

The
2023

PRIME
BROKERAGE
SURVEY

Prime brokerage holds its own in testing environment

Have a quick look at the table on this page.

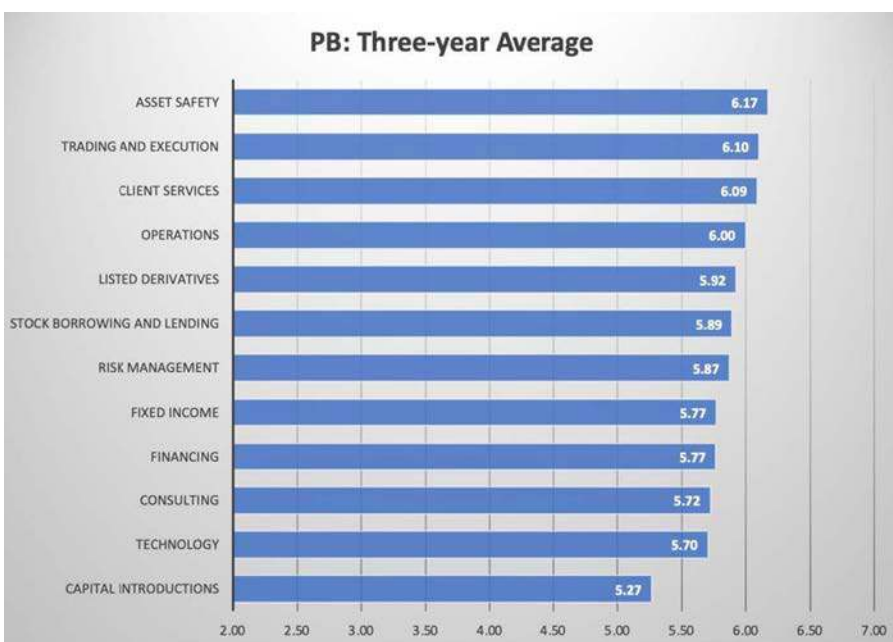
What you're seeing is the average score over three years for each of the categories rated by clients in the Prime Brokerage Survey. Overall, it tells a good news story. Average scores in each service area are comfortably in Good range (5.00-5.99) or Very Good range (6.00-6.99). Indeed, across all three surveys in the Fund Services Annual, levels of client satisfaction remain broadly high with none recording category averages below the Good range (5.00-5.99).

Of course, these fluctuate from year to year, depending on the perceived challenges the market faces. In the 2023 prime brokerage service assessments that follow, some two thirds of providers have seen average scores decline year-on-year, while a third, catering mainly to smaller clients, have recorded rises.

What is notable, however, is the consistency in the relative ranking of the services provided from year to year. In each survey there is at least one service area that has remained stubbornly at the bottom end of the rankings.

In the case of prime brokerage, that area is capital introductions. The challenge of adapting to successive Covid lockdowns during that three-year time period may have been particularly acute for a service area that relies on personal contact, but that is only part of the story this year, with

A three-year review of Prime Brokerage Survey results points to a consistent pattern of relative highs and lows at a category level.



several providers acknowledging that current demand for investment outstrips the willingness of investors to part with sufficient cash to meet it.

The well recorded travails of certain individual banks more generally have also fed through to the PB sector. Tighter leverage ratios may be on the way.

Methodology

The Prime Brokerage Survey, which asks clients to assess the services they receive from their Prime Brokers, includes only one quantifiable rating question per category using a sliding scale from 'Unacceptable' to 'Excellent'.

Respondents were also invited to add colour to their ratings through an optional comment box per category. The published results use Global Custodian's conventional seven-point scale familiar to readers of the magazine (where 1=unacceptable and 7=excellent).

Ten responses are the minimum sample number required to assess a service provider sufficiently for full category results to be

published. In the pages that follow, overall category averages per prime broker are provided, measured against the global average as well as a breakdown of ratings by client size and a pie chart showing the aggregation by rating category of individual data points.

Where a provider has attracted too few ratings for a particular category, that rating is not published. However, where a provider has recorded three or more responses per category, average scores can be made available to the provider concerned for internal use. More granular analyses than are published may also be available to providers. For more information on bespoke reports, please contact beenish.hussain@globalcustodian.com.

ABN AMRO Clearing

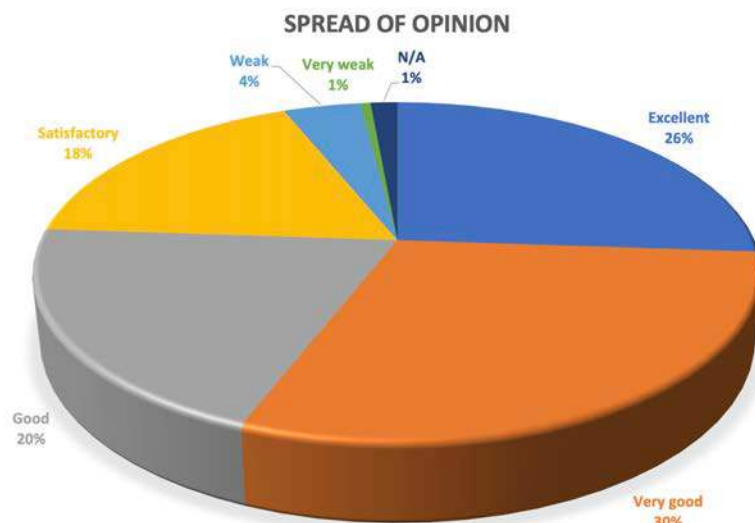
| ABN Amro Clearing | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 5.33 | 4.00 | 5.11 | 0.22 |
| Client Services | 5.53 | 5.28 | 5.94 | -0.41 |
| Consulting | N/A | N/A | 5.61 | |
| Operations | 5.53 | 5.50 | 5.98 | -0.45 |
| Technology | 5.00 | 5.00 | 5.63 | -0.63 |
| Risk Management | 6.08 | 5.44 | 5.84 | 0.24 |
| Asset Safety | 5.82 | 5.68 | 6.12 | -0.30 |
| Trading and Execution | 5.60 | 5.89 | 6.00 | -0.40 |
| Financing | 5.73 | 5.41 | 5.57 | 0.16 |
| Stock Borrowing and Lending | 5.00 | 5.00 | 5.83 | -0.83 |
| Fixed Income | 5.20 | 5.86 | 5.65 | -0.45 |
| Asset Servicing | 5.25 | N/A | 5.47 | -0.22 |
| Listed Derivatives | 5.92 | N/A | 5.81 | 0.11 |
| Average | 5.50 | 5.31 | 5.74 | -0.25 |

ABN Amro (AACB) has seen an increase in its scores this year, bucking the general downward drift in results. It surpasses the survey average in four categories: Capital Introductions, Risk Management, Financing and Listed Derivatives.

