

An underwater scene with a large school of fish swimming towards the viewer. The water is a deep blue, and sunlight filters through from above, creating a shimmering effect. In the lower right corner, a diver is visible, swimming away from the viewer.

PRIME BROKERAGE SURVEY

More and more

This year, the total number of responses recorded in the Prime Brokerage survey increased by roughly a third to almost 2000. At the same time, client perceptions of the service received from their prime brokers appears to be on the rise.

Excluding Rest of World, all regions have recorded improvements in average scores this year with those from North America remaining higher than other regions. The UK and Asia awarded similar average scores to last year. As in 2016, only one regional score, for Capital Introduction Services in Europe-ex UK, falls below the 5.00 mark.

Interpreting the numbers

Before delving too deeply into the scores however, it may be worth recapping how they should be broadly interpreted. More detail is available in the methodology below, but as a rough guide, the maximum score is 7.0 (Excellent) and the minimum is 1.00 (Unacceptably Weak).

In practice, sevens are rare and ones are practically non-existent. Generally speaking, clients who are happy with their service will give a score of five. A score of six suggests that the service received exceeds expectations. Four indicates adequacy, but no more. A three, meanwhile, usually indicates that a client has been upset by something in the past year and the memory lingers.

The PB survey assesses client perception in 10 service categories and creates weighted averages for each from all the responses received. If a provider is rated 5.00-5.99 across most service categories, one may assume that their client base is broadly content. One or two scores in the 4.00-4.99 range should not make too much of a dent in that assumption, unless the provider has a low four in a service area that is considered a key priority, such

TABLE 1: RESPONSES

By geography	% by number	% by weight	Average scores
North America	60.5	61.9	5.96
Europe ex-UK	5.2	6.2	5.60
UK	13.0	12.7	5.78
Asia	16.8	14.3	5.77
Rest Of World	4.5	4.9	5.73

By size	% by number	% by weight	Average scores
Very Large	19.7	38.5	5.78
Large	33.1	38.3	5.86
Medium	25.7	16.4	5.86
Small	21.5	6.9	5.91

TABLE 2: SERVICES USED

	2017 %	2016 %
Equity Prime Brokerage	75.7	76.0
Equity Swaps	41.3	39.7
Options	40.2	38.5
FX Prime Brokerage	29.8	31.7
Fixed Income Prime Brokerage	27.9	30.3
Futures Clearing	25.6	23.6
CFDs	23.5	22.6
Cross Product Margining	23.1	20.4
Swap Clearing	14.2	12.0
Credit Default Swaps	13.5	12.8
Interest Rate Swaps	7.2	8.3
Commodities Prime Brokerage	7.0	6.2
Repos	6.7	6.0
Swap Intermediation	6.2	6.3

as Client Service. A majority of fours (or less) would suggest that, at the very least, clients will be looking for some reassurance from their provider that service levels will improve.

There is however, one caveat: higher service levels may not be available from rival providers. Where clients appear happy, absolute scores suffice to indicate that. Where some level of dissatisfaction is evident, readers should compare scores against those for other providers and against the market averages.

The averages at both a provider and a market level can be further analysed in sub-sets, by for example, size, location or type of client strategy*.

In terms of size and geography, Table 1 illustrates how the responses to this year's survey break down. Response numbers rose from all regions except the UK. This means that the relative weight of UK client opinion in the survey has fallen by more than 5%, and it cedes second place to Asia in terms of its influence on the scores, despite Asia's own decline in weight. North America remains the region hosting the largest client base, accounting for more than 60% of responses by weight.

There are sizeable increases in the number of responses from

While we are unable to publish all of these comparisons in the space available in the magazine, anyone interested in more granular analysis should email daljit.sokhi@strategic-i.com

TABLE 3: TOP TEN STRATEGIES AMONG RESPONDENTS

	2017	2016
Equity long/short	66.5	69.7
Fixed income	32.8	38.3
Event-driven	25.5	26.7
Market-neutral	20.7	20.3
Macro	17.0	17.3
Private equity	14.1	12.0
Emerging markets	13.9	18.0
Quantitative long/short	13.7	11.5
Distressed securities	12.4	18.0
Convertible arbitrage	11.9	13.6

TABLE 4: NUMBER OF PRIME BROKERS (%)

	2017	2016	2015
1	16.8	20.8	20.2
2	26.3	25.6	25.8
3	17.6	20.5	18.0
4+	36.3	33.1	35.9

large, medium and small clients this year, while the number of responses from very-large respondents remains roughly the same. As a result, the largest category has seen a drop in its share of weighted responses by a few percentage points, while large respondents have recorded a few percentage points rise by the same measure. Together these two groups account for roughly the same weight, and both of them combined, account for about 75% of the total weighting – a change from prior years, where smaller clients accounted for up to 40% of responses by weight.

The types of services required by clients from prime brokers are indicated in Table 2. In terms of overall use, the statistics suggest that clients on average use a little over three different types of service. More than three-quarters of respondents use equity prime broker services, with roughly half of these also using equity swaps and a similar proportion, but not the same names necessarily, using options. The proportion using FX prime broker services has slipped to under 30% this year, reverting to the levels recorded in 2015.

Table 3 shows the principal trading strategies used. Respondents have remained more or less consistent in relative terms though absolute percentages do vary year on year. Noticeable changes this year include a rise in percentage of respondents using private equity strategies and a steeper fall in those deploying Distressed Securities strategies.

As we observed last year, the traditional single prime broker model took something of a hit in the immediate aftermath of the financial crisis, but we concluded, based on last year’s numbers, that the trend towards an ever-expanding list of prime brokers appeared to have come to an end. This was perhaps premature. Table 4 shows the number of respondents using only one prime broker has slipped down to 16.8%, while those using four or more is up to over 36.6%. Interestingly though, only some 15% of

all respondents said that they expected an increase in the number of their PB relationships over the next 12 months.

Overall Category Scores

Client perceptions have clearly improved since last year’s survey. Results are up by between 0.9 and 0.25 points in nine of the 10 categories. The only falling category, Securities Lending, saw a relatively insignificant drop of 0.05 from the previous year. The most significant rise (+0.25) is for Reputation, suggesting that the fears driving an increase in number of relationships to spread the risk may be easing.

Client Service meanwhile records an aggregate score above 6.0 for the first time in three years. This category has been cited as the top priority for clients since 2014. This year as Table 6 shows, it is closely followed by Competitiveness of Financing Rates.

TABLE 5: OVERALL SCORES

	2017	2016	Difference 2017-2016	2015	Difference 2016-2015
Client Service	6.07	5.91	0.16	5.91	0.00
Operations	5.96	5.81	0.15	5.86	-0.05
Financing and Margining	5.84	5.75	0.09	5.74	0.01
Securities Lending	5.79	5.84	-0.05	5.89	-0.05
Reporting	5.88	5.75	0.13	5.79	-0.04
Technology	5.86	5.75	0.11	5.83	-0.08
Hedge Fund Consulting	5.80	5.79	0.01	5.78	0.01
Capital Introductions	5.44	5.29	0.15	5.41	-0.12
Value	5.96	5.77	0.19	5.88	-0.11
Reputation	6.15	5.90	0.25	5.94	-0.04
Total	5.88	5.76	0.12	5.80	-0.04

TABLE 6: PRIORITIES

Area of Service	All respondents 2017 %	All Respondents 2016 %	All Respondents 2015 %
Client Service	10.5	11.3	10.1
Competitiveness of Financing Rates	10.2	9.4	9.9
Counterparty Credit Risk	8.8	9.1	7.1
Safety of Assets in Custody	6.5	8.7	8.0
Reputation of the Firm	7.9	7.9	6.9
Capital Introduction	7.4	7.8	14.8
Access to hard to Borrow Securities	7.6	7.0	13.0
Technology	6.2	6.3	n/a
Access to Financing	6.8	5.7	13.0
Trading Capabilities	5.8	5.4	3.8
Fees and Rebate Rates	5.7	4.3	n/a
Global Reach	0.2	3.6	3.5
Other	16.4	11.9	10.0

Methodology

Survey respondents were asked to provide a rating for each prime broker on a numerical scale from “1” (very weak) to “7” (excellent), covering 10 separate functional service areas and 46 individual questions.

In general, “5” (good) is the ‘default’ low score of respondents. In total over 40 providers received responses and the top ten brokers each obtained hundreds of responses, yielding tens of thousands of data points for analysis. The evaluations from all respondents have been used to a greater or lesser extent in compiling the provider profiles and Survey Overview.

Each evaluation was weighted according to three characteristics of each respondent; the value of assets under management; the level of complexity of their business based on the different strategies used; and the number of different prime brokers being used. In this way, the evaluations of the largest and broadest users of prime brokers were weighted at up to five times the weight of the smallest and least experienced respondent. At the very highest end a small number of large and sophisticated clients are designated as Leading within the Survey segmentation. These carry the greatest weight in terms of importance attached to their scores and comments.

Given the number of responses, it is possible and indeed desirable to take account of the different scoring patterns of different demographic groups and the breakdown of responses for individual providers across those groups. So, if a provider has a predominance of responses from a ‘demographically’ generous group, its scores should be adjusted to reflect this. These responses are included in the scores published in the Survey report, but their number and nature are taken into account within the normalisation algorithm applied to the raw scores to determine the normalised scores that are used throughout the Survey. This is consistent with 2016 scores.

CLIENT SERVICE

Questions	2017	2016
Overall level of satisfaction with client service	6.07	5.96
Pro-activity and effectiveness of client service personnel	6.01	5.90
Knowledge and experience of client service personnel	6.12	5.92
Ease with which issues can be resolved	5.99	5.86
Stability of client service staffing	6.18	5.99

Considered by clients as the most important aspect of the service they require from prime brokers hence there should be smiles all round at this year’s results. Four of the five questions that comprise this category surpassed the 6.00 mark. Ease with which issues can be resolved, came close at 5.99. Stability of client service staffing, scored highest at 6.18. All scores are at their highest since 2015. Consistency of senior relationship managers is important for many clients and turnover of personnel is almost always seen as a negative from the clients’ perspective. It is also a very individual and personal component of service. In a period of continuing pressure on profitability and returns, it is clear that quality people really make a difference.

OPERATIONS

Questions	2017	2016
Overall level of satisfaction with operations	5.98	5.84
Ability to take ownership of your operational requirements	5.97	5.86
Speed of resolution of breaks	5.95	5.81
Effectiveness in handling complex corporate actions	5.91	5.74

Operations, together with Value Delivered, scored third highest among all categories. All scores in the category, come very close to the 6.00 mark. This is also one of the most evenly scored categories with no wild variations from question to question. As noted last year, Operations remains a core, if largely invisible part of prime broker service. Unfortunately for providers, it only really gets noticed if it is not performing well.

FINANCING AND MARGINING

Questions	2017	2016
Overall level of satisfaction with current financing and margining	5.79	5.67
Level of communication concerning impact of prospective regulations	5.83	5.70
Satisfaction with commitment to making financing available	5.95	5.81
Availability of collateral options	5.83	5.72
Flexibility of collateral options	5.75	5.71
Efficiency and accuracy of margin management	5.87	5.87

Financing has certainly risen in relative importance to clients when judging the service they require from their PB. There is a marginal rise of 0.09 points in the overall score for Financing and Margining this year with the largest improvement coming for ‘Satisfaction with commitment to making financing available consistently in light of changing regulations’ (+0.14).

SECURITIES LENDING

Questions	2017	2016
Overall level of satisfaction with securities lending	5.94	5.85
Use of in-house and other information to identify trading opportunities	5.60	5.78
Access to hard-to-borrow securities through this prime broker	5.82	5.77
Ability to offer less capital intensive alternatives to stock borrowing	5.69	5.72

Although the drop in the overall score for Securities Lending is marginal this year, it is the only category in the survey that experiences a decline. The decline is largely due to the fall (-0.18) in score recorded for ‘Use of in-house and third-party information to identify trading opportunities for funds.’ The score for ‘Overall level of satisfaction with securities lending’ nevertheless remains high at 5.94.

REPORTING

Questions	2017	2016
Overall level of satisfaction with reporting services	5.89	5.75
Reporting of where assets are being held	5.73	5.59
Ease of integrating data into your own systems	5.79	5.69
Timeliness of delivery of reports	6.05	5.94
Ability to provide consolidated reporting	5.91	5.76

Accurate and timely reporting, forms the core of any prime broker service. It tends to be linked closely to technology, though the demands of clients for custom reports means that technology is unlikely to be the only solution needed.

Greater flexibility in the customisation of reports is a request from clients adding freeform comment to their survey responses. Within the Reporting Services category, all question scores increased by at least 0.10 points. Timeliness of delivery of reports has been the highest scoring question since 2014 and this year surpassed the 6.00 mark.

Despite recording the largest improvement in this category, the score for 'Reporting of where assets are being held' still remains the lowest scoring question, a position it has occupied since 2014.

