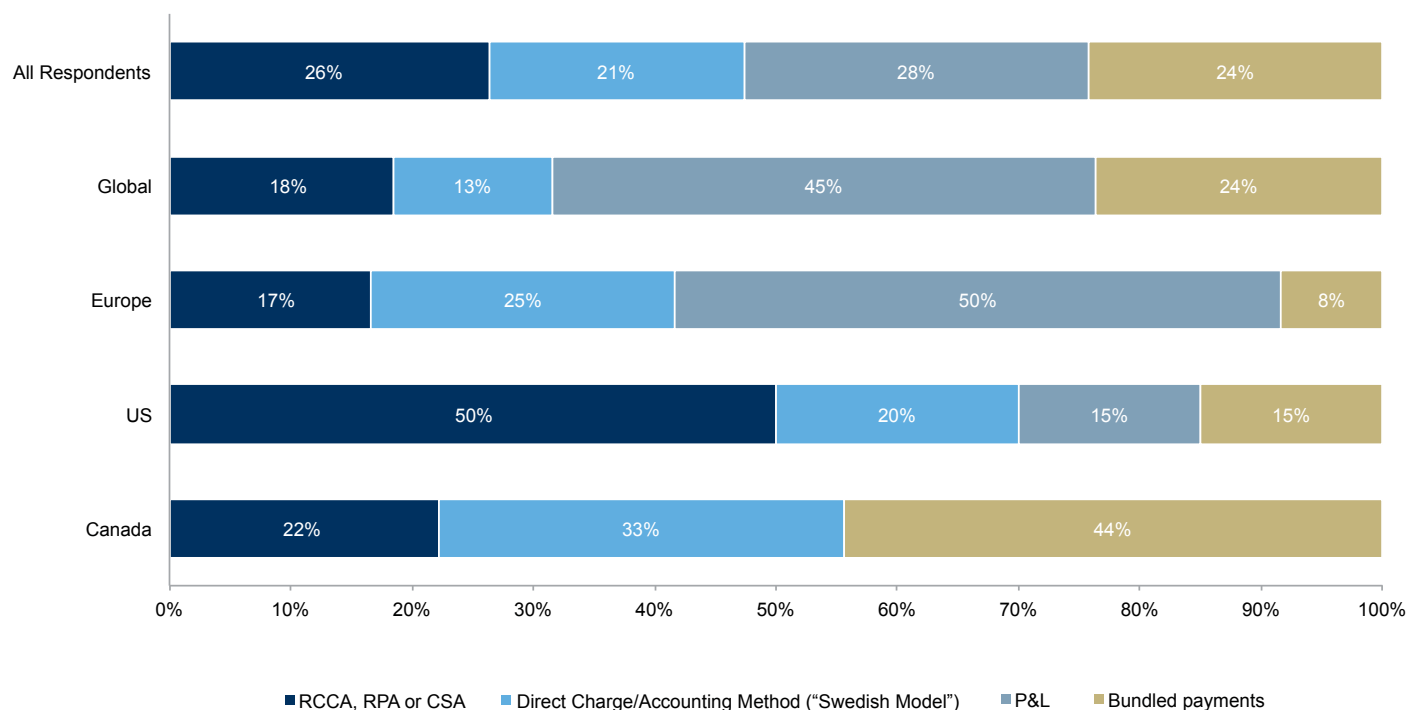
WHAT IS YOUR PREFERRED APPROACH TO RESEARCH PRICING? – EQUITIES & MULTI-ASSET ONLY