Client Service, however, receives the strongest accolades where respondents have added comment. One European client is particularly effusive: “As every year and this one proved that they are best of all! They keep up the level and we are amazed by their Client Service. It is outstanding...I can’t express enough gratitude to Frank de Graaf, Rik Baldew, Barry Verhoef and all their colleagues in their teams for the help provided.”

The bank itself highlights its targeted global expansion. “Based on client demand, we have increased investments in strong emerging markets such as Brazil and China, it says. “ABN AMRO Clearing Brazil has a banking licence in Brazil and provides clearing services for Non Resident Clients (NRI) of the B3 exchange, with all trades executed via local broker/dealers. All trades are cleared back towards clients’ European sheets with trades comingled against other markets which provides significant client risk offset opportunities within the AACB haircut model.” Additionally, says the bank, “B3 exchange margin can be financed offshore which provides capital efficiencies and avoids client country risk.”

AACB has also expanded its footprint in the retail investment market, servicing an increasing number of investment firms from incumbents to fintechs.



BMO Capital Markets

| BMO Capital Markets | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 4.90 | 4.77 | 5.11 | -0.21 |
| Client Services | 6.08 | 6.12 | 5.94 | 0.14 |
| Consulting | 4.83 | 5.20 | 5.61 | -0.78 |
| Operations | 5.94 | 5.78 | 5.98 | -0.04 |
| Technology | 5.42 | 5.17 | 5.63 | -0.21 |
| Risk Management | 5.50 | 5.37 | 5.84 | -0.34 |
| Asset Safety | 6.07 | 5.47 | 6.12 | -0.05 |
| Trading and Execution | 6.09 | 6.10 | 6.00 | 0.09 |
| Financing | 5.57 | 5.61 | 5.57 | 0.00 |
| Stock Borrowing and Lending | 5.85 | 5.85 | 5.83 | 0.02 |
| Fixed Income | 5.55 | 5.58 | 5.65 | -0.10 |
| Asset Servicing | 5.19 | N/A | 5.47 | -0.28 |
| Listed Derivatives | 5.76 | N/A | 5.81 | -0.05 |
| Average | 5.60 | 5.55 | 5.74 | -0.14 |

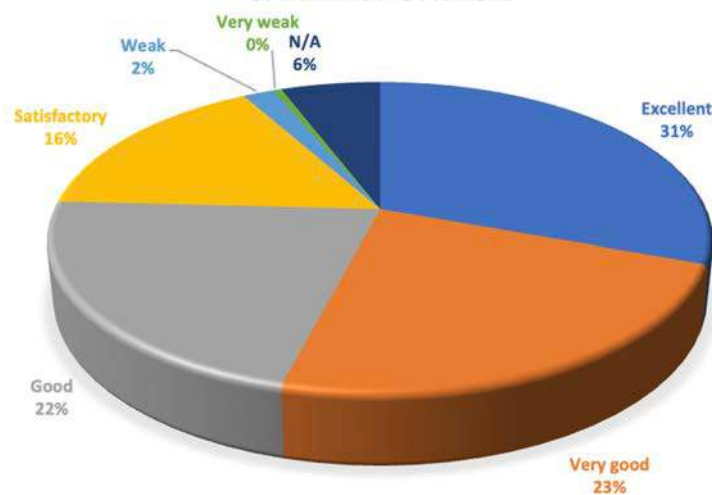
Client Service is one of three areas where BMO exceeds the survey average this year, the others being Trading and Execution and Stock Borrowing and Lending. It also attracts namechecks. “Excellent service by Natalie and Satinder, says one client. Natalie has been our main point of contact for new projects and new accounts and she provided a perfect client experience. She did not hesitate to liaise with all the different team internally to simplify our work. She is efficient and it is a pleasure to work with her.”

Another, which identifies as a small client and “probably low maintenance compared to other clients”, acknowledges that, “We almost always get inquiries answered within 24 hours of sending an email; however, since we are a small client there are one or two issues that got forgotten or are possibly still on the back burner.”

BMO’s response pool in the Prime Brokerage Survey consists primarily of Canadian clients, though it is in the process of strategic expansion in the US. In so doing, the bank has chosen to build rather than buy and is in the throes of regulatory approval with FINRA, which was anticipated around the time of going to press.

In Canada - in a somewhat challenging market - rather than an influx of new clients, BMO has seen existing fund managers on its platform launching different types of product, notably in the area of liquid alternatives.

SPREAD OF OPINION



RATING BY CLIENT SIZE



BNY Mellon | Pershing

| BNY Mellon Pershing | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 4.83 | 5.47 | 5.11 | -0.28 |
| Client Services | 6.45 | 6.46 | 5.94 | 0.51 |
| Consulting | N/A | 6.08 | 5.61 | N/A |
| Operations | 6.43 | 6.42 | 5.98 | 0.45 |
| Technology | 5.86 | 5.77 | 5.63 | 0.23 |
| Risk Management | 6.45 | 6.05 | 5.84 | 0.61 |
| Asset Safety | 6.19 | 6.46 | 6.12 | 0.07 |
| Trading and Execution | 6.59 | 6.23 | 6.00 | 0.59 |
| Financing | 5.31 | 5.99 | 5.57 | -0.26 |
| Stock Borrowing and Lending | 5.78 | 6.02 | 5.83 | -0.05 |
| Fixed Income | 6.18 | 6.43 | 5.65 | 0.53 |
| Asset Servicing | 5.78 | N/A | 5.47 | 0.31 |
| Listed Derivatives | 6.00 | N/A | 5.81 | 0.19 |
| Average | 5.99 | 6.13 | 5.74 | 0.24 |