TECHNOLOGY

Questions	2017	2016
Overall level of satisfaction with technology	5.81	5.70
Usefulness to your fund(s) of workflow tools	5.72	5.66
Reliability of electronic trade execution services	6.05	5.89
Ease of access to post-trade data offered by this prime broker	5.89	5.81

Scores for Technology are at their highest for two years. Reliability of electronic trade execution service is up 0.16 points, making it the only question score to exceed 6.00. Technology, however, covers a wide array of elements of any prime broking service from front- to back-office. Based on the scores received it would appear that front-office respondents are most satisfied. For large hedge fund managers, improving productivity through using technology is essential to longer term viability.

HEDGE FUND CONSULTING

Questions	2017	2016
Overall level of satisfaction with hedge fund consulting services	5.85	5.89
Value of advice and assistance to start-up funds	5.91	5.89
Value of advice on business strategy	5.79	5.80
Value of advice on making your fund(s) more attractive	5.68	5.64

Scores for Hedge Fund Consulting Services have been quite consistent for the past two years. No significant changes have been observed at a question level and all scores remain very solidly

in the high fives. Only 1.37% of clients mentioned Hedge Fund Consulting Capabilities as a priority in choosing a provider and the response rate for this category is relatively low.

CAPITAL INTRODUCTIONS

Questions	2017	2016
Overall level of satisfaction with capital introduction services	5.50	5.27
Usefulness of regular intelligence on trends in investor thought	5.49	5.37
Effectiveness in screening investors	5.47	5.39
Effectiveness in introducing your fund to actively allocating investors	5.28	5.14

The overall score for Capital Introduction Services has been the lowest of all categories since 2014 and this year, is no exception. In absolute terms, however, the average score has increased by 0.15 points. More importantly, the score for 'Overall level of satisfaction with Capital Introduction Services' has increased by 0.23 points.

Nevertheless, the difference between the overall score for cap intro and the next highest category is still significant at 0.35 points. Though smaller than last year, the gap is still worth noting as is the fact that in Europe ex-UK, it scores below 5.00.

For those prime brokers that offer cap intro, it is perhaps unfair to be judged directly on their performance since, by definition, it is not a service where they can 'close the deal'.

VALUE

Questions	2017	2016
Overall value	5.96	5.78
Transparency of reporting of fees, charges and rebates	5.95	5.76

Value Delivered saw one of the largest improvements in category scores this year. The overall score for Value Delivered rose by 0.19 and all scores come close to the 6.00 mark. This should be a welcoming news since clients are more concerned than ever with costs. It is also a category where clients have traditionally been reticent about signalling that they feel the level of fees they are subject to are actually fair. In most surveys scores related to costs would be among the lowest.

REPUTATION

Questions	2017	2016
Overall reputation of this prime broker	6.14	6.03
Evidence of continuing commitment to prime brokerage	6.15	5.86

Reputation is the highest scoring category with all questions exceeding the 6.00 mark. Improvements are also significant compared to last year. The overall increased is in large part due to the significant rise (+0.29) in 'Evidence of continuing commitment to prime brokerage.' This suggests that clients may feel the round of consolidations and exits that have marked the post-crisis period may be coming to an end.

Bank of America Merrill Lynch

Bank of America Merrill Lynch has recorded increases in all category scores year on year, with the exception of Securities Lending and Hedge Fund Consulting. Results are all comfortably in the Good range between 5.47 (Hedge Fund Consulting Services) and 5.86 (Reputation). Given the rise in provider scores across the survey, BAML exceeds the survey average in one category, Capital Introduction, where it is tough for providers to shine. This is acknowledged by one survey participant, who describes BAML as having “the most proactive Cap Intro team. It provides excellent colour on a monthly basis in terms of search trends, data, etc. Team really hustles. Hosts great events and provides good forums for investors and managers to mix.”

A closer look at the two declining scores yields some explanation for the drop. The score for the Overall Level of Satisfaction with Securities Lending only declined only slightly from 5.84 to 5.73. The overall drop in category score is mainly due to falls in scores for Access to Hard-to-borrow Securities and Use of In-house and Third-party Information to Identify Trading Opportunities. “The securities lending desk is often unable to offer borrow compared to other PBs,” says one client, though acknowledging that, “Pricing is competitive when available.”

The fall in BAML’s Hedge Fund Consulting rating is primarily a result of two significantly lower scores, at a question level. Value of Advice and Assistance to Start-Up Funds and Value of Advice on Business Strategy, Organisation Structure, and HR Issues are both down by 0.61 points. This category was, however, rated by fewer than a quarter of BAML’s response sample and therefore should not be considered a reflection of the majority on the bank’s overall level of service.

Perhaps one disappointment for the bank will be its rating for Client Service. In a year where scores for this category improved significantly at a market level BAML’s score held steady at 5.61, thereby increasing its lag to market average. Nevertheless, the bank’s absolute score in this category remains quite

respectable at 5.61, with one client commenting that, “BAML put a lot of effort into the relationship and tried to assist as much as possible.” Another, however, notes “some turnover of staff in the past couple of years.” As a result, says the client, BAML’s client service team is “generally very helpful, if a bit less experienced than their competition.”

At a question level, the bank’s highest score, 6.00, is for ‘Overall reputation of this prime broker’. ‘Satisfaction with commitment to making financing available consistently’ also scores highly at 5.92. Financing has risen in the list of survey participant priorities.

All question scores are above 5.00, the lowest being ‘Use of in-house and third party information to identify trading opportunities for your fund’, rated 5.28.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	15.5	31.1	Very Large	43.5	48.1
Europe ex-UK	4.3	2.7	Large	40.7	32.5
North America	59.6	41.4	Medium	12.8	14.8
Rest of the World	4.6	n/a	Small	3.0	4.6
UK	16.1	24.8			

MARKET POSITION

	2017	2016
% of responses by number	4.6	5.2
% of responses by weight	3.3	4.4

SERVICE AREA

	2017	2016	Difference
Client Service	5.61	5.61	0.00
Operations	5.57	5.53	0.04
Financing and Margining	5.71	5.64	0.07
Securities Lending	5.53	5.80	-0.27
Reporting	5.73	5.57	0.16
Technology	5.62	5.59	0.03
Hedge Fund Consulting Services	5.47	5.81	-0.34
Capital Introduction Services	5.62	5.36	0.26
Value	5.78	5.68	0.10
Reputation	5.86	5.74	0.12

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Overall reputation of this prime broker	6.00	5.90	0.10
Timeliness of delivery of reports	5.98	5.74	0.24
Satisfaction with commitment to making financing available consistently	5.92	5.70	0.22
Lowest question scores	2017	2016	Difference
Value of advice and assistance to start-up funds	5.36	5.97	-0.61
Value of advice on business strategy, organisational structure, and HR issues	5.34	5.95	-0.61
Use of in-house and third party information to identify trading opportunities for your fund	5.28	5.78	-0.50

Barclays

While the size of the response base for Barclays this year is down around 28%, only one-third of respondents were among last year's sample. There is a notable shift in this year's pool to the larger client segments by asset size. Over three-quarters of weighted responses are from North America, with the rest spread among other regions.

In an improving market, Barclays' scores this year are a little disappointing, even if all categories remained solidly above 5.00, the threshold between Satisfactory and Good. Scores for six of the ten categories declined year on year, while others presented only minor rises.

The largest declines are found in Financing and Margining, Hedge Fund Consulting Services, and Capital Introduction Services, which all decreased by at least -0.30 points. While the last two categories were rated by fewer than half of respondents, the first is cited as an increasingly important priority for clients of PB services, and the large fall is definitely not welcome. Given the increasing constraints on the use of balance sheet in the prime brokerage business, it is possible that the fall reflects the impact of a policy change by the bank, rather than an evaluation of a service actually provided. One client says Barclays has been "very open about costs and revenue for the various businesses they support."

A closer look at the Financing and Margining category shows that three questions – Availability of Collateral Options, Flexibility of Collateral Options, and Efficiency and Accuracy of Margin Management – all scored just above 5.00, down from substantially higher levels in 2016.

The bank still has its fans. "Everything about the service is exceptional," says one. At a question level, its highest scores are for value of advice and assistance to start-up funds (5.93) and stability of client service staffing (5.84). Overall satisfaction with securities lending also scores 5.84.

Barclays' most improved score year on year at a question level is for access to hard-to-borrow securities, up to 5.83 from 5.46. Overall level of satisfaction with reporting services follows at 5.48,

up 0.36 points.

Only one question scores below 5.00. The bank scores 4.91 for its effectiveness in screening investors to identify those appropriate to a client's investment strategy, size and goals.

Scores do vary somewhat by region. Compared to 2016, respondents based in Asia are the most generous, with eight categories scoring above 6.00. By contrast, those in the UK rate three categories – Securities Lending, Cap Intro and Reputation – below 4.00.

Interestingly – and surprisingly – the bank's very largest clients are the most giving in their scores, while small clients, though few, also seem happy. It is those in the large and upper mid-tier segment by assets under management that bring the average scores down for Barclays, particularly in the areas of Hedge Fund Consulting and Cap Introduction.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	6.0	n/a	Very Large	57.3	58.1
Europe ex-UK	9.4	2.7	Large	33.3	30.9
North America	76.9	63.6	Medium	6.8	7.4
Rest of the World	0.0	n/a	Small	2.6	3.7
UK	7.7	20.9			

MARKET POSITION

	2017	2016
% of responses by number	1.4	2.2
% of responses by weight	0.4	0.9

HIGHLIGHTS

Highest question scores	2017	2016	Difference
7.2 Value Of Advice And Assistance To Start-Up Funds	5.93	5.77	0.16
1.5 Stability Of Client Service Staffing	5.84	5.60	0.24
4.1 Overall Level Of Satisfaction With Securities Lending	5.84	5.70	0.14
Lowest question scores	2017	2016	Difference
Flexibility of collateral options	5.02	5.68	-0.66
Efficiency and accuracy of margin management	5.01	5.65	-0.64
Effectiveness in screening investors to identify those appropriate to your investment strategy	4.93	5.33	-0.40

SERVICE AREA

	2017	2016	Difference
Client Service	5.42	5.57	-0.15
Operations	5.36	5.51	-0.15
Financing and Margining	5.29	5.62	-0.33
Securities Lending	5.71	5.59	0.12
Reporting	5.44	5.30	0.14
Technology	5.35	5.51	-0.16
Hedge Fund Consulting Services	5.58	5.89	-0.31
Capital Introduction Services	5.12	5.51	-0.39
Value	5.49	5.41	0.08
Reputation	5.55	5.47	0.08

BMO Capital Markets

BMO's client base for prime brokerage services stretches across all client segments by size with almost half having assets under management of under \$250 million. In this year's survey, however, the response base for BMO is dominated by large and medium-sized clients. This is nevertheless a southward shift compared to 2016

The results for BMO are somewhat uneven, varying widely from 4.44 for Capital Introduction, a drop of 1.14 points, from last year's score to 6.18 for Client Service. Large increases are found in Financing and Margining, Reporting Services, and Technology, up +0.44, +0.34, and +0.31 rises respectively. Large decreases meanwhile are recorded in Hedge Fund Consulting Services (-0.90) and Capital Introduction Services (-1.14), the low score for which is largely attributable to a weak result for effectiveness in screening investors and effectiveness in introducing funds to actively allocating investors.

It is worth noting that less than half of respondents for BMO have rated the bank for either Hedge Fund Consulting or Capital Introduction. There are, however, no additional comments from those that have to indicate why scores have dropped in those areas.

On average, the score for BMO is slightly lower this year and below market average. At a category level, it does, however, surpass the average for both Client Service and Value. This wide variation in results, may partly reflect a change in BMO's response base. The number of participants rating the bank has almost doubled, while just over 40% are returnees from 2016.

At a question level, BMO's highest scores are for two aspects of Client Service: 'Stability of client service staffing' (6.50) and 'Ease with which issues can be resolved without the involvement of senior management' (6.24). The most improved scores are for 'Ability to provide consolidated reporting across asset classes, business divisions and geographies' (+0.83 points to 5.61) and 'Ability to offer less capital intensive alternatives to stock borrowing' (+0.76 points to 5.43).

SERVICE AREA			
	2017	2016	Difference
Client Service	6.18	6.18	0.00
Operations	5.76	5.90	-0.14
Financing and Margining	5.87	5.43	0.44
Securities Lending	5.53	5.66	-0.13
Reporting	5.61	5.27	0.34
Technology	5.61	5.30	0.31
Hedge Fund Consulting Services	5.10	6.00	-0.90
Capital Introduction Services	4.44	5.58	-1.14
Value	6.03	5.99	0.04
Reputation	6.07	6.10	-0.03

At the other end of the scale, the lowest scores are recorded for aspects of Cap Intro. Effectiveness in introducing funds to actively allocating investors is down 1.60 points to 4.03, while Overall level of satisfaction with capital introduction services has fallen by 1.20 points to 4.47. These are also the bank's two lowest question scores. That said, of the 50 questions that attract sufficient response for a rating, only seven score below five, suggesting that clients are, on the whole, quite content with the service they are receiving. Six of the seven are also in the two areas, Capital Introduction and Hedge Fund Consulting Services, that attract the fewest responses.