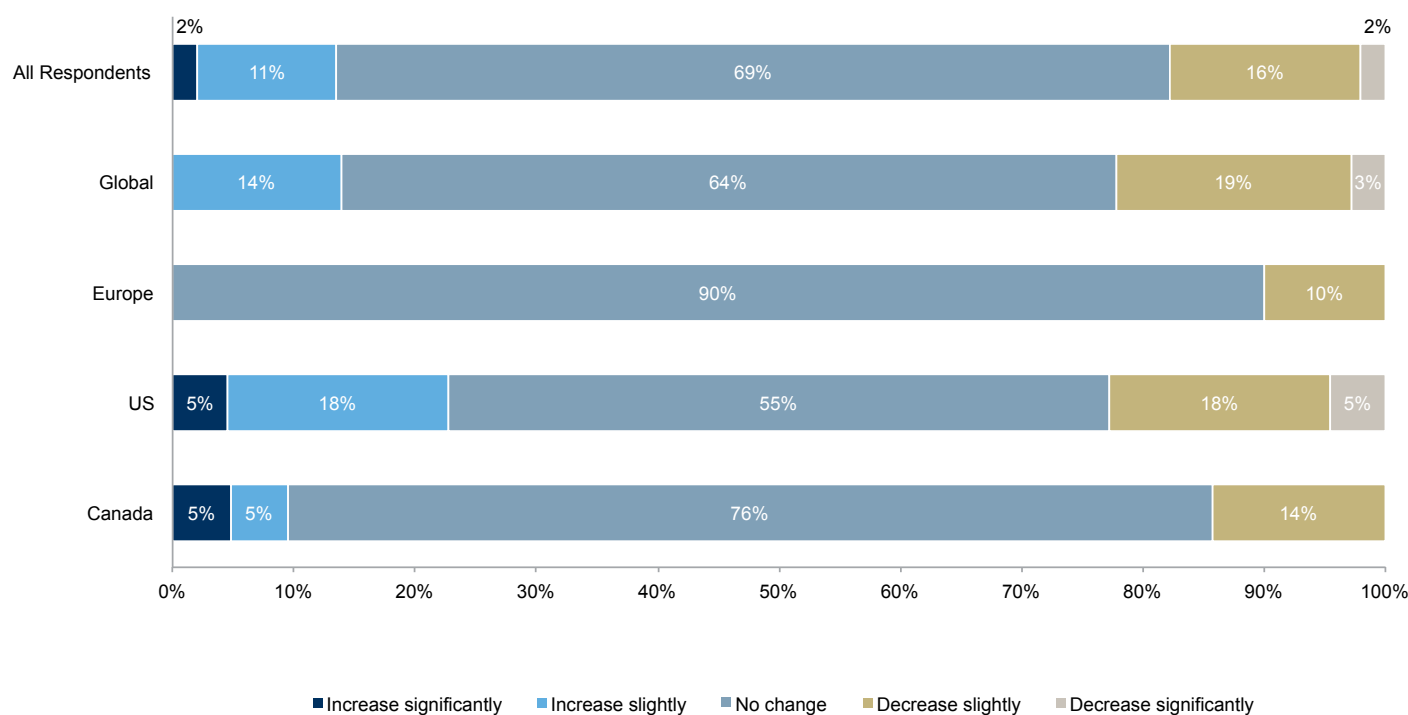
HOW DO YOU DETERMINE THE LEVEL OF PAYMENT TO YOUR RESEARCH PROVIDERS? – EQUITIES & MULTI-ASSET ONLY



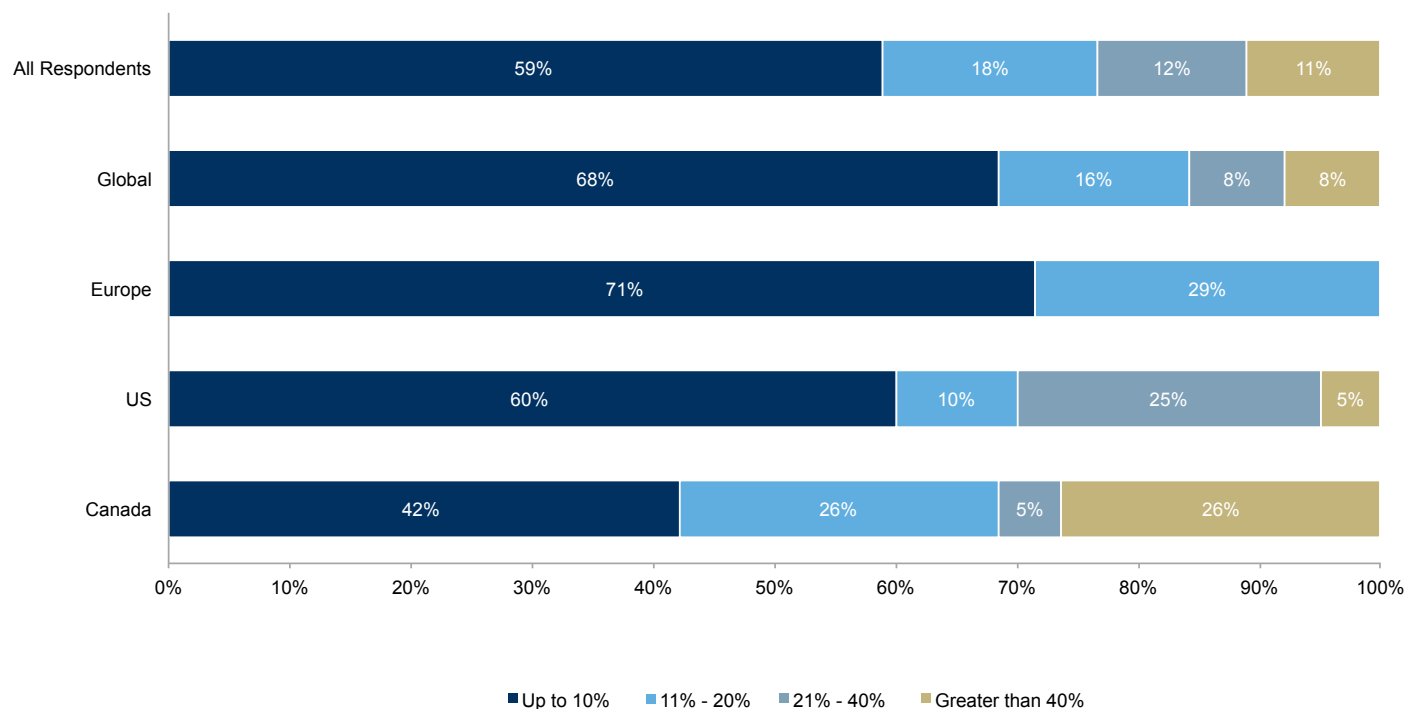
PLEASE SELECT THE PAYMENT MECHANISM YOU ARE USING: – EQUITIES & MULTI-ASSET ONLY