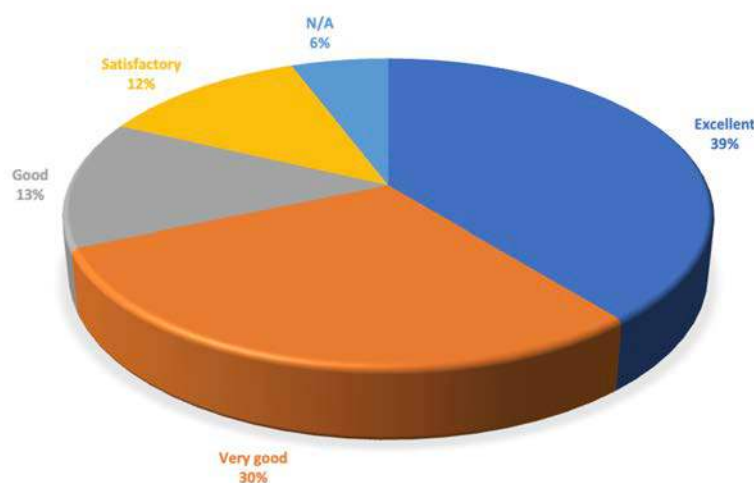
Although its overall score is a tad down on last year, Pershing has still surpassed the global average as well as nine category averages, most notably Client Services along with Trading and Execution.

Capital Introductions is one of the lower scoring categories, both for Pershing and in the survey as a whole. It nevertheless attracts specific praise from one respondent: “Pershing Prime cap intro has been very proactive in reaching out to assist us. I am very impressed with the team and the introduction they can make, also with the industry updates and programs they offer.” The firm is further building out its cap intro services, including its “Cap IntroGraphics” series highlighting allocator preferences on investment strategies.

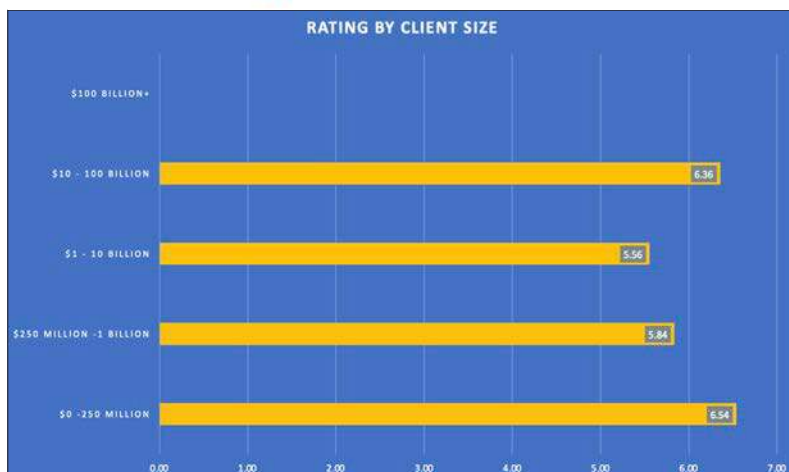
Pershing has recently reorganised into two business segments: Wealth Solutions, serving wealth-oriented broker-dealers, registered investment advisors (RIAs) and trust companies; and Institutional Solutions, serving institutional-oriented broker-dealers, investment banks and other capital markets firms, hedge funds and alternative asset managers. “This realignment of our people, resources and technology has provided clients with even greater access to the comprehensive suite of solutions across the Pershing and BNY Mellon enterprise,” says the firm.

Other client comments add colour to the service received, with namechecks in for Client Services. “Our day-to-day representative, Rick Coughlin, is excellent. He is very responsive, professional and capable...His colleagues, with whom we have occasionally worked, are also high quality,” says one respondent.

SPREAD OF OPINION



RATING BY CLIENT SIZE



Cantor Fitzgerald

| Cantor Fitzgerald | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 4.60 | 5.29 | 5.11 | -0.51 |
| Client Services | 6.13 | 6.30 | 5.94 | 0.19 |
| Consulting | 5.00 | 5.67 | 5.61 | -0.61 |
| Operations | 6.09 | 6.27 | 5.98 | 0.11 |
| Technology | 5.36 | 5.55 | 5.63 | -0.27 |
| Risk Management | 5.71 | 5.67 | 5.84 | -0.13 |
| Asset Safety | 5.83 | 6.19 | 6.12 | -0.29 |
| Trading and Execution | 5.83 | 6.31 | 6.00 | -0.17 |
| Financing | 5.57 | 5.98 | 5.57 | 0.00 |
| Stock Borrowing and Lending | 5.69 | 5.71 | 5.83 | -0.14 |
| Fixed Income | 5.69 | 6.04 | 5.65 | 0.04 |
| Asset Servicing | 6.00 | N/A | 5.47 | 0.53 |
| Listed Derivatives | 5.50 | N/A | 5.81 | -0.31 |
| Average | 5.62 | 5.91 | 5.74 | -0.12 |

Cantor Fitzgerald reports continued growth across all of its business lines in Prime, specifically non-dollar activity and swaps. In addition, it notes, “Our Prime repo desk has continued to add some of the largest clients in the FI space and is viewed as a funding partner to many of the largest fixed income hedge funds and real money accounts.”

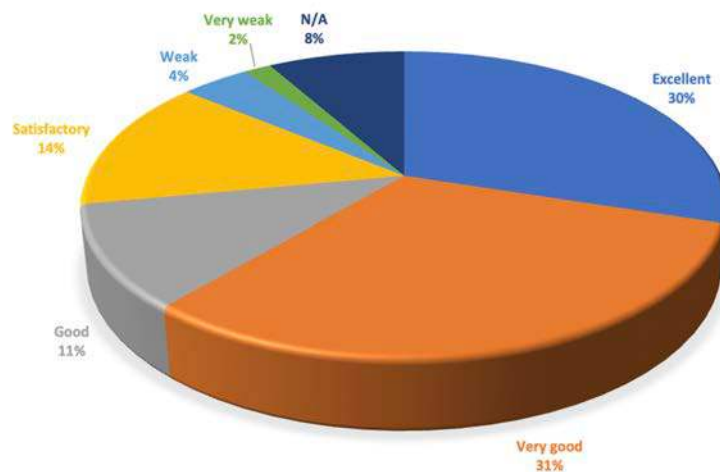
Cantor’s overall score is close to the market average, brought down by a score for Capital Introductions in merely Satisfactory range (4.00-4.99). However, the provider outperforms the survey average in four categories: Client Services, Operations, Fixed Income and Asset Servicing.