Another way to look at category ratings is by the percentage of respondents that awarded six or seven (Very Good or Excellent). Client Service, for example, attracts such ratings from over 57% of respondents, while receives such scores from over 60% of participants.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	n/a	n/a	Very Large	13.1	9.3
Europe ex-UK	n/a	n/a	Large	27.4	44.4
North America	100.0	100.0	Medium	38.1	37.0
Rest of the World	n/a	n/a	Small	21.4	9.3
UK	n/a	n/a			

MARKET POSITION

	2017	2016
% of responses by number	2.2	1.5
% of responses by weight	0.4	0.2

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Stability of client service staffing	6.50	6.56	-0.06
Ease with which issues can be resolved	6.24	6.07	0.17
Overall reputation of this prime broker	6.18	6.24	-0.06

Lowest question scores	2017	2016	Difference
Overall level of satisfaction with capital introduction services	4.47	5.67	-1.20
Effectiveness in screening investors to identify those appropriate to your investment strategy	4.45	5.38	-0.93
Effectiveness in introducing your fund to actively allocating investors	4.03	5.63	-1.60

BNP Paribas

BNP Paribas counts 220 fund managers as clients of its prime brokerage services. Full services to which are provided out of New York, London and Hong Kong. Amongst survey participants rating BNP Paribas, North America remains the dominant region and distribution of respondents by size of AuM remains fairly consistent, very large clients accounting for roughly 42% of responses by weight. Overall, the bank accounts for over 9% of weighted responses to the survey as a whole.

Category scores are close to last year's impressive levels, with six above 6.00 and four mostly in the upper-fives. Although the bank's average score increased marginally by +0.07, that was sufficient for it to surpass the 6.00 mark, the threshold between Good and Very Good. The six categories that surpassed 6.00 last year remained above 6.00 this year.

The declines recorded for four categories are marginal, the largest being -0.10 for Hedge Fund Consulting Services. That and Capital Introduction Services are the only two categories that do not outperform the market average, although both are close to it. The lower score for Hedge Fund Consulting Services is primarily due to the very-large clients among the bank's response base, who collectively scored the bank 4.89 for this category. On the other hand, the score for Capital Introduction Services is primarily due to large clients, and to a lesser extent their smaller peers. Both rated this category below 5.00. One client stresses, however, that, "When an introduction is made, it's generally a very, very good one that often results in multiple investor interactions."

Other client comments reflect the survey results. In the area of Client Service, many individual staff are named and praised. In contrast, six of the 31 comments call for more investment in capital introduction services, while three suggest reporting services need improvement. "It can be difficult to understand which report will show what item - user defined names may help, and flow of info from 3rd parties to BNP platform," says one.

The bank's corporate actions capabilities attract diverse com-

ment. "BNP needs to do a better job with their corporate action notifications," says one respondent. "The current details provided are not completely helpful." Another, however, says that, "We process a high volume of complex corporate actions and are very satisfied with BNP's performance. We use them specifically for difficult trades, because we know they can handle it where other PBs cannot."

In summary, says one respondent, "We view BNP Paribas as a long-term partner and one of the more innovative PBs we deal with. They have excellent client coverage and we have trust in their process and terms. Leadership from upper management flows down through the various departments and teams."

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	5.5	5.5	Very Large	42.2	44.9
Europe ex-UK	14	4.3	Large	29.7	29.0
North America	78.8	62.9	Medium	18.2	18.4
Rest of the World	3.0	n/a	Small	9.9	7.7
UK	11.3	10.4			

MARKET POSITION

	2017	2016
% of responses by number	8.6	8.5
% of responses by weight	9.4	10.4

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Stability of client service staffing	6.61	6.38	0.23
Knowledge and experience of client service personnel	6.47	6.30	0.17
Proactivity and effectiveness of client service personnel	6.46	6.34	0.12

Lowest question scores	2017	2016	Difference
Overall level of satisfaction with capital introduction services	5.40	4.98	0.42
Effectiveness in screening investors to identify those appropriate to your investment strategy	5.33	5.54	-0.21
Effectiveness in introducing your fund to actively allocating investors	5.29	5.13	0.16

SERVICE AREA

	2017	2016	Difference
Client Service	6.47	6.30	0.17
Operations	6.27	6.17	0.10
Financing and Margining	6.07	6.02	0.05
Securities Lending	6.05	6.07	-0.02
Reporting	5.92	5.93	-0.01
Technology	5.97	5.98	-0.01
Hedge Fund Consulting Services	5.70	5.80	-0.10
Capital Introduction Services	5.37	5.26	0.11
Value	6.25	6.05	0.20
Reputation	6.31	6.08	0.23

Cantor Fitzgerald & Co

Cantor Fitzgerald has seen a steady increase in clients for its PB service, from 115 hedge fund managers in 2014, 125 in 2015 and 135 by the end of last year. Current hedge fund clients account for 210 separate funds. Some 70% of these are at the smaller end of the scale, with less than \$100 million in assets under management. The remainder are spread across all other size categories. With the vast majority of clients based in North America, client service and operations are provided out of New York

In the survey itself, 47 of the 48 responses received for Cantor are from North America and these are spread fairly evenly across all size categories, from small to very large.

Although Cantor has bucked the trend in recording a decline in scores across nine categories, it remains high above the market average and is still one of the few providers for whom eight of the ten categories have surpassed the 6.00 mark.

Some categories did, however, record large falls. Scores for Financing and Margining and Hedge Fund Consulting Service decreased by -0.60 and -0.85 respectively, though only 28% of respondents provided a rating for the latter. While remaining well above the market average, these two categories appear relatively volatile for Cantor Fitzgerald. Last year, they increased by 0.52 and 0.63 respectively. Nevertheless, despite the drop, they remain very high and above the category average for the market as a whole. One new client is optimistic: “We have not yet started using them for financing, but already agreed they will accept our structured assets at terms that work for us.”

Another counter-intuitive result is provided by analysing scores based on size of respondent. Scores awarded by smaller clients are weaker than those from larger respondents. It is more often the case that larger clients are more severe, given the complexity of their needs. Taking Securities Lending as an example, Cantor has scored a perfect 7.00 for very-large, large, and medium clients, whereas it only scored 5.50 for small clients. This may have something to do with both the pool of assets and the trading strategies of the various respondents. “A strong team who are great in the

hard to borrow space,” says one satisfied client.

Many of the additional comments focus on Client Service. “Account representatives are the BEST part of Cantor Prime! They are attentive, supportive and efficient,” says one. “My rep is very receptive and proactive. They provide a high-touch level of service,” says another.

Cap intro also receives a thumbs-up from one client. “We have found the CI team’s market intelligence very helpful. They frequently report back with colour from investor road trips and have a solid pulse on current investor mandates”. Another adds that, “They have been helpful in identifying investors within less frequent regions and initiating dialogue on our behalf. This has been demonstrated in the family office segment.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	n/a	n/a	Very Large	20.2	11.3
Europe ex-UK	1.1	1.8	Large	26.6	17.7
North America	98.9	98.2	Medium	25.5	35.5
Rest of the World	n/a	n/a	Small	27.7	35.5
UK	n/a	n/a			

MARKET POSITION

	2017	2016
% of responses by number	2.5	2.5
% of responses by weight	0.5	0.5

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Knowledge and experience of client service personnel	6.59	6.67	-0.08
Ease with which issues can be resolved	6.59	6.56	0.03
Proactivity and effectiveness of client service personnel	6.58	6.79	-0.21
Lowest question scores	2017	2016	Difference
Value of advice on business strategy, organisational structure and HR issues	5.83	6.93	-1.10
Value of advice on making your funds more attractive to investors	5.80	6.76	-0.96
Availability of collateral options	5.63	6.58	-0.95

SERVICE AREA

	2017	2016	Difference
Client Service	6.54	6.66	-0.12
Operations	6.33	6.58	-0.25
Financing and Margining	5.99	6.59	-0.60
Securities Lending	6.30	6.58	-0.28
Reporting	6.31	6.41	-0.10
Technology	6.12	6.25	-0.13
Hedge Fund Consulting Services	5.94	6.79	-0.85
Capital Introduction Services	6.26	5.99	0.27
Value	6.43	6.47	-0.04
Reputation	6.40	6.61	-0.21



Citi will be pleased with this year's crop of results. Significant increases have been registered in all categories, by between 0.33 and 0.73 points, while its average score across all categories has risen by 0.55 points. Scores for Securities Lending and Reputation surpassed 6.00. Given the fact that the Securities Lending is the second lowest category score this year across the survey as a whole, surpassing 6.00 should be considered a particularly good result, and it is no surprise that Citi's score in this category is well above the market average.

Citi has also exceeded the market average in two other areas: Hedge Fund Consulting Services and Capital Introductions, which are relative problem areas for several providers covered in the survey. At the other end of the scale, Citi's average score for Operations lags the market average by -0.47, despite a significant improvement year on year. One client recognises progress in this area. "Operational infrastructure is not as strong as others, but people care and help to mask it," they say. "Their technology is improving, but they are a big firm and need a little more customisation. They are improving."

Citi's response sample, which is over 50% larger than last year's, is dominated by large and very large hedge fund managers, traditionally the tougher segments to please. Small respondents, while few, award near perfect scores to the bank.

In a year where Citi's scores at a category level have all improved, it is worth looking more closely at individual question scores. The most improved score at that level, by 1.19 points is for 'Evidence of continuing commitment to prime brokerage' (6.24). It is unlikely that this score has risen spontaneously without Citi working directly with clients to reassure them in this regard.

The next most improved score is for 'Reporting of where assets are being held and where they have been re-hypothecated'. This has jumped by 0.97 points from Satisfactory (4.67) to Good (5.64). The bank will be pleased that two aspects of Client Service have also recorded significantly improved scores.

SERVICE AREA			
	2017	2016	Difference
Client Service	5.80	5.10	0.70
Operations	5.49	5.01	0.48
Financing and Margining	5.74	5.34	0.40
Securities Lending	6.07	5.37	0.70
Reporting	5.69	5.09	0.60
Technology	5.59	5.03	0.56
Hedge Fund Consulting Services	5.92	5.53	0.39
Capital Introduction Services	5.58	5.25	0.33
Value	5.83	5.23	0.60
Reputation	6.09	5.36	0.73

'Proactivity and effectiveness of client service personnel and Knowledge and experience of client service personnel' are up by 0.88 and 0.87 points respectively. Only one question attracts a slightly lower score than last year. Overall level of satisfaction with Capital Introduction Services is down 0.05 points to 5.63, but this is outweighed by substantial increases for effectiveness in screening investors to identify those appropriate to client's investment strategies and effectiveness in introducing funds to actively allocating investors.

After evidence of commitment to the business, Citi's next highest question scores are for 'Value of advice and assistance to start-up funds' (6.17) and 'Overall level of satisfaction with securities lending' (6.15).

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	13.6	22.1	Very Large	53.0	63.0
Europe ex-UK	11.1	2.7	Large	37.9	24.7
North America	60.1	48.7	Medium	8.1	11.1
Rest of the World	4.0	n/a	Small	1.0	1.2
UK	11.1	26.5			

MARKET POSITION

	2017	2016
% of responses by number	2.5	2.5
% of responses by weight	1.1	1.2

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Evidence of continuing commitment to prime brokerage	6.24	5.05	1.19
Value of advice and assistance to start-up funds	6.17	5.43	0.74
Overall level of satisfaction with securities lending	6.15	5.44	0.71
Lowest question scores	2017	2016	Difference
Overall level of satisfaction with operations	5.40	5.03	0.37
Overall level of satisfaction with technology	5.34	5.12	0.22
Usefulness of regular intelligence on trends in investor thought and behaviour	5.21	5.00	0.21

Cowen Prime Services

As a result of the acquisition of ConvergeEx, Cowen has seen a big jump in the number hedge funds using its prime services. This year, in addition to the exclusively North American respondents in 2016, the firm has attracted a few responses from UK. The spread of clients by size of assets under management remains fairly consistent with the bulk of respondents to the survey at the smaller end of the scale.

Scores this year are similar to last, except in the area of Capital Introduction Services, where Cowen has recorded a 0.88-point increase to 4.80, at the same time comfortably crossing the threshold between Weak and Satisfactory. This remains an area where Cowen lags behind the market average, as it does by a much narrower margin in two other categories: Securities Lending and Hedge Fund Consulting Services. It exceeds the market average both in the other seven areas and overall.

While scores for Cap Intro are consistent across all respondent segments viewed by size, those for two of the relatively weaker areas, Securities Lending and Hedge Fund Consulting Services, vary by client size. For Securities Lending, average scores from large and small funds are very solid whereas the average from medium funds is below 5.00. In the case of Hedge Fund Consulting Services, average score from large funds is very high at 6.28. The averages from medium and small funds are only 5.19 and 5.63 respectively.