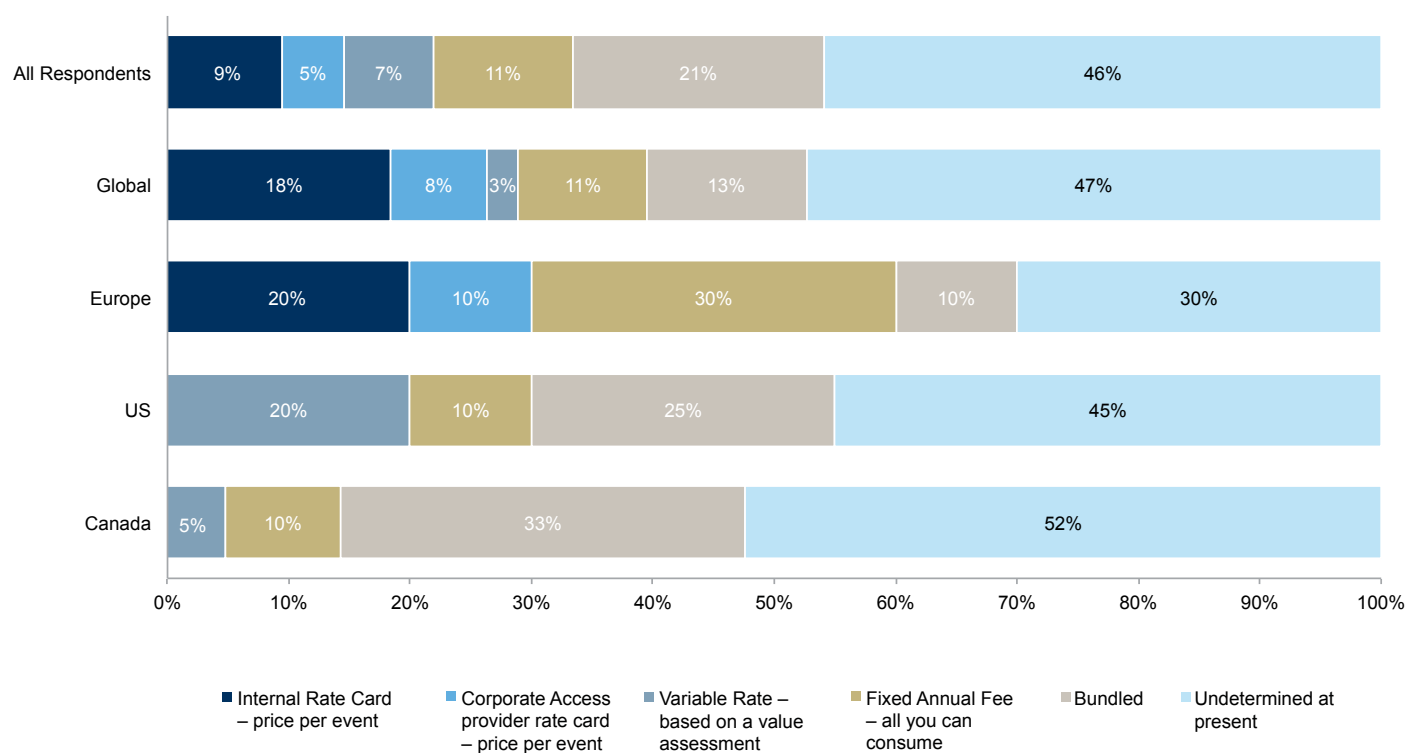
HOW DO YOU THINK YOUR NUMBER OF RCCA/CSA COUNTERPARTIES WILL EVOLVE OVER NEXT 12 MONTHS? – EQUITIES & MULTI-ASSET ONLY