Client comments are overwhelmingly positive. “Cantor is really a notch above our other PB’s (who have had a lot of turnover in last two years). The people there are problem solvers and they stand out in the current environment,” says one US respondent.

Another highlights the firm’s operational expertise: “Cantor and our contacts there are a STRONG operations team and are quick to get back and help us resolve any issues.”

One new client was quickly made to feel at home. “We were in a position of this being new to our firm and the team all got on the phone to walk us through the process and how everything works in detail, especially as it related to shorts and margin,” they comment.

SPREAD OF OPINION



RATING BY CLIENT SIZE



CIBC Prime Services

| CIBC | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 6.00 | 6.11 | 5.11 | 0.89 |
| Client Services | 6.34 | 6.62 | 5.94 | 0.40 |
| Consulting | 5.71 | 6.27 | 5.61 | 0.10 |
| Operations | 6.43 | 6.38 | 5.98 | 0.45 |
| Technology | 6.03 | 6.11 | 5.63 | 0.40 |
| Risk Management | 6.10 | 6.21 | 5.84 | 0.26 |
| Asset Safety | 6.55 | 6.33 | 6.12 | 0.43 |
| Trading and Execution | 6.35 | 6.29 | 6.00 | 0.35 |
| Financing | 6.19 | 6.25 | 5.57 | 0.62 |
| Stock Borrowing and Lending | 6.03 | 6.15 | 5.83 | 0.20 |
| Fixed Income | 5.88 | 5.92 | 5.65 | 0.23 |
| Asset Servicing | 5.60 | N/A | 5.47 | 0.13 |
| Listed Derivatives | 6.00 | N/A | 5.81 | 0.19 |
| Average | 6.09 | 6.24 | 5.74 | 0.36 |

CIBC has had a good survey this year. Although slightly down on last year's scores, it remains one of the few prime brokers with an overall average in Very Good range (6.00-6.99) and exceeds the survey category average in all service areas bar Consulting, which it does not formally offer.

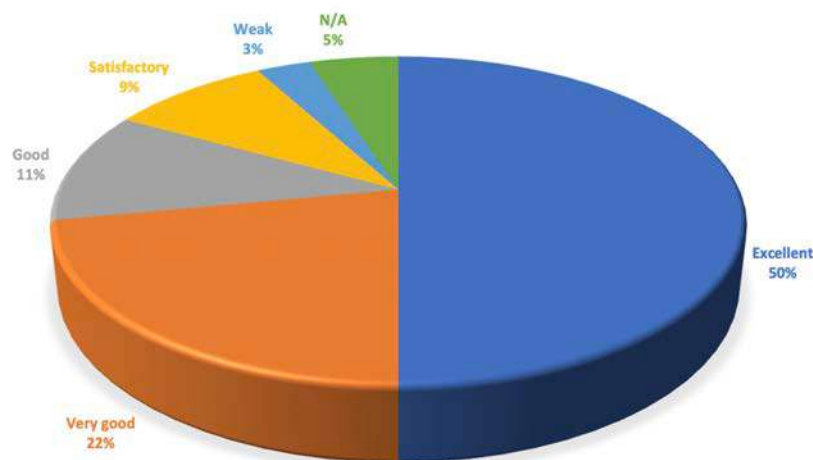
Outperformance is most notable in Capital Introductions and Financing. "CIBC's Cap Intro capabilities for Canadian investors are unparalleled in the industry," says one client. "The team at CIBC has been instrumental in exposing us to opportunities with Canadian investors through their multitude of annual events and solid relationships in the industry."

In the area of Client Services, two team leaders receive shout outs. "Ross Lennie is exceptional. Ross and the client service team are critical to the positive relationship and experience I have with CIBC," says one client. "Sally Chan and her team in the CIBC Prime Services Group are very helpful and always respond to us on all matter in a very timely way," says another.

The business expansion of CIBC's Prime Services Group (CIBC PSG) has been accompanied by considerable investments in technology, operations, and key hires across the platform. The past year has seen the launch of its synthetic prime offering and the continued build out of its European team.

In addition, CIBC PSG has expanded its offering to US clients with its Corporate Bond Margin Lending platform.

SPREAD OF OPINION



RATING BY CLIENT SIZE



Clear Street

| Clear Street | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 6.00 | 5.21 | 5.11 | 0.89 |
| Client Services | 6.55 | 6.58 | 5.94 | 0.61 |
| Consulting | N/A | N/A | 5.61 | N/A |
| Operations | 6.64 | 5.84 | 5.98 | 0.66 |
| Technology | 6.00 | 5.70 | 5.63 | 0.37 |
| Risk Management | 6.33 | 6.42 | 5.84 | 0.49 |
| Asset Safety | 6.57 | 6.00 | 6.12 | 0.45 |
| Trading and Execution | 6.56 | 6.58 | 6.00 | 0.56 |
| Financing | 6.00 | 6.50 | 5.57 | 0.43 |
| Stock Borrowing and Lending | 6.40 | 6.85 | 5.83 | 0.57 |
| Fixed Income | N/A | 5.36 | 5.65 | N/A |
| Asset Servicing | 6.25 | N/A | 5.47 | 0.78 |
| Listed Derivatives | N/A | N/A | 5.81 | N/A |
| Average | 6.33 | 6.10 | 5.74 | 0.58 |

One of the standouts in this year's survey, Clear Street achieves ratings in Very Good range (6.00-6.99) in all the service categories it covers. (These do not include Consulting, Fixed Income and Listed Derivatives)

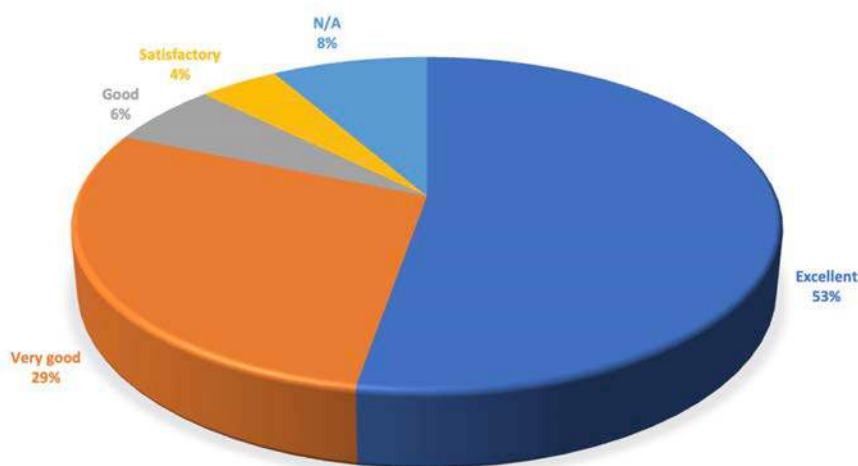
The provider has a particular specialisation in servicing equity hedge, event driven and macro strategies. "Over the past year, the number of institutional clients on our platform increased by 500 percent, our daily transactional volume processed increased over 300 percent, and our financing balances increased by nearly 150 percent," the firm points out.