Client comments tend to focus on client service and relationship management. “I can’t say this enough: without Cowen, our business would not work as well as it does now,” says one respondent. “True investment pros and nice people, easy to work with,” is a comment from another.

A more extensive observation suggests that, “Trading & support is top notch. Any issues I’ve had (very few) have been resolved extremely quickly, and the team has ensured that I’m satisfied with any issues and resolutions. These guys have been great to me overall from sales process through operations today, and I’d recommend them to anyone.”

SERVICE AREA			
	2017	2016	Difference
Client Service	6.32	6.32	0.00
Operations	6.23	6.42	-0.19
Financing and Margining	6.11	6.28	-0.17
Securities Lending	5.63	5.65	-0.02
Reporting	6.05	6.04	0.01
Technology	5.90	5.81	0.09
Hedge Fund Consulting Services	5.64	5.83	-0.19
Capital Introduction Services	4.80	3.92	0.88
Value	6.12	6.19	-0.07
Reputation	6.18	6.07	0.11

Cowen itself identifies the three principal developments in its offering over the past year, as the launch of the firm’s international PB solution based in London, the acquisition of the ConvergeEx Prime business and the continued ramp up in its outsourced trading solution.

The ConvergeEx acquisition enhances the firm’s footprint and gives it a much more regionally dispersed presence throughout the US.

Cowen’s highest score at a question level is for ‘Stability of Client service staffing’, at 6.52. This is service feature about which respondents tend to be particularly sensitive. A perceived high turnover can colour all other responses to the questionnaire.

The firm’s most improved score is for its ‘Effectiveness in screening investors to identify those appropriate to a client’s investment strategy, size and goals’.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	n/a	n/a	Very Large	n/a	n/a
Europe ex-UK	n/a	n/a	Large	7.3	4.8
North America	93.8	100.0	Medium	27.1	29.0
Rest of the World	n/a	n/a	Small	65.6	66.1
UK	6.3	n/a			

MARKET POSITION

	2017	2016
% of responses by number	4.0	3.3
% of responses by weight	0.8	0.6

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Stability of client service staffing	6.52	6.44	0.08
Speed of resolution of breaks	6.36	6.46	-0.10
Proactivity and effectiveness of client service personnel	6.32	6.35	-0.03
Lowest question scores	2017	2016	Difference
Usefulness of regular intelligence on trends in investor thought and behaviour	4.92	4.21	0.71
Effectiveness in screening investors to identify those appropriate to your investment strategy	4.81	3.59	1.22
Effectiveness in introducing your fund to actively allocating investors	4.44	3.40	1.04

Credit Suisse

Responses by weight for Credit Suisse remain concentrated in the large and very large bands. Client locations also remain roughly the same as last year with a slightly greater number of respondents from Asia. The size of the response sample has increased by 5-10%.

Following the general survey trend, significant improvements have been recorded for all category scores by between 0.7 and 0.77 points with an average overall increase of 0.28. The biggest rise is for Capital Introduction Services (+0.77), allowing the bank to cross the threshold into the Good range (5.00-5.99).

Nevertheless, none of the categories has outperformed the market average. Based on the scores awarded, there is also room for improvement among specific client groups. The average score for Value Delivered for Europe- ex UK is below 5.00. The average scores for Client Service and Operations for UK clients are also below 5.00. Given the importance that participants attach to these two categories, Credit Suisse may want to explore why these groups appear indifferent to the service received in these specific areas. The score for Value Delivered may, for example, reflect a view among European clients that fee levels are relatively high.

Interestingly, client comments suggest a divergence in service levels from different parts of the bank's prime brokerage business. "Extremely excellent prime brokerage equity operations; very knowledgeable and professional; swap/cfd operation and systems could use improvement," one client suggests. Another makes a similar observation: "I would highly recommend the equity cash prime brokerage group to anyone. I have to say swap/CFD need better client services and systems."

Capital Introduction Services also come in for criticism from one user. "The CS Cap Intro relationship has been generally mediocre. They almost never proactively reach out with prospects or worthwhile market colour. Moreover, they outright decline or resist the rare request we ask of them," he says.

According to one respondent, the bank needs to "manage turn-over of personnel and manage the legal team better."

While these comments may be dispiriting, Credit Suisse can take heart from the fact no question scores across the client base as a whole fall below 5.00 and therefore can all be considered good. Two questions actually record scores above 6.00, the threshold for Very Good. These are 'Timeliness of delivery of reports' (6.12) and 'Access to hard-to-borrow securities' (6.01). Even its lowest question score, for overall satisfaction with capital introduction services, still scores within the Good range at 5.08. The most improved question score year on year is for an aspect of cap intro; namely, the bank's 'Effectiveness in introducing funds to actively allocating investors', up 1.09 to 5.23. This is followed by 'Usefulness of regular intelligence on trends in investor thought and behaviour', up 0.77 to 5.25.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
	Asia	22.0		26.9	Very Large
Europe ex-UK	7.3	5.5	Large	39.2	29.7
North America	53.8	52.2	Medium	9.5	9.3
Rest of the World	4.8	n/a	Small	2.2	2.5
UK	12.1	15.4			

MARKET POSITION

	2017	2016
% of responses by number	3.5	4.3
% of responses by weight	2.1	3.6

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Timeliness of delivery of reports	6.12	5.70	0.42
Access to hard-to-borrow securities	6.01	5.50	0.51
Ability to provide consolidated reporting across asset classes, business divisions and geographies	5.94	5.33	0.61

Lowest question scores	2017	2016	Difference
Usefulness of regular intelligence on trends in investor thought and behaviour	5.25	4.48	0.77
Effectiveness in introducing your fund to actively allocating investors	5.23	4.14	1.09
Overall level of satisfaction with capital introduction services	5.08	4.53	0.55

SERVICE AREA

	2017	2016	Difference
Client Service	5.71	5.42	0.29
Operations	5.56	5.38	0.18
Financing and Margining	5.50	5.43	0.07
Securities Lending	5.75	5.57	0.18
Reporting	5.79	5.46	0.33
Technology	5.63	5.32	0.31
Hedge Fund Consulting Services	5.55	5.43	0.12
Capital Introduction Services	5.21	4.44	0.77
Value	5.64	5.38	0.26
Reputation	5.61	5.32	0.29

Deutsche Bank

Deutsche Bank counts 639 hedge fund managers as clients of its prime brokerage business. A full service is offered from New York, London, Hong Kong, Tokyo, Singapore, Sydney, Frankfurt and Johannesburg.

Tracking the market trend is the story for Deutsche Bank. Scores for eight of the ten categories are very close to the market average as is its average score across all categories. Client Service, Financing and Margining, and Value Delivered all exceeded 6.00, the threshold for Very Good. In all three areas, the improvement represents a jump from Good (5.00-5.99). By contrast, scores for Securities Lending and Capital Introduction Services both declined by 0.33 and 0.35 points respectively. Securities Lending is no longer Deutsche Bank's highest scoring category, though at 5.80 it is obviously still well regarded by this year's respondents for the bank.

At 5.47, Capital Introduction Services is Deutsche Bank's lowest scoring category, though it is still 0.01 points above the market average. "The cap intro meetings were very helpful and we were also prepped by DB," says one client.

Client service generally comes in for praise. "DB consistently exceed expectations and go above and beyond," comments one satisfied client, while another identifies "very strong capabilities in the corporate actions space."

Although Deutsche Bank's score for Technology hits the market average at 5.86, suggesting clients are quite happy, there are one or two grumbles about this aspect of the business. "Clunky systems, very rigid back office," says one respondent.

At an individual question level, Deutsche Bank has recorded increases in some 60% of scores. The most improved is for overall satisfaction with financing and margining, one of the top priorities for respondents this year. This is rated 6.01, compared to a score in 2016 of 5.67. Overall value across all service areas also scores 6.01, up 0.25. Although none of the falls in score is sufficient to drag the bank below the mid-fives, there are a handful where Deutsche Bank will want to explore how to arrest the downward trend.

SERVICE AREA			
	2017	2016	Difference
Client Service	6.02	5.95	0.07
Operations	5.94	5.89	0.05
Financing and Margining	6.01	5.76	0.25
Securities Lending	5.80	6.13	-0.33
Reporting	5.84	5.76	0.08
Technology	5.86	5.86	0.00
Hedge Fund Consulting Services	5.78	5.85	-0.07
Capital Introduction Services	5.47	5.82	-0.35
Value	6.00	5.78	0.22
Reputation	5.83	5.77	0.06

Two of these are for aspects of Securities Lending. Use of in-house and third party information to identify trading opportunities for funds is down 0.69 to 5.43. Ability to offer less capital intensive alternatives to stock borrowing has meanwhile fallen by 0.52 points to 5.67 – still a more than respectable score, but one the bank will want to see back up in the Very Good category in 2018.

Often, an analysis of responses by client size yields further insight, but on average there is little to distinguish the different categories from small through to very large. The highest individual score on this measure is from small respondents for Client Service (6.73) though large clients also rate the bank well above 6.00 in this area.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	30.2	38.0	Very Large	42.8	45.6
Europe ex-UK	8.0	1.0	Large	43.4	34.4
North America	35.0	41.4	Medium	11.6	14.4
Rest of the World	9.0	3.3	Small	2.3	5.6
UK	17.7	16.3			

MARKET POSITION

	2017	2016
% of responses by number	4.2	6.2
% of responses by weight	2.9	6.0

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Availability of collateral options	6.13	5.89	0.24
Reliability of electronic trade execution services and real-time trading information	6.07	6.01	0.06
Proactivity and effectiveness of client service personnel	6.06	6.00	0.06

Lowest question scores	2017	2016	Difference
Overall level of satisfaction with capital introduction services	5.46	5.89	-0.43
Use of in-house and third party information to identify trading opportunities for your fund	5.43	6.12	-0.69
Effectiveness in introducing your fund to actively allocating investors	5.34	5.75	-0.41

Fidelity Prime Services

Fidelity has received responses exclusively from North America, mainly from large and very large funds. Its response sample has grown by 50%. These clients deploy a wide range of investment strategies. Almost 89% use Equity long/short, just over 22% use Fixed income and Private equity, while only Macro strategies are not represented among this year's cohort. Its results for eight of the ten categories surpassed 6.00, the threshold for Very Good, while the score for Hedge Fund Consulting comes very close to that. Its average score across all 10 categories increased by 0.07 points and Fidelity is one of the small number of providers whose overall score is above 6.00.

Capital Introduction Services is the only area to have recorded a notable decline and is below 5.00 at 4.95. However, fewer than 50% of respondents provided a rating for this service area. Furthermore, although the category score for cap intro is low, the score at a question level for overall level of satisfaction with capital introduction services remains solid this year at 5.48. Fidelity also has a perfect score for this category from very large funds. One respondent notes that, "Fidelity has good relationships with a differentiated investor base and is proactive in organising well-attended events.

At a question level, Fidelity receives one perfect 7.00, for value of advice and assistance to start-up funds. Its next highest score is 6.54, for its ability to offer less capital intensive alternatives to stock borrowing. Both of these have risen substantially since 2016 by 1.00 and 0.87 points respectively.

At the other end of the question rankings, it does record three results below 5.00, all for aspects of cap intro as the accompanying table indicates. Here too, declines have been significant.

Clients completing the survey are asked to rate each question on a scale of 1.00 to 7.00 and at a category level, this has resulted in an unusually wide spread for Fidelity. For example, 58% of respondents have scored the provider a 6.00 or 7.00 for Client Service, while 6% have rated this service area 4.00 or less. Fidelity will, however, be pleased that on the subject of Value

Delivered, over 60% of respondents have rated it Very Good or Excellent. Even Capital Introduction Services, which overall receives a rating from Fidelity respondents of only Satisfactory, attracts a score of 7.00 from 13% of participants.

Freeform comments from clients are generally positive, particularly regarding Client Service. "Best client service managers around," says one respondent, while another describes Fidelity as "top notch" in this area.

One client offers a differentiated view of specific reporting and operational capabilities: "DTC break report and its real-time refresh is very high quality. Lack of ability to elect corporate actions via web is a big hole."