**WHAT PROPORTION OF YOUR BROKER/COUNTERPARTY SPEND HAVE YOU ALLOCATED TO CORPORATE ACCESS?
– EQUITIES & MULTI-ASSET ONLY**

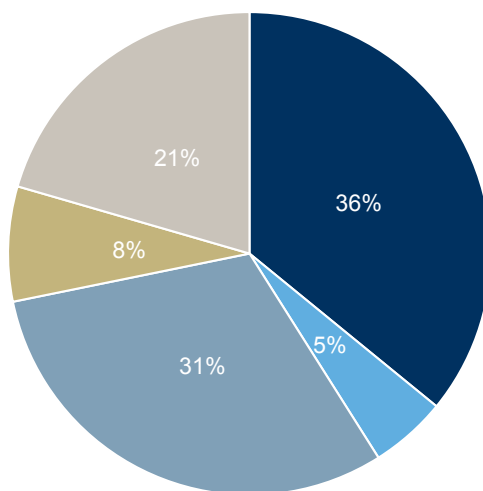


HOW ARE YOU PAYING FOR CORPORATE ACCESS? – EQUITIES & MULTI-ASSET ONLY



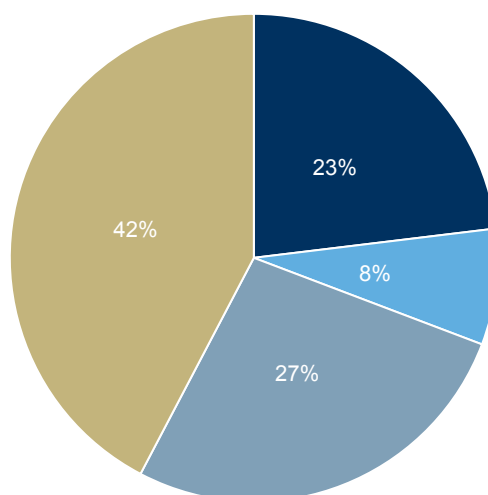
YOU CONSIDER A NON-DEAL ROAD SHOW TO BE A: – EQUITIES & MULTI-ASSET ONLY

- Minor non-monetary benefit – no payment required
- It depends on the characteristics of the actual service provided
- Awaiting a market consensus, currently consuming but not paying
- Chargeable service
- Awaiting a market consensus, currently consuming and paying



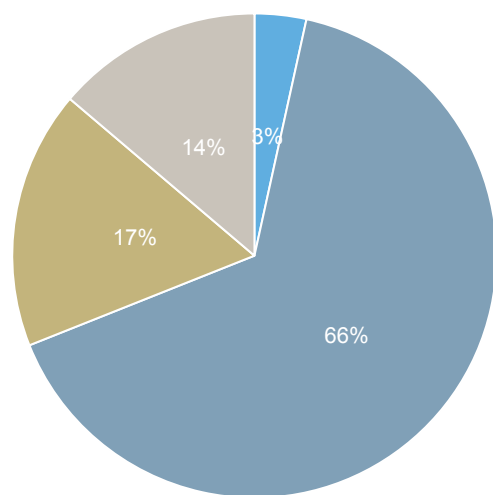
HOW ARE YOU PAYING FOR ACCESS TO EXPERT EVENTS, SEMINARS & CONFERENCES? – FICC & MULTI-ASSET ONLY

- Internal Rate Card – price per event
- Provider rate card – price per event
- Variable Rate – based on a value assessment
- Fixed Annual Fee – all you can consume



HOW HAVE YOUR INTERNAL LIMITS ON THE AMOUNT OF HOSPITALITY (G&E) YOU CAN ACCEPT FROM YOUR COUNTERPARTIES CHANGED POST MIFID II?

■ Increased significantly ■ Increased slightly ■ No change
■ Decreased slightly ■ Decreased significantly



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