In November 2022, Clear Street launched ATLAS (Automated Trading Locates Allocation System), a proprietary trading system that allocates stock loan inventory to incoming customer requests. Customers can submit locate orders directly from their OMS via a FIX interface, or use the web portal. Customers can also use the firm's API to programmatically submit locate requests.

"The stock loan team at Clear Street is packed with the most experienced people in the stock loan industry," says one respondent. "They are wonderful to work with and have been able to help us get access to many hard to borrow names."

Clear Street's Client Services team meanwhile is described by one client as "solutions driven and easy to work with." Another is particularly effusive: "Clear Street's client service is fantastic. The alacrity and accuracy to which they respond to inquiries is unbelievable."

SPREAD OF OPINION



RATING BY CLIENT SIZE



Cowen

| Cowen | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 5.00 | 5.43 | 5.11 | -0.11 |
| Client Services | 6.27 | 6.28 | 5.94 | 0.33 |
| Consulting | 5.64 | 6.04 | 5.61 | 0.03 |
| Operations | 6.28 | 6.35 | 5.98 | 0.30 |
| Technology | 5.85 | 5.91 | 5.63 | 0.22 |
| Risk Management | 6.00 | 6.05 | 5.84 | 0.16 |
| Asset Safety | 6.22 | 6.31 | 6.12 | 0.10 |
| Trading and Execution | 6.10 | 6.40 | 6.00 | 0.10 |
| Financing | 5.40 | 5.40 | 5.57 | -0.17 |
| Stock Borrowing and Lending | 5.52 | 5.93 | 5.83 | -0.31 |
| Fixed Income | 5.92 | 6.36 | 5.65 | 0.27 |
| Asset Servicing | 5.78 | N/A | 5.47 | 0.31 |
| Listed Derivatives | 6.53 | N/A | 5.81 | 0.72 |
| Average | 5.89 | 6.04 | 5.74 | 0.15 |

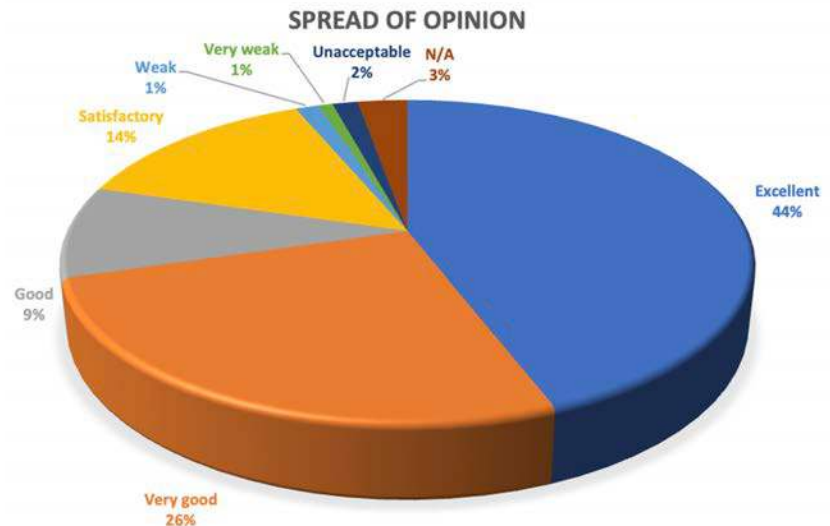
Cowen has once again outperformed the survey average overall, as well as in 10 service categories.

Trading and Execution comes in for specific praise. “Cowen is one of our primary trading counterparties and we have never had any significant issues with trading and execution even on our high trading volume days,” one respondent comments. “Given our positive experience with Cowen’s trading and execution services, we have been using their outsourced trading desk as a backup trading facility for our trading needs. This has definitely alleviated some pressure from our internal trading resources and allowed us to be more efficient with our trading set-up.”

Cowen itself notes that, “Extending our outsourced trading solution to fixed income markets proved fortuitous from a timing perspective as the coordinated global lifting of interest rates created renewed interest in bonds, particularly sovereigns and IGs.” (See our Outsourced Trading handbook, included with this edition, for Cowen’s activities in that domain.)

Operations scores well above the survey average at 6.28. “We have not experienced any operational issues with Cowen, including during the height of the Covid-19 pandemic with all its accompanying restrictions and logistical issues,” says one client.

Cowen’s client engagement has not gone unnoticed. “The Cowen team including senior management have not only been responsive but have also been very proactive in trying to offer and/or find solutions to some of our specific requirements,” says one satisfied customer.



Goldman Sachs

| Goldman Sachs | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 5.60 | 6.38 | 5.11 | 0.49 |
| Client Services | 4.50 | 5.69 | 5.94 | -1.44 |
| Consulting | 4.75 | 6.00 | 5.61 | -0.86 |
| Operations | 4.33 | 5.06 | 5.98 | -1.65 |
| Technology | 5.60 | 6.31 | 5.63 | -0.03 |
| Risk Management | 5.71 | 6.54 | 5.84 | -0.13 |
| Asset Safety | 6.13 | 6.67 | 6.12 | 0.01 |
| Trading and Execution | 5.40 | 6.40 | 6.00 | -0.60 |
| Financing | 5.22 | 6.08 | 5.57 | -0.35 |
| Stock Borrowing and Lending | 6.13 | 6.80 | 5.83 | 0.30 |
| Fixed Income | 5.25 | 5.86 | 5.65 | -0.40 |
| Asset Servicing | 4.00 | N/A | 5.47 | -1.47 |
| Listed Derivatives | 5.80 | N/A | 5.81 | -0.01 |
| Average | 5.26 | 6.16 | 5.74 | -0.47 |

One of the prime brokerage industry's big beasts, Goldman Sachs has for some years now been a passive participant in our annual survey process. Nevertheless, the bank inevitably receives sufficient survey responses to meet the threshold from Global Custodian readers who are also clients of the bank.