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	n/a	n/a	Very Large	51.4	n/a
Europe ex-UK	n/a	n/a	Large	42.3	n/a
North America	100.0	n/a	Medium	3.6	n/a
Rest of the World	n/a	n/a	Small	2.7	n/a
UK	n/a	n/a			

MARKET POSITION

	2017	2016
% of responses by number	1.4	1.2
% of responses by weight	0.3	0.3

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Value of advice and assistance to start-up funds	7.00	6.00	1.00
Ability to offer less capital intensive alternatives to stock borrowing	6.54	5.67	0.87
Reliability of electronic trade execution services and real-time trading information	6.47	6.37	0.10

Lowest question scores	2017	2016	Difference
Effectiveness in screening investors to identify those appropriate to your investment strategy	4.93	6.00	-1.07
Effectiveness in introducing your fund to actively allocating investors	4.69	5.65	-0.96
Usefulness of regular intelligence on trends in investor thought and behaviour	4.67	4.00	0.67

SERVICE AREA	2017	2016	Difference
Client Service	6.15	6.15	0.00
Operations	6.20	5.92	0.28
Financing and Margining	6.08	5.88	0.20
Securities Lending	6.16	6.05	0.11
Reporting	6.10	6.14	-0.04
Technology	6.11	6.05	0.06
Hedge Fund Consulting Services	5.95	5.98	-0.03
Capital Introduction Services	4.95	5.20	-0.25
Value	6.17	5.89	0.28
Reputation	6.24	6.15	0.09

Goldman Sachs

Scores for Goldman Sachs have been quite consistent since 2015. The overall score fell by only 0.04 this year and only one category has recorded a variation in score greater than 0.10 points. All category scores are to found at the higher end of the 5.00-5.99 range, though in a market where results are generally on the rise, this could be considered unremarkable. Goldmans is close to the market average in all service areas, with five scores just above and five just below.

Nevertheless, scores remain very solid. Reputation has been the strongest area for Goldman Sachs since 2015 and has consistently scored above 6.00 for that category in the last three annual surveys. The most noticeable change is found in Securities Lending, which has declined by -0.25 –not a huge difference in the general scheme of things.

One of the areas where Goldman Sachs outperforms is also its lowest scoring category, Capital Introduction Services – an area where it is proving difficult this year to earn plaudits from customers. Several clients add complimentary comments to their scores in this area. “Fantastic events, extremely knowledgeable and proactive coverage. They hustle. Truly global and very coordinated,” says one. “The GS cap intro team is a valued partnership with our distribution team,” says another.

With all size segments well represented in the Goldman Sachs response sample, some differences are evident when results are viewed according to this criterion. Leaving aside Reputation, for which all size categories award the bank a score above 6.00, the most notable divergence is in perception of cap intro. Very large respondents rate this category 5.80, while large, medium and small clients award scores in the Satisfactory range, from 4.62 to 4.86. One client suggests that the firm’s cap intro services are “generally professional and well done, but seem geared more towards larger funds.” Hedge Fund Consulting Services are meanwhile rated 6.07 by very large clients and 5.72 by the smallest clients.

Given the depth and breadth of Goldman Sachs’ response base, client comments are surprisingly sparse. One new client laments the quality of the onboarding experience, describing it as “very

SERVICE AREA			
	2017	2016	Difference
Client Service	5.93	6.00	-0.07
Operations	5.85	5.94	-0.09
Financing and Margining	5.74	5.80	-0.06
Securities Lending	5.69	5.94	-0.25
Reporting	5.91	5.92	-0.01
Technology	5.91	5.92	-0.01
Hedge Fund Consulting Services	5.88	5.98	-0.10
Capital Introduction Services	5.50	5.50	0.00
Value	5.88	5.77	0.11
Reputation	6.22	6.11	0.11

segregated and disorganised.” Another points disapprovingly to turnover in staffing.

Elsewhere, however, the bank comes in for praise. “The Securities Lending desk is often able to offer borrow, albeit at a higher price. Our contacts on the lending desk have been very helpful.” A backhanded compliment comes from one respondent who suggests that, “their service level is still the best, considering GS needs to do a lot of manual workarounds to overcome technology issues.”

The state of the bank’s client-facing systems is a source of some grumbling. “Reporting is dated and the web portal that delivers reports is also dated. That makes integration with our operations slightly less efficient,” says one client. Another suggests that “technology desperately needs a refresh.”

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	15.4	15.6	Very Large	35.3	42.8
Europe ex-UK	4.4	7.2	Large	47.2	39.3
North America	61.9	52.4	Medium	14.7	14.3
Rest of the World	5.7	1.5	Small	2.8	3.7
UK	12.5	23.3			

MARKET POSITION

	2017	2016
% of responses by number	10.1	10.6
% of responses by weight	15.1	18.0

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Overall reputation of this prime broker	6.28	6.36	-0.08
Evidence of continuing commitment to prime brokerage	6.15	5.97	0.18
Knowledge and experience of client service personnel	6.07	6.08	-0.01

Lowest question scores	2017	2016	Difference
Effectiveness in screening investors to identify those appropriate to your investment strategy	5.54	5.53	0.01
Use of in-house and third party information to identify trading opportunities for your fund	5.44	5.87	-0.43
Effectiveness in introducing your fund to actively allocating investors	5.28	5.31	-0.03

HSBC

HSBC has seen a 12% increase over the past year in the number of hedge fund managers hedge fund managers as clients of its PB services. A full service is provided out of New York, London and Hong Kong.

Three-quarters of this year's response sample of HSBC also rated the bank in 2016, a relative consistency that is useful for year-on-year comparisons. Scores for HSBC this year are, however, significantly different from last year at a category level. While the bank's overall score has increased by 0.40, the changes from category to category score vary greatly. Human fallibility is evident in the scores awarded for Capital Introduction Services – something that HSBC does not offer. Although this has jumped massively to 6.36, we have disregarded it for the purposes of this survey.

Scores for Client Service and Operations increased significantly by 0.41 and 0.39 respectively, which resulted in these two categories being the strongest areas for HSBC, excluding Capital Introduction Services and Hedge Fund Consulting (see below). This is very important, given the fact that Client Service is cited as their number one priority by 35% of respondents for HSBC. One client comments that HSBC is “very dogged in finding the root cause of issues and is honest in accepting that some are systematic; however, a solution is always offered with work undertaken to fix it long-term.” At a question level for Client Service, overall level of satisfaction, knowledge and experience of personnel, and stability of client service staffing all exceeded 6.00. The score for stability of client service staffing is very high, at 6.28. This is very impressive, given that this is one of the most frequent causes of complaint in the survey.

Scores in four areas – Securities Lending, Reporting Services, Technology, and Value Delivered have recorded declines of between 0.21 and 0.27 points, although their results remain comfortably in the Good range.

The high scores for Hedge Fund Consulting require some explanation, since this too is a service that HSBC does not offer in its traditional format. The bank explains that it does not offer a dedicated consultancy team, “clients value the bespoke advisory and

project management knowledge and guidance of the client service and relationship management team, but also the client-facing technology and sales teams in supporting their business and finding solutions.” Examples include advice on topics such as business structuring, service providers, best practice operating models, training and education as well as regulatory awareness, impact and compliance.

A big focus for HSBC in 2016 was the provision of a global offering for direct market access/direct strategy access across the majority of emerging markets as well as improving emerging market execution latency. Another has been on prime brokerage for Hong Kong/China funds. In that context, the bank has enhanced its RMB FX provisions. In so doing, it is seeking to provide a differentiator from its PB peers by building on its regional strengths.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	32.7	34.3	Very Large	60.5	55.6
Europe ex-UK	10.5	6.4	Large	34.6	27.3
North America	13.0	5.0	Medium	3.7	15.0
Rest of the World	6.2	7.9	Small	1.2	2.1
UK	37.7	39.3			

MARKET POSITION

	2017	2016
% of responses by number	1.8	2.9
% of responses by weight	0.6	1.6

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Effectiveness in screening investors to identify those appropriate to your investment strategy	7.00	4.00	3.00
Effectiveness in introducing your fund to actively allocating investors	7.00	4.00	3.00
Overall level of satisfaction with capital introduction services	6.40	4.06	2.34

Lowest question scores	2017	2016	Difference
Flexibility of collateral options	5.33	5.73	-0.40
Usefulness to your funds of workflow tools offered	5.26	5.65	-0.39
Overall level of satisfaction with technology	5.19	5.46	-0.27

SERVICE AREA

	2017	2016	Difference
Client Service	5.98	5.57	0.41
Operations	5.81	5.42	0.39
Financing and Margining	5.60	5.73	-0.13
Securities Lending	5.72	5.99	-0.27
Reporting	5.47	5.68	-0.21
Technology	5.32	5.54	-0.22
Hedge Fund Consulting Services	6.12	4.75	1.37
Capital Introduction Services	6.36	3.48	2.88
Value	5.45	5.67	-0.22
Reputation	5.68	5.73	-0.05

J.P. Morgan

This has been a relatively good year for J.P. Morgan in the PB survey. Its responder base has grown by just over 10% and is dominated by large and very large institutions. In total, it accounts for 4.6% of weighted responses to this year's survey. Looking at responses on a regional basis, North America dominates, accounting for 80% of total weighted responses for the bank. The UK accounts for just over 11%.

J.P. Morgan's overall score has increased by 0.30. Nine out of 10 categories are in the Good range (5.00-5.99) and one, Reputation, has risen to 6.19, the bank's highest category score. While Financing and Margining and Hedge Fund Consulting Services scored just above last year's levels, maintaining a consistent standard, other categories saw significant improvements.

For J.P. Morgan clients, the top priorities are counterparty credit risk considerations, client service capabilities, and competitiveness of financing rates. All three are cited by at least a third of clients, well above other service factors.

Several clients at colour to their ratings through freeform comments. "Extremely good equity prime brokerage operation and excellent swap/cfd operations department: the best by far I have ever used in my 10 years at my current firm," says one manager. Another echoes this sentiment: "JPM has been a tremendous help to the success of this organisation since its inception. The PB equity cash team is tremendous. The London Swap/CFD operations team has been the best I have ever seen in all my almost 30-year career." One or two others are more circumspect. "FX PB is excellent., let down a little by other areas, but more to do with teething issues in the relationship right now," says one client.

Operations are seen as generally efficient. "A weak on-boarding phase led to initial break issues ballooning, but this is now resolved and BAU is good," one respondent observes.

Several specific aspects of service are singled out for plaudits from individual respondents, including margin rates, competitive hard-to-borrows in securities lending and transparency

of fees. Areas cited as ripe for improvement include cleared derivatives reporting, hedge fund consulting and cross-product margining.

At an individual question level, J.P. Morgan's highest score is for overall reputation (6.26, up 0.50 points year on year), followed by evidence of continuing commitment to prime brokerage (6.12, up 0.69). Only one question records a score below 5.00: effectiveness in introducing funds to actively allocating investors is rated 4.85. This is, however, an improvement on 2016's 4.61. Indeed, improvements are record in all but three question scores: flexibility of collateral options (-0.16 to 5.35); availability of collateral options (-0.09 points to 5.26) and efficiency and accuracy of margin management (-0.02 points to a still creditable 5.64).

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	2.0	4.6	Very Large	44.2	50.3
Europe ex-UK	6.8	2.6	Large	40.7	39.3
North America	80.1	78.1	Medium	13.6	9.4
Rest of the World	0.0	n/a	Small	1.5	1.0
UK	11.1	14.5			

MARKET POSITION

	2017	2016
% of responses by number	5.3	6.0
% of responses by weight	4.6	7.0

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Overall reputation of this prime broker	6.26	5.76	0.50
Evidence of continuing commitment to prime brokerage	6.12	5.43	0.69
Timeliness of delivery of reports	5.98	5.57	0.41

Lowest question scores	2017	2016	Difference
Overall level of satisfaction with capital introduction services	5.18	4.74	0.44
Effectiveness in screening investors to identify those appropriate to your investment strategy	5.15	4.80	0.35
Effectiveness in introducing your fund to actively allocating investors	4.85	4.61	0.24

SERVICE AREA

	2017	2016	Difference
Client Service	5.73	5.40	0.33
Operations	5.70	5.38	0.32
Financing and Margining	5.48	5.43	0.05
Securities Lending	5.71	5.49	0.22
Reporting	5.63	5.28	0.35
Technology	5.63	5.29	0.34
Hedge Fund Consulting Services	5.48	5.42	0.06
Capital Introduction Services	5.17	4.79	0.38
Value	5.67	5.35	0.32
Reputation	6.19	5.58	0.61

Morgan Stanley

This is another year of very strong performance for Morgan Stanley on the back of a significantly increased client base. With an increase of over 50% in response numbers, spread across all client size categories, the bank accounts for 19% of survey responses by number. With over 70% of these classified as large or very large, their weighted contribution to the survey accounts for 48% of the total.

Scores are up in nine out of the 10 categories. The only one to register a marginal decline is Securities Lending, in line with the market.

Despite its sizeable presence in the survey and its consequent impact on the average, Morgan Stanley nevertheless outperforms the market in every category. Its overall score has increased by 0.09, from an already high 6.06. This year, eight of 10 categories surpassed 6.00, the threshold for Very Good with 7.00 being the highest possible rating. The most impressive category is Reputation, where the bank scores 6.54, the highest for this category among providers who received at least 10 responses. Also notable is the fact that, in a year where providers have struggled to garner high scores for Capital Introduction Services, Morgan Stanley leads the market average by 0.40 in what is, in fact, its lowest scoring category.