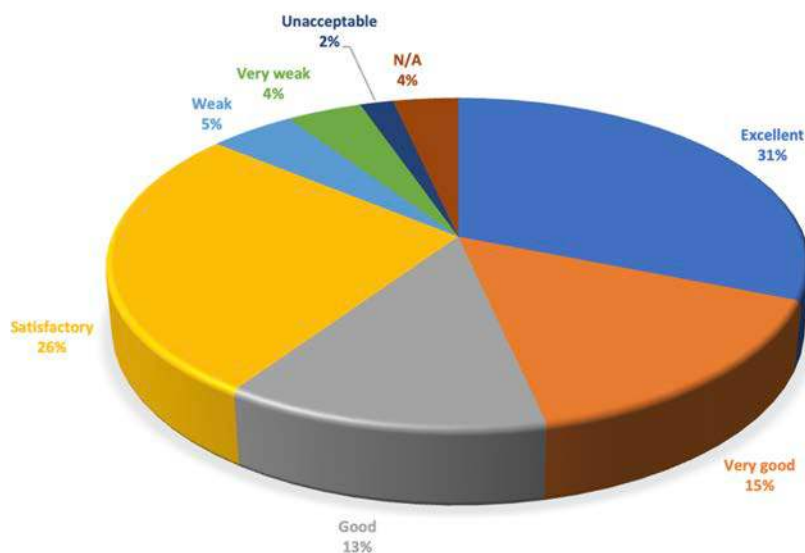
Whether or not respondents for Goldman Sachs provide a representative sample of their overall client base, category scores awarded are, for the most part, unspectacular. Interestingly, though, those respondents in the lower AUM bands appear the most satisfied. The firm's largest clients, are however, not represented in the response pool and so that conclusion remains speculative.

Overall, the average AUM where they most outperform the global average are in the two areas you might expect a bulge bracket firm to excel in: Capital Introductions and Stock Borrowing and Lending.

Client Services, Operations and Consulting undershoot survey averages by some margin, recording ratings in simply Satisfactory territory (4.00-4.99). At the other end of the scale, two categories – Stock Borrowing and Lending, and Asset Safety – are both above 6.00, the threshold for Very Good.

Additional client comment is sparse, but one client offers a mixed review. "Goldman's day to day coverage is very good; however, I have been experiencing issues with their response on back-office issues," they comment. On the other hand, they note, "Trading has been excellent all around, from competitive pricing, algos offered, and best execution."

SPREAD OF OPINION



RATING BY CLIENT SIZE



Interactive Brokers

| Interactive Brokers | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 2.75 | 4.80 | 5.11 | -2.36 |
| Client Services | 4.67 | 5.64 | 5.94 | -1.27 |
| Consulting | N/A | N/A | 5.61 | N/A |
| Operations | 5.40 | 6.00 | 5.98 | -0.58 |
| Technology | 5.50 | 6.25 | 5.63 | -0.13 |
| Risk Management | 5.60 | 5.77 | 5.84 | -0.24 |
| Asset Safety | 5.89 | 5.75 | 6.12 | -0.23 |
| Trading and Execution | 6.45 | 6.57 | 6.00 | 0.45 |
| Financing | 5.10 | 5.58 | 5.57 | -0.47 |
| Stock Borrowing and Lending | 5.78 | 6.18 | 5.83 | -0.05 |
| Fixed Income | 5.00 | 5.40 | 5.65 | -0.65 |
| Asset Servicing | 5.50 | N/A | 5.47 | 0.03 |
| Listed Derivatives | 6.17 | N/A | 5.81 | 0.36 |
| Average | 5.32 | 5.79 | 5.74 | -0.43 |

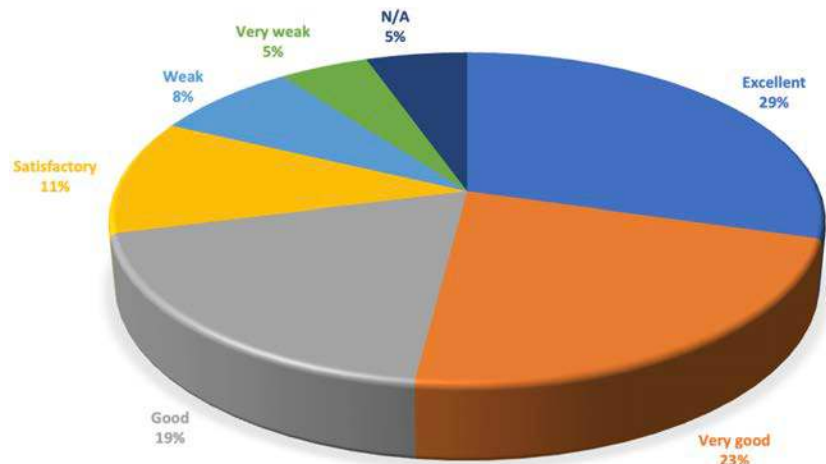
Interactive Brokers' (IB) scores this year are notable for their substantial spread. At the top end are Trading and Execution and Listed Derivatives, both of which comfortably surpass the global average. Of the former, one client notes, "Great algos. High touch desk a bit limited though." Of the latter, another says, "Listed derivative landscape + combo is incredible", without further elaboration.

Only a quarter of this year's response sample for Interactive Brokers are returnees from 2022 and the current cohort appears to be relatively less generous in its scoring. The impression overall is that clients looking for a largely automated service are the happiest, while high touch requirements, when they arise, attract a few grumbles. "It's good now that I have a direct contact," says one pointedly.

Given recent US regional banking developments, the firm itself suggests that, "Our strong capital position, conservative balance sheet, and automated risk controls are designed to protect the company and our clients, including hedge fund clients. In light of recent bank failures and other financial institutions negatively impacted by the rise in interest rates, there is heightened emphasis on counterparty due diligence."

In terms of new products, IB highlights, among others, its PortfolioAnalyst performance analysis and reporting tool, which has recently been enhanced to include a Dynamic Analytics Dashboard, providing clients with an integrated, real-time reporting dashboard.

SPREAD OF OPINION



RATING BY CLIENT SIZE



JonesTrading

| JonesTrading | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 5.20 | 3.50 | 5.11 | 0.09 |
| Client Services | 6.60 | 6.82 | 5.94 | 0.66 |
| Consulting | 6.67 | 6.00 | 5.61 | 1.06 |
| Operations | 6.67 | 6.55 | 5.98 | 0.69 |
| Technology | 6.00 | 6.44 | 5.63 | 0.37 |
| Risk Management | 6.60 | 6.57 | 5.84 | 0.76 |
| Asset Safety | 6.78 | 6.80 | 6.12 | 0.66 |
| Trading and Execution | 6.64 | 6.70 | 6.00 | 0.64 |
| Financing | 6.50 | 6.86 | 5.57 | 0.93 |
| Stock Borrowing and Lending | 6.56 | 6.50 | 5.83 | 0.73 |
| Fixed Income | 6.67 | 7.00 | 5.65 | 1.02 |
| Asset Servicing | 6.00 | N/A | 5.47 | 0.53 |
| Listed Derivatives | 7.00 | N/A | 5.81 | 1.19 |
| Average | 6.45 | 6.34 | 5.74 | 0.72 |

“Very hands-on and capable group,” says one of JonesTrading’s survey participants. “Get things right the first time, which is a huge time saver. An honest, ethical and industry-savvy team.”

JonesTrading is one of this year’s standouts in terms of survey results. One client describes the firm as addressing an important part of the market, “filling in the cracks that the larger primes don’t do (or don’t do well) but providing institutional-grade services.”

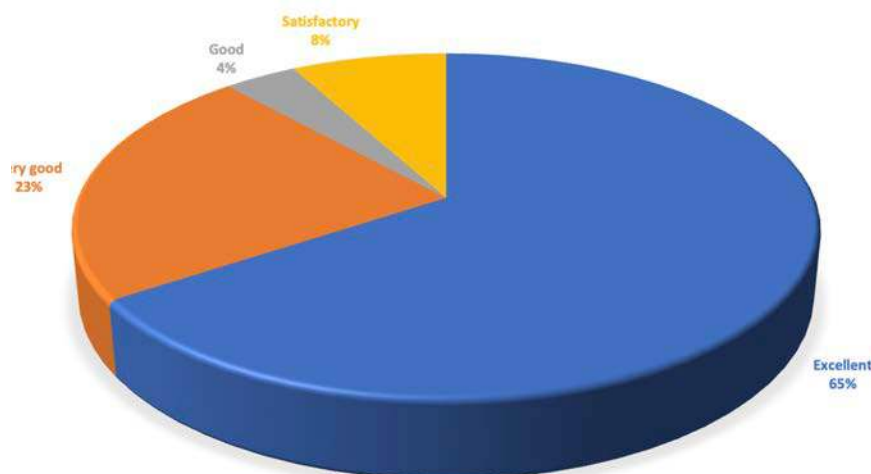
Other client comments are strongly supportive. “The team is great and very responsive, although onboarding took a rather long time due to issues at our previous provider,” says one respondent for JonesTrading. Another recent convert to the firm describes it as a “fast, friendly, and professional group of hard-working people. Definitely recommend as a prime broker.”

At an individual service level, although not in the top bracket, the score for Capital Introductions has risen significantly to surpass the survey average. A UK client praises the firms “proactive approach and excellent network.”

Trading and Execution also comes in for specific praise. “Jones offers several excellent trading platforms and desk access for high-touch execution,” says one client. “Settlement is always handled efficiently and is timely.”

The firm itself points out that, “We are growing methodically and quickly. Clients love our proprietary PB portal which gives them a dynamic suite of reports and functionality, which is powerful when coupled with our high touch client service team, which is also growing.”

SPREAD OF OPINION



RATING BY CLIENT SIZE



J.P. Morgan

| J.P. Morgan | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 4.57 | 5.62 | 5.11 | -0.54 |
| Client Services | 5.15 | 5.57 | 5.94 | -0.79 |
| Consulting | 5.80 | 6.17 | 5.61 | 0.19 |
| Operations | 4.92 | 4.69 | 5.98 | -1.06 |
| Technology | 5.83 | 5.54 | 5.63 | 0.20 |
| Risk Management | 5.33 | 5.82 | 5.84 | -0.51 |
| Asset Safety | 6.08 | 6.19 | 6.12 | -0.04 |
| Trading and Execution | 5.30 | 5.78 | 6.00 | -0.70 |
| Financing | 5.60 | 5.60 | 5.57 | 0.03 |
| Stock Borrowing and Lending | 5.64 | 5.59 | 5.83 | -0.19 |
| Fixed Income | 5.20 | 5.50 | 5.65 | -0.45 |
| Asset Servicing | 4.78 | N/A | 5.47 | -0.69 |
| Listed Derivatives | 6.00 | N/A | 5.81 | 0.19 |
| Average | 5.40 | 5.64 | 5.74 | -0.34 |

One of the three big beasts of the industry alongside Morgan Stanley and Goldman Sachs, J.P. Morgan has been a passive participant in the Prime Brokerage Survey for the past several years but continues to receive sufficient ratings to qualify for a write up from those of its clients among the GC readership base.

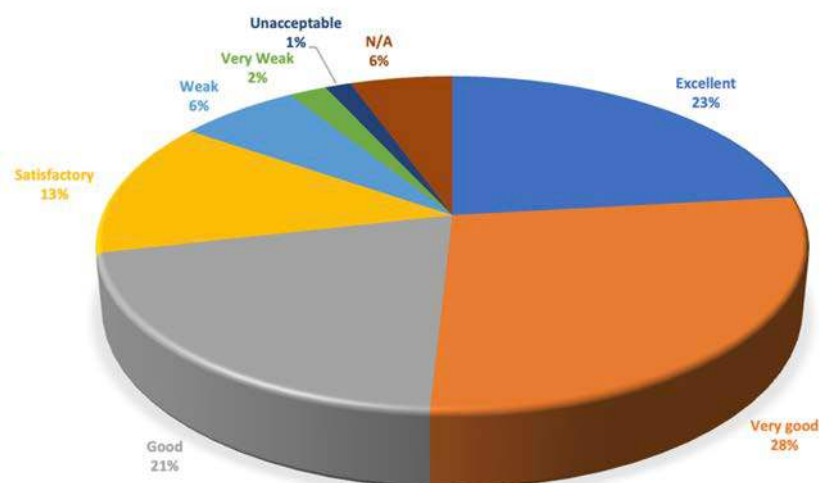
J.P. Morgan Prime Services describes itself thus: “Offering a full spectrum of integrated capabilities, combined with the strength and resources of a leading global bank, J.P. Morgan’s multi-asset class platform extends across execution, financing, clearing, fund administration and asset-servicing products, as well as prime custody and optimised margin solutions.”