Geographically, respondents are spread across the globe, with North America accounting for 53% of weighted responses. Scores are quite consistent across regions with North American respondents being marginally more generous in their assessments. In the scores for Reputation, for example, North America rates the bank at 6.66, compared to 6.29 from Europe ex-UK. Its lowest category score by region is 5.34, awarded by Rest of the World for Capital Introduction Services, rated by North American clients at 5.97.

Not surprisingly, there are several client comments to add colour to the ratings. “Morgan Stanley has a complete suite of services which they deliver in an extremely professional way,” says one large manager. “Response time is extremely quick on

queries and concerns, as is training for online systems usage,” is another observation, while the bank’s cap intro team is described by a particular respondent as “the best on the ground.”

It is not a total lovefest, however. There are one or two areas that come in for mild criticism. One European client suggests that the bank needs to improve the payment of European dividends, citing delays at the agent. An antipodean institution, meanwhile, would like to see better timings on global reports for the Australian region. “This is largely due to our position in the globe,” they acknowledge, “but more automation to provide T+1 reports early in the day for global equities would be good.”

At a question level, after overall reputation (6.58), Morgan Stanley’s second highest score is for evidence of continuing commitment to prime brokerage (6.50, up 0.23 points year on year.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	17.5	20.9	Very Large	28.3	33.9
Europe ex-UK	6.5	5.8	Large	44.1	39.0
North America	53.1	48.4	Medium	21.9	19.6
Rest of the World	9.2	1.6	Small	5.7	7.5
UK	13.7	23.4			

MARKET POSITION

	2017	2016
% of responses by number	19.2	16.2
% of responses by weight	47.7	36.0

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Overall reputation of this prime broker	6.58	6.45	0.13
Evidence of continuing commitment to prime brokerage	6.50	6.27	0.23
Overall level of satisfaction with client service	6.39	6.24	0.15

Lowest question scores	2017	2016	Difference
Ability to offer less capital intensive alternatives to stock borrowing	5.89	5.92	-0.03
Effectiveness in screening investors to identify those appropriate to your investment strategy	5.84	5.63	0.21
Effectiveness in introducing your fund to actively allocating investors	5.66	5.49	0.17

SERVICE AREA

	2017	2016	Difference
Client Service	6.33	6.20	0.13
Operations	6.19	6.12	0.07
Financing and Margining	6.02	5.94	0.08
Securities Lending	5.99	6.05	-0.06
Reporting	6.17	6.05	0.12
Technology	6.24	6.22	0.02
Hedge Fund Consulting Services	6.13	6.13	0.00
Capital Introduction Services	5.84	5.65	0.19
Value	6.11	5.99	0.12
Reputation	6.54	6.27	0.27

Nomura

Nomura's response base has increased fivefold since 2016, warranting a full write up in this year's survey, but rendering comparison with last year's score more difficult. Nevertheless, differences are stark and broadly in Nomura's favour. Its overall score has increased by 0.31 points from 5.76 last year to 6.07 this year. Only two service areas, Reporting and Securities Lending recorded slight declines, but both category score remain above 6.00 as do all others apart from Capital Introduction Services.

The large number of responses this year pushes Nomura into the company of a handful of other providers with both a large response base and a majority of scores above 6.00 (Very Good). All Nomura's category scores categories except Hedge Fund Consulting have outperformed their respective market averages.

The bank's strongest area is Client Service, at 6.35. Nomura is ranked second in this category among providers who received more than 100 responses.

While Asia accounts for 61% of responses by weight, North America contributes 31% and Europe, including UK, the bulk of the remainder. Examining the scores by region, a slightly more complex picture emerges. Hedge Fund Consulting Services receives a perfect 7.00 from North America, while Asia-based respondents award only 5.55. Securities Lending, meanwhile, is rated 6.12 and 6.13 by North American and Asian clients respectively, but only 4.50 and 4.79 by European and UK respondents.

An analysis of scores by size of clients according to their size yields further differences. Hedge Fund Consulting Services appear to be most appreciated by the smaller clients amongst whom Nomura is rated 6.76 in this category, while medium-sized clients rate it 4.94. For most service areas, however, scores are high across all size categories.

At an individual question level, Nomura's most improved score is for an aspect of cap intro; namely, its effectiveness in introducing funds to actively allocating investors. This has risen 1.71 from 4.00 (on the cusp of Weak) to 5.71 (Good). This is followed by value of advice on making funds more attractive to investors, up

1.65 points to 5.85.

At the other end of the scale, declines in score are much gentler. The biggest drop, -0.34 points is for Nomura's ability to provide consolidated reporting across asset classes, business divisions and geographies, though this still scores an impressive 5.92. Ranked by the question scores themselves, usefulness of regular intelligence on trends in investor thought and behaviour is the lowest at 5.13, while the best, 6.41, is recorded for knowledge and experience of client service personnel.

'Professional', 'proactive' and 'helpful' are words that appear frequently in clients' comments on this category. One respondent points to "the overall balance of the capabilities. Trading capability and global setup makes it easy to implement strategies, this is very important for fixed income."

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	60.8	n/a	Very Large	26.7	n/a
Europe ex-UK	2.4	n/a	Large	43.8	n/a
North America	31.3	n/a	Medium	18.8	n/a
Rest of the World	0.7	n/a	Small	10.8	n/a
UK	4.9	n/a			

MARKET POSITION

	2017	2016
% of responses by number	5.5	1.4
% of responses by weight	3.5	0.2

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Knowledge and experience of client service personnel	6.41	6.04	0.37
Stability of client service staffing	6.39	6.25	0.14
9.1 Overall value across all service areas	6.39	6.10	0.29

Lowest question scores	2017	2016	Difference
Effectiveness in screening investors to identify those appropriate to your investment strategy	5.57	4.50	1.07
Overall level of satisfaction with capital introduction services	5.45	4.50	0.95
Usefulness of regular intelligence on trends in investor thought and behaviour	5.13	4.50	0.63

SERVICE AREA

	2017	2016	Difference
Client Service	6.35	6.16	0.19
Operations	6.24	6.03	0.21
Financing and Margining	6.25	6.06	0.19
Securities Lending	6.05	6.15	-0.10
Reporting	6.04	6.15	-0.11
Technology	6.03	5.98	0.05
Hedge Fund Consulting Services	5.77	4.69	1.08
Capital Introduction Services	5.45	4.41	1.04
Value	6.30	5.94	0.36
Reputation	6.19	6.05	0.14

Pershing Prime Services (BNY Mellon)

This year, nearly all respondents for Pershing come from North America. The size of respondents remains roughly unchanged with over 85% counting as large or very large managers, traditionally the most difficult client segment to satisfy.

Pershing nevertheless appears to have succeeded in doing so. Its overall score has increased by 0.31 points, while four categories have recorded scores above 6.00 (Very Good). Given that the firm's response sample is among the most consistent in the survey year-on-year, these results can be taken as a vote of confidence from the client base.

Year-on-year, all category scores are up by between 0.12 and 0.58 points, and Pershing outperforms the market average in seven of the 10 categories, the three exceptions being Technology, Hedge Fund Consulting Services and Capital Introduction Services.

Client Service remains the strongest area for Pershing. At 6.43, it outperforms the market by a margin of 0.36 points. Its weakest areas, relatively speaking, are Hedge Fund Consulting and Capital Introduction Services, though in both cases, fewer than 30% of respondents actually provide a rating for them.

A few interesting variations in appreciation are evident when analysing Pershing's results by client size. The firm's highest scores by this measure are for Client Services as rated by large customers (6.63) and Hedge Fund Consulting Services as rated by medium-sized clients (6.60). Its weakest are its cap intro scores from very large clients (3.42) and small clients (4.00). Looking at the individual scores, this is also an area where opinion is noticeably divided with all possible scores from 1:00 to 7:00 represented in the firm's results.

Client comments are largely supportive. "It's an absolute pleasure dealing with the Pershing team," says one respondent, while another describes the firm as "very efficient and empathetic." One manager is impressed by "individuals taking ownership of issues and resolutions." On specific aspects of service, one comment singles out the operations and margin

departments as "very impressive in timeliness and in addressing anything that requires attention. The sales department is very good at working with us as a client as we grow and seek updates on pricing terms or additional services."

At a question level, Pershing's highest score, 6.49, is for stability of client staffing, a factor which can colour other aspects of service as it affects the sense of familiarity that a client feels with its provider.

Regarding changes in its PB service over the past year, Pershing identifies an increased focus on fine-tuning its service offering to credit strategies, which it describes as "a highly competitive area in the marketplace." It has also been building out its local team covering the West Coast of the USA, which, it says, "an increasing number of hedge funds are calling home."

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	n/a	3.4	Very Large	54.3	53.4
Europe ex-UK	n/a	3.4	Large	33.3	35.2
North America	97.3	93.2	Medium	10.0	6.8
Rest of the World	2.7	n/a	Small	2.3	4.5
UK	n/a	n/a			

MARKET POSITION

	2017	2016
% of responses by number	2.8	3.1
% of responses by weight	1.4	1.6

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Stability of client service staffing	6.49	6.42	0.07
Overall level of satisfaction with client service	6.45	6.34	0.11
Knowledge and experience of client service personnel	6.45	6.09	0.36

Lowest question scores	2017	2016	Difference
Usefulness of regular intelligence on trends in investor thought and behaviour	5.18	4.88	0.30
Effectiveness in screening investors to identify those appropriate to your investment strategy	5.11	4.71	0.40
Effectiveness in introducing your fund to actively allocating investors	5.04	4.50	0.54

SERVICE AREA

	2017	2016	Difference
Client Service	6.43	6.19	0.24
Operations	6.35	6.04	0.31
Financing and Margining	5.93	5.43	0.50
Securities Lending	5.86	5.58	0.28
Reporting	5.92	5.75	0.17
Technology	5.77	5.39	0.38
Hedge Fund Consulting Services	5.59	5.47	0.12
Capital Introduction Services	5.15	4.57	0.58
Value	6.03	5.90	0.13
Reputation	6.30	5.89	0.41

Scotiabank

Scotiabank has 172 hedge fund managers as clients of its prime business, up from 160 the previous year. They range across all size categories with 24% having less than \$100 million in assets under management and 19% more than \$10 billion AUM. The bank provides a full prime brokerage service out of its New York, Toronto, London, Hong Kong and Singapore offices.

Over 56% of its slightly enlarged 2017 response base respondents also rated the bank last year. The majority of respondents still come from North America though there is an increased presence from the UK. The bank has been working on growing its European prime brokerage footprint, including the build-out of European execution services.

Roughly 88% of responses by weight for Scotiabank are from large and very large client compared to roughly three-quarters last year. With that in mind, results for Scotiabank this year are quite impressive. It's overall average score has increased by 0.37 points to over 6.00. Eight out of the 10 service categories now rate above 6.00 compared to three in 2016. All except Technology outperform the market average.

At 6.48, Client Service is the bank's strongest area and it is one of the survey's highest scoring providers in this category. Technology on the other hand is relatively weak for Scotiabank, despite a more than acceptable score of 5.60, it lags the market average for this category by 0.26. This may be due to specific issues that clients experienced in the past year. One identifies portal downtime as an issue this year, while another comments that, "Having a portal where we can access all relevant client info would be a plus. Not super necessary, but would be a great addition."

Interestingly, Scotiabank's UK clients are slightly more generous in the scores they award than their North American peers. The former, for example, rate Financing and Margining at 6.78 compared to 6.23 from the North Americans. There are, however, no scores from either group that suggest problem areas.

Most client comments are complimentary of the Scotiabank

team with several individuals being namechecked. "Our day-to-day client service rep is exceptional - responsive, courteous, professional and with a can-do attitude," says one respondent. "Great service; they are stepping up the offering," another observes.

At a question level, the bank's highest score is for value of advice and assistance to start-up funds, for which it scores a rare 7.00. This is followed by knowledge and experience of client service personnel at 6.57. Only two question scores register year-on-year declines of more than a few basis points: overall level of satisfaction with technology, including technology to facilitate operations, client service, execution, and financing, down 0.21 points to 5.56; ease of access to post-trade data, down 0.15 to 5.63.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	n/a	n/a	Very Large	49.7	47.9
Europe ex-UK	n/a	n/a	Large	34.0	26.4
North America	84.3	95.0	Medium	11.3	20.0
Rest of the World	n/a	n/a	Small	5.0	5.7
UK	15.7	5.0			

MARKET POSITION

	2017	2016
% of responses by number	2.4	2.7
% of responses by weight	0.8	1.2

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Value of advice and assistance to start-up funds	7.00	5.58	1.42
Knowledge and experience of client service personnel	6.57	6.35	0.22
Proactivity and effectiveness of client service personnel	6.55	6.40	0.15

Lowest question scores	2017	2016	Difference
Usefulness to your funds of workflow tools offered	5.61	5.33	0.28
Overall level of satisfaction with technology	5.56	5.77	-0.21
Ease of access to post-trade data offered by this prime broker	5.53	5.68	-0.15

SERVICE AREA

	2017	2016	Difference
Client Service	6.48	6.35	0.13
Operations	6.23	6.11	0.12
Financing and Margining	6.29	5.85	0.44
Securities Lending	6.09	5.90	0.19
Reporting	6.00	5.49	0.51
Technology	5.60	5.61	-0.01
Hedge Fund Consulting Services	6.30	5.46	0.84
Capital Introduction Services	5.70	4.86	0.84
Value	6.33	5.94	0.39
Reputation	6.31	6.09	0.22

SG Prime Services

Societe Generale has seen some notable changes to its response base this year. The percentage of weighted responses from North America fell by around 5%, while the percentage of weighted responses from Europe ex-UK rose dramatically by about 18%. Those from the UK fell about 10% as did those from Asia. The average size of respondents for the bank has also become larger. In this year's survey, some three-quarters of responses are from large and very large clients compared to around 63% in 2016.

These factors have certainly had an impact on Societe Generale's scores in this year's exercise. Category scores are down this year, though, the score for Value Delivered, at 5.68, remains very similar to 2016. While Hedge Fund Consulting Services, Capital Introduction Services and Securities Lending have registered the steepest declines, an important caveat is that relatively few participants actually rated the services and therefore one or two disgruntled clients could have had an outsized impact on these scores. Leaving these three categories aside, the bank's scores for the remaining seven categories are all in the Good range (5.00-5.99).

In a year of improving market performance as reflected in the market averages, Societe Generale's are somewhat disappointing. Overall score is down by -0.56, but even excluding the three categories mentioned above, it is down by some 0.28 points.

Client comments do shed some light on current perceptions. While client refers to client service as "very stable and well understood", they add that, "it is not clear that the NewEdge offering being amalgamated with SG has major client benefits." Another large client says that the SocGen team is "a nice group of people, but there are frequent mistakes." On specific services, one comment cites "great equities/futures cross-margining, but there are operational issues with OTC products." When asked to list areas where improvement is needed, streamlined onboarding, a more proactive junior staff and IT generally are mentioned. By contrast, cross-margining, trade processing and access to financing are all mentioned as strengths.

Over the past two years, the bank has continued to build out its

platform, adding CDS clearing in 2015 and now offers the full range of cleared OTC products across IRS, CDS and FX. Such changes often take a year or two to feed through to client perceptions as expressed through the survey and one would hope for stronger scores in 2018 for system-related aspects of overall service. Nor is the news all bad from a trend perspective. At a question level, the bank recorded a score of 6.12, up 0.37 points, for stability of client staffing and even more importantly, has seen a recognition of its continuing commitment to prime brokerage, which is rated 5.73, up 0.06 points. The bank's most improved score is for its effectiveness in handling complex corporate actions information and its flexibility on response deadlines, up 0.43 points to 5.14.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	12.9	19.7	Very Large	47.9	45.5
Europe ex-UK	25.0	6.1	Large	25.7	18.2
North America	37.9	42.4	Medium	18.6	27.3
Rest of the World	2.9	n/a	Small	7.9	9.1
UK	21.4	31.8			

MARKET POSITION

	2017	2016
% of responses by number	2.3	1.4
% of responses by weight	0.7	0.3

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Stability of client service staffing	6.12	5.75	0.37
Evidence of continuing commitment to prime brokerage	5.73	5.67	0.06
Transparency of reporting of fees, charges and rebates	5.72	5.73	-0.01

Lowest question scores	2017	2016	Difference
Value of advice on business strategy, organisational structure, and HR issues	4.57	7.00	-2.43
Effectiveness in screening investors to identify those appropriate to your investment strategy	4.38	6.20	-1.82
Effectiveness in introducing your fund to actively allocating investors	4.21	6.00	-1.79

SERVICE AREA	2017	2016	Difference
Client Service	5.55	5.93	-0.38
Operations	5.28	5.62	-0.34
Financing and Margining	5.43	5.85	-0.42
Securities Lending	4.94	5.70	-0.76
Reporting	5.34	5.78	-0.44
Technology	5.19	5.51	-0.32
Hedge Fund Consulting Services	4.74	6.15	-1.41
Capital Introduction Services	4.50	5.96	-1.46
Value	5.68	5.71	-0.03
Reputation	5.59	5.67	-0.08

UBS

UBS has seen a 10% increase in its response base this year. Its category scores have remained relatively close to last year's, in most cases varying by less than 0.10 points either way. The bank's average score across all categories is up by 0.05. The only relatively significant changes are in Securities Lending (-0.15), Reporting Services (+0.18), Capital Introduction Services (+0.29), and Reputation (+0.15).

The profile of survey participants by client size has remained stable with large and very large clients (with AuM of above \$1 billion) accounting for over 80% of responses by weight. This is generally the most difficult client segment to satisfy and the increases in category scores are to be commended. Even if, with overall survey scores showing improvement, UBS does not surpass the survey category averages, all service areas are rated Good (5.00-5.99). Reputation garners the highest category score at 5.85.

Significant divergence in perception is evident in analysing responses by geographical region. European respondents (ex-UK) are certainly the harshest, awarding category scores of below 5.00 in half the service areas. Although the number of responses from Europe ex-UK is low compared to other most other regions, these respondents are very large or large funds. By contrast, the few clients participating from outside the main financial centres rate six categories, including Client Service, above 6.00

Client comments suggest a degree of discomfort with Client Service changes in the past year. "Our client service representative left to a rival firm and there's been a lot of change within the corporate actions team," notes one manager. Another observes that, "There has been a drop in service this year with a number of key employees leaving at the same time, creating a lack of experience within the team and unresponsiveness at times." Areas identified as needing improvement include sales coverage, margin rates staff retention and fees. On the plus side, strengths cited include access to difficult markets, cap intro, sales and trading commentary and UBS' Neo portal.

At an individual question level, UBS' highest score is for the

SERVICE AREA			
	2017	2016	Difference
Client Service	5.64	5.61	0.03
Operations	5.59	5.55	0.04
Financing and Margining	5.52	5.59	-0.07
Securities Lending	5.41	5.56	-0.15
Reporting	5.78	5.60	0.18
Technology	5.63	5.65	-0.02
Hedge Fund Consulting Services	5.72	5.66	0.06
Capital Introduction Services	5.34	5.05	0.29
Value	5.60	5.62	-0.02
Reputation	5.85	5.70	0.15

reliability of its electronic trade execution services and monitoring of real-time trading information, at 5.98, followed by value of advice and assistance to start-up funds (5.94). The bank's most improved question scores meanwhile are for overall level of satisfaction with capital introduction services, up 0.60 points to 5.46 and for the usefulness of regular intelligence on trends in investor thought and behaviour, up 0.37 points to 5.45.

By contrast, access to hard-to-borrow securities has seen a drop of 0.27 points to 5.38, while use of in-house and third-party information to identify trading opportunities for funds has fallen 0.25 points to 5.26. The lowest individual question score, 5.09, is for the bank's effectiveness in introducing funds to actively allocating investors.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	14.7	21.3	Very Large	42.6	47.7
Europe ex-UK	10.7	9.8	Large	39.3	33.6
North America	39.7	33.6	Medium	15.4	14.1
Rest of the World	8.1	1.7	Small	2.6	4.7
UK	26.8	33.6			

MARKET POSITION

	2017	2016
% of responses by number	3.9	4.7
% of responses by weight	2.4	3.6

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Reliability of electronic trade execution services and real-time trading information	5.98	5.84	0.14
Value of advice and assistance to start-up funds	5.94	5.72	0.22
Ability to provide consolidated reporting across asset classes, business divisions and geographies	5.93	5.65	0.28
Lowest question scores	2017	2016	Difference
Flexibility of collateral options	5.30	5.43	-0.13
Use of in-house and third party information to identify trading opportunities for your fund	5.26	5.51	-0.25
Effectiveness in introducing your fund to actively allocating investors	5.09	5.20	-0.11

Wells Fargo Prime Services

This has been another strong year for Wells Fargo. Its average score across all categories has increased by 0.07 to 6.12, making it a survey outperformer. Improvements are recorded across seven of the 10 categories. The two noticeable declines are in Securities Lending (-0.31) and Reporting Services (-0.13), but both maintain very solid scores, 5.75 for the former and 6.16 for the latter. The bank exceeds the survey category average in all areas apart from Securities Lending, where it falls just shy by 0.04 points. Scores are relatively similar across the various client segments viewed by size, an exception being Capital Introduction Services. Very large clients rate this service highly (6.28) while all other size categories award a score below 5.00, with small clients being the least satisfied in this regard.

Client Service remains the strongest area of Wells Fargo. At 6.53, it records one of the highest scores in this area for the 2017 survey. Wells Fargo is also one of the few large providers whose score for Technology is above 6.00. This is an important area for Wells Fargo, given the fact that Technology is ranked second among its clients' priorities, right after client service. "Their technology platform is a strong differentiator for Wells Fargo," says one client, though another complains that, "There is no real time reporting via web, and no online election of voluntary corporate actions makes the platform feel limited and hampers the effectiveness of the client service rep."

Client service appears to be regarded as a definite plus. "They hire great people; everyone we deal with is awesome," says one manager. Another enthuses that, "Wells Fargo has been fabulous to work with. I would highly recommend them to everyone."

At an individual question level, Wells' strongest result is for overall level of satisfaction with client service, which records a score of 6.53. This is followed by proactivity and effectiveness of client service personnel at 6.51. The two greatest year-on-year improvements in question score are, however, both for aspects of cap intro. Usefulness of regular intelligence on trends in investor thought and behaviour scores 5.73, up 0.55 points, while

overall level of satisfaction with Capital Introduction Services is up 0.51 points to 5.45, taking it from Satisfactory (4.00-4.99) to Good (5.00-5.99).

The firm has recorded declines in results for roughly a quarter of individual questions. The most significant are for the ability to offer less capital intensive alternatives to stock borrowing, down 0.49 points to 5.13, and use of in-house and third-party information to identify trading opportunities for funds (in a securities lending context), which has fallen 0.37 points to a still respectable 5.64. With no scores below 5.00, Wells Fargo does not appear to have any urgent client issues to address.

RESPONDENT PROFILE

By geography (% responses by weight)	2017	2016	By size (% responses by weight)	2017	2016
Asia	n/a	n/a	Very Large	41.9	42.7
Europe ex-UK	n/a	n/a	Large	34.4	30.1
North America	96.8	100.0	Medium	18.3	23.8
Rest of the World	3.2	n/a	Small	5.4	3.5
UK	n/a	n/a			

MARKET POSITION

	2017	2016
% of responses by number	3.0	2.9
% of responses by weight	1.2	1.3

HIGHLIGHTS

Highest question scores	2017	2016	Difference
Stability of client service staffing	6.71	6.40	0.31
Overall level of satisfaction with client service	6.52	6.49	0.03
Proactivity and effectiveness of client service personnel	6.51	6.49	0.02

Lowest question scores	2017	2016	Difference
Overall level of satisfaction with capital introduction services	5.45	4.94	0.51
Effectiveness in introducing your fund to actively allocating investors	5.27	5.04	0.23
Ability to offer less capital intensive alternatives to stock borrowing	5.13	5.62	-0.49

SERVICE AREA	2017	2016	Difference
Client Service	6.53	6.34	0.19
Operations	6.44	6.19	0.25
Financing and Margining	6.13	6.07	0.06
Securities Lending	5.75	6.06	-0.31
Reporting	6.16	6.29	-0.13
Technology	6.11	6.08	0.03
Hedge Fund Consulting Services	5.97	5.92	0.05
Capital Introduction Services	5.53	5.12	0.41
Value	6.31	6.17	0.14
Reputation	6.28	6.29	-0.01

ABN AMRO Clearing

ABN AMRO Clearing is a global provider of clearing services for principal trading groups and, over the last couple of years, has invested in enhancing its services to asset managers and hedge funds. It was first rated as a provider in the Prime Brokerage survey in 2016. Its clients comprise of prop trading groups, brokers, banks, corporate hedgers and hedge funds. It offers administration services to 186 hedge fund managers, who collectively account for 288 separate funds and 63 funds of funds.

Clients are serviced operationally out of Europe (London, Amsterdam), US (Chicago) and APAC (Sydney, HK, Singapore, Tokyo), with relationship management teams in New York, Chicago, London, Amsterdam, Frankfurt, Paris, Hong Kong, Tokyo, Singapore and Sydney.

Following the general trend in this year's survey results, AAC has recorded improvements in all categories except Value Delivered. The largest increases are for Securities Lending, Hedge Fund Consulting and Capital Introductions, the first of which fell short of the 5.00 mark in 2016.

According to the bank, the major market development affecting prime brokers, including ABN AMRO Clearing, over the past year has been the implementation of the Basel III capital ratios. "This has led to further analysis on our HF client base from a ROE and strategic standpoint and a focus on core strategies where ABN AMRO Clearing provides superior value added ser-

SERVICE AREA			
	2017	2016	Difference
Client Service	5.78	5.63	0.15
Operations	5.49	5.43	0.06
Financing and Margining	5.71	5.48	0.23
Securities Lending	5.36	4.29	1.07
Reporting	5.87	5.37	0.50
Technology	5.70	5.08	0.62
Hedge Fund Consulting Services	6.78	5.04	1.74
Capital Introduction Services	7.00	5.17	1.83
Value	5.53	5.65	-0.12
Reputation	5.84	5.56	0.28

vices, such as Index , Vol, Equity Statistical arbitrage, and Macro CTAs", the bank commented.

"They are aware of where they need systems improvement and they are working on a very large upgrade of their capabilities," notes one client.

CIBC World Markets

CIBC's response base is up from five in 2016 to 11 this year, resulting in significant changes in category scores. Although both very large rises and very large falls are observed, overall score declined significantly by -0.43.

Capital Introduction Services have been rated weak for CIBC since 2015 and this year is no different. At 3.72 it has suffered a -1.72 decline from last year, although only a few respondents rated its services in this area. One of these, however, suggested that improvements in technology for Capital Introduction Services are required. Another made a similar observation for Securities Lending, contending that, "The stock loan desk could be more timely with responses and technology could use improvement."

Other categories remained above 5.00, though below market average. Interestingly, none of the categories have experienced a continuous fall since 2015. Furthermore, this year's results compare favourably to those of two years ago, with seven of the 10 categories showing stronger results this year. This once again illustrates how volatile results can be with a smaller sample size than many of its counterparts.

At a question level, the vast majority of the bank's results fall into the Good range (5.00-5.99). It records one score above 6.00 – for the stability of client service staffing. At 6.16, this

SERVICE AREA			
	2017	2016	Difference
Client Service	5.73	5.76	-0.03
Operations	5.71	5.77	-0.06
Financing and Margining	5.65	5.30	0.35
Securities Lending	5.58	6.25	-0.67
Reporting	5.65	5.97	-0.32
Technology	5.64	5.61	0.03
Hedge Fund Consulting Services	5.22	n/a	n/a
Capital Introduction Services	3.72	3.00	0.72
Value	5.86	6.38	-0.52
Reputation	5.73	5.74	-0.01

is likely to work in CIBC's favour if maintained. Perceptions of client stability have been known to influence perceptions of other areas of service. Hopefully this will be tested with a larger response sample in 2018.

Garwood Securities

Responses for Garwood are untypical of the average for the PB survey. With nine responses in total, any score would have to be regarded as tentative, since the potential impact of any one respondent's rating is relatively high. However, the majority of these respondents have awarded Garwood the top score for all categories. Customer comments are particularly complimentary about client service. "Anything we need- I always feel like top priority," says one. Another is impressed by the firm's response time to queries.

Garwood claims a total of 30 hedge fund managers as clients of its prime service, with a total of 50 separate funds and two funds of funds under management. Clients range in size from under \$100 million – the majority – to \$1 billion. As an exclusively US firm, it offers a full service out of Chicago, Austin, Dallas and San Diego.

The firm describes itself as "a smaller broker dealer looking to grow in the PB space." Based on the results reported, it has every chance of doing so, though a larger pool of responses would be helpful in drawing any definitive conclusions about client perception.

Capital Introduction Services appears to be the only service category where clients have any hesitation in awarding the highest possible score. Those responding for this category are all small managers for whom access to actively allocating

SERVICE AREA			
	2017	2016	Difference
Client Service	6.94	n/a	n/a
Operations	6.95	n/a	n/a
Financing and Margining	6.86	n/a	n/a
Securities Lending	6.48	n/a	n/a
Reporting	6.95	n/a	n/a
Technology	6.95	n/a	n/a
Hedge Fund Consulting Services	7.00	n/a	n/a
Capital Introduction Services	5.67	n/a	n/a
Value	6.91	n/a	n/a
Reputation	7.00	n/a	n/a

investors may well be something of a challenge in the present climate. There is nothing in the scores or comments, however, to suggest that any of the services offered are an impediment to client business.

Global Prime Partners

Global Prime Partners has 56 hedge fund managers as prime brokerage clients, up from 35 in 2016. Together these account for 78 separate funds. Managers range in size from under \$100 million AuM to \$500 million. The firm maintains full service offices in London and Hong Kong and sees itself as a high touch alternative to the bulge bracket traditional prime brokers.

After falls last year, significant improvements have been recorded in nine of the 10 categories, while Hedge Fund Consulting Services maintains the same standard as last year. On average, category scores are up by 0.30 points. The most notable increase is for Capital Introduction Services, for which the category score has jumped from 4.15 to a much more comfortable 5.19.

GPP now has two categories – Client Service and Reputation – with scores above 6.00 and the remainder in the Good range (5.00-5.99)

As last year, Securities Lending, Hedge Fund Consulting, and Capital Introduction Services are the three areas that lag other categories.

Client Service is clearly well regarded judging by client comments. "Very impressed with GPP. They are very personable and are always willing to accommodate," says one. Another remarks on the "excellent attentiveness of senior management."

At a question level, GPP's highest score, up by 0.77 points to 6.36,

SERVICE AREA			
	2017	2016	Difference
Client Service	6.11	5.95	0.16
Operations	5.91	5.82	0.09
Financing and Margining	5.97	5.62	0.35
Securities Lending	5.50	5.11	0.39
Reporting	5.84	5.73	0.11
Technology	5.96	5.61	0.35
Hedge Fund Consulting Services	5.27	5.27	0.00
Capital Introduction Services	5.19	4.15	1.04
Value	5.95	5.83	0.12
Reputation	6.16	5.76	0.40

is recorded for availability of collateral options in the context of Financing and Margining. Overall level of satisfaction with client service follows at 6.27. the lowest question score is, as might be expected, for overall level of satisfaction with capital introduction, down 1.04 to 4.86.

Interactive Brokers

A relatively small sample size often results in some volatility year-on-year, but in the case of Interactive Brokers is quite marked. This may be explained partly by the fact that the response sample for the firm has trebled and only 13% of this year's participants were among last year's raters.

The provider's overall score decreased by 1.27 points. Given that ratings are from 1.00 to 7.00, this is by any measure a significant downward shift. However, Capital Introduction Services, the lowest scoring category and the one showing the greatest decline (-3.84 points) was rated by barely 20% of respondents for Interactive Brokers. That said, the firm may want to get on the phone to those few participants to find out what has upset them. Client comments in the questionnaire provide no clue in that regard.

Last year, eight of 10 categories surpassed 6.00, albeit from a much smaller responder base. This year however, the provider finds only six of the 10 categories with scores above 5.00, the threshold between Good and Satisfactory.

Securities Lending, with a score of 4.61, down 1.72 points, does elicit some comment, though it is only to praise the firm for its efforts in hard-to-borrow securities.

Despite this rather perplexing set of results, Interactive Brokers does receive a number of very positive scores at a question

SERVICE AREA			
	2017	2016	Difference
Client Service	5.07	6.08	-1.01
Operations	5.56	6.39	-0.83
Financing and Margining	5.13	5.77	-0.64
Securities Lending	4.61	6.33	-1.72
Reporting	5.29	6.70	-1.41
Technology	5.77	6.44	-0.67
Hedge Fund Consulting Services	3.48	3.67	-0.19
Capital Introduction Services	2.83	6.67	-3.84
Value	5.67	6.70	-1.03
Reputation	4.85	6.18	-1.33

level. Speed of resolution of breaks is rated 6.09, while reliability of electronic trade execution services and ability to monitor real-time trading information scores 6.00.

Jefferies

In most service areas, Jefferies results tack close to last year's scores. Its overall score is up by 0.07 with six of the 10 categories rating above 6.00, Very Good being 6.00-6.99, and the remainder in the Good range (5.00-5.99).

The most dramatic change is in the area of cap intro. The score for Capital Introduction Services was relatively low last year at 4.84. It has risen 0.94 points to 5.78, a major achievement for Jefferies this year. Though client comments are sparse, one sums up their experience of the past year by noting strong operational support as well as "good efforts in cap intro and consulting."

Other category level changes worth highlighting are in Financing and Margining (+0.17 to 5.95), Securities Lending (-down 0.22, but still at 6.08), and Hedge Fund Consulting (down 0.17 points and, as last year, the firm's lowest category score).

Only three categories – Client Service, Reputation and Hedge Fund Consulting – do not outperform the market average, though scores for the first two still reflect a high degree of client satisfaction.

At a question level, Jefferies' best results are for use of in-house and third-party information to identify trading opportunities for funds and reliability of electronic trade execution services and ability to monitor real-time trading information, both of which score a stellar 6.69. Its lowest question score, 5.30, is recorded

SERVICE AREA			
	2017	2016	Difference
Client Service	5.98	6.06	-0.08
Operations	6.11	6.15	-0.04
Financing and Margining	5.95	5.78	0.17
Securities Lending	6.08	6.30	-0.22
Reporting	6.08	6.16	-0.08
Technology	6.13	6.09	0.04
Hedge Fund Consulting Services	5.46	5.63	-0.17
Capital Introduction Services	5.78	4.84	0.94
Value	6.15	6.09	0.06
Reputation	6.02	5.96	0.06

for value of advice and assistance to start-up funds, followed by value of advice on business strategy, organisational structure, and human resources issues (5.38)

RBC Capital Markets

With only seven responses to the PB survey, the results for RBC may not be representative of the client base as whole, since any one respondent can have a significant impact on the results. All conclusions are therefore tentative, though the returning presence of most of last year's responder base should help in the analysis. Despite the small numbers, respondents range in size from \$100 million to \$5 billion in AuM.

Scores for RBC were low last year with eight categories scoring in the Satisfactory range (4.00-4.99) and two, Client Service and Financing and Margining with results in the Good range (5.00-5.99). This year, the average score for RBC has fallen by 0.49 points, though its category scores are more diverse. It receives an impressive 6.00 for Hedge Fund Consulting Services, while for Securities Lending it manages only 3.70. (Although the score for Capital Introduction Services is lower, an insufficient number of respondents rated it for the figure to be statistically meaningful.)

These results do not, however, reflect the client comments. One highlights "good client service", while another praises the bank's margining platform as well as its overall cost. Technology is cited by one respondent as an area for improvement.

While, the figures for RBC may not be representative, it is notable that the same clients that awarded low scores last year

SERVICE AREA			
	2017	2016	Difference
Client Service	4.24	5.38	-1.14
Operations	4.29	4.80	-0.51
Financing and Margining	4.13	5.11	-0.98
Securities Lending	3.70	4.36	-0.66
Reporting	4.02	4.78	-0.76
Technology	3.82	4.24	-0.42
Hedge Fund Consulting Services	6.00	4.04	1.96
Capital Introduction Services	2.40	4.50	-2.10
Value	4.19	4.52	-0.33
Reputation	4.48	4.41	0.07

did so again in 2017. This may mean that they will be looking for some reassurance from RBC in the year ahead. The bank can, however, take heart from the fact that, at a question level, most aspects of Hedge Fund Consulting are rated 7.00.

TD Securities

TD Securities has received a notably higher set of scores this year. Its overall score is up by 0.38 points and eight of the 10 category scores are up by between 0.15 and 0.96 points, the latter being for Hedge Fund Consulting Services.

Reputation remains the strongest category. With a score of 6.45, it outperforms the market average by a wide margin. Client Service and Operations also score above 6.00 and outperform their respective survey category averages. Financing and Margining, one of the top client priorities this year, is also 0.4 points above the market average at 5.88.

Although the result for Capital Introduction Services appears disappointing, fewer than 50% of respondents actually rated this category. Of those that did, just over a quarter awarded a rating of 7.00.

At a question level, the firm's strongest score is 6.23 for overall level of satisfaction with client service. This is followed by 6.02 for proactivity and effectiveness of client service personnel. Although advice on start-up funds scores 7.00, this is from an insufficiently robust response sample. reliability of electronic trade execution services and ability to monitor real-time trading information has registered an improvement of 1.06 points taking the score into the Very Good range (6.00-6.99).

Additional client comment is generally positive. "Extremely

SERVICE AREA			
	2017	2016	Difference
Client Service	6.13	5.98	0.15
Operations	6.02	5.34	0.68
Financing and Margining	5.88	5.44	0.44
Securities Lending	5.21	5.51	-0.30
Reporting	5.61	5.03	0.58
Technology	5.37	4.99	0.38
Hedge Fund Consulting Services	5.63	4.67	0.96
Capital Introduction Services	4.65	4.00	0.65
Value	5.72	5.82	-0.10
Reputation	6.45	6.11	0.34

happy with personnel representing us; very strong relationships," says one manager. Cap intro is cited by a few clients as an area for improvement. Another comments that, "Though I'm comfortable with online platform now, there was a small learning curve. Could always be more user friendly."