Its category scores are above the global average in four areas: Consulting (+0.19), Listed Derivatives (+0.19), Technology (+0.20) and Financing (+0.03). It does, however, also record scores in merely Satisfactory range for Capital Introductions, Operations and Asset Servicing.

Client comments to add colour are few. With regard to Securities Borrowing and Lending, one points to a “complicated methodology to determine borrow fees.”

Looking at the spread of opinion of respondents, individual data points reflect a general contentment with the services offered. Just over half of individual ratings are either Excellent or Very Good with a further 21% rated Good. As might be expected, respondents at the upper end of the AuM scale are the most complimentary about J.P. Morgan.

SPREAD OF OPINION



RATING BY CLIENT SIZE



Morgan Stanley

| Morgan Stanley | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 6.00 | 5.78 | 5.11 | 0.89 |
| Client Services | 6.67 | 6.64 | 5.94 | 0.73 |
| Consulting | 6.67 | 6.56 | 5.61 | 1.06 |
| Operations | 6.67 | 6.56 | 5.98 | 0.69 |
| Technology | 6.70 | 6.58 | 5.63 | 1.07 |
| Risk Management | 6.71 | 6.29 | 5.84 | 0.87 |
| Asset Safety | 6.67 | 6.55 | 6.12 | 0.55 |
| Trading and Execution | 6.67 | 6.61 | 6.00 | 0.67 |
| Financing | 6.33 | 6.35 | 5.57 | 0.76 |
| Stock Borrowing and Lending | 6.38 | 6.23 | 5.83 | 0.55 |
| Fixed Income | 5.00 | 7.00 | 5.65 | -0.65 |
| Asset Servicing | 6.00 | N/A | 5.47 | 0.53 |
| Listed Derivatives | 6.60 | N/A | 5.81 | 0.79 |
| Average | 6.39 | 6.47 | 5.74 | 0.65 |

Just over half of responses for Morgan Stanley this year come from US clients with the remainder from Hong Kong, Singapore and UK.

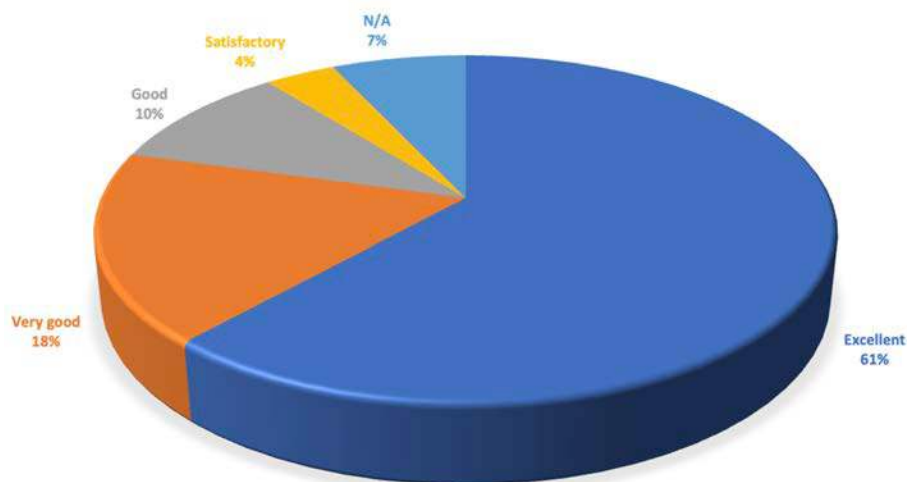
Morgan Stanley is often to be found at or near the top of Prime Brokerage Survey results and certainly in the top quartile. This year, once again, it is in the same territory, outperforming at a category level in all areas bar Fixed Income. The two areas where Morgan Stanley most outstrips the survey average are Consulting and Technology.

In keeping with this performance, client comments are overwhelmingly positive. “Morgan Stanley offers excellent client service and has been a great partner for us in all capacities,” says one US client. “Trading has been excellent all around, from complete pricing, algos offered, and best execution,” says another.

Prime brokerage strategy has been simple from inception, says the bank: “A steadfast adherence to—and a singular focus on—being the best possible partner to clients who want a partner.”

The firm attracts some 60 to 100 new hedge-fund launches annually, in addition to large established alternative asset managers. “Fledgling hedge fund managers are taking the greatest professional risk of their lives, putting their own personal wealth on the line, as well as that of family and friends,” says Alex Erlich, global co-head of prime brokerage, Morgan Stanley. “That is where Prime Brokerage feels an acute obligation to live up to its partnership ethos.”

SPREAD OF OPINION



RATING BY CLIENT SIZE



TD Securities

| TD Securities | Average Score 2023 | Average Score 2022 | Global Average | Difference with Global |
|-----------------------------|--------------------|--------------------|----------------|------------------------|
| Capital Introductions | 4.80 | 5.54 | 5.11 | -0.31 |
| Client Services | 6.42 | 6.52 | 5.94 | 0.48 |
| Consulting | 4.67 | 5.00 | 5.61 | -0.94 |
| Operations | 6.11 | 6.15 | 5.98 | 0.13 |
| Technology | 5.24 | 5.88 | 5.63 | -0.39 |
| Risk Management | 5.85 | 5.25 | 5.84 | 0.01 |
| Asset Safety | 6.18 | 6.12 | 6.12 | 0.06 |
| Trading and Execution | 6.00 | 6.06 | 6.00 | 0.00 |
| Financing | 5.87 | 6.06 | 5.57 | 0.30 |
| Stock Borrowing and Lending | 6.14 | 6.22 | 5.83 | 0.31 |
| Fixed Income | 5.43 | 4.50 | 5.65 | -0.22 |
| Asset Servicing | 5.46 | N/A | 5.47 | -0.01 |
| Listed Derivatives | 5.63 | N/A | 5.81 | -0.18 |
| Average | 5.68 | 5.75 | 5.74 | -0.06 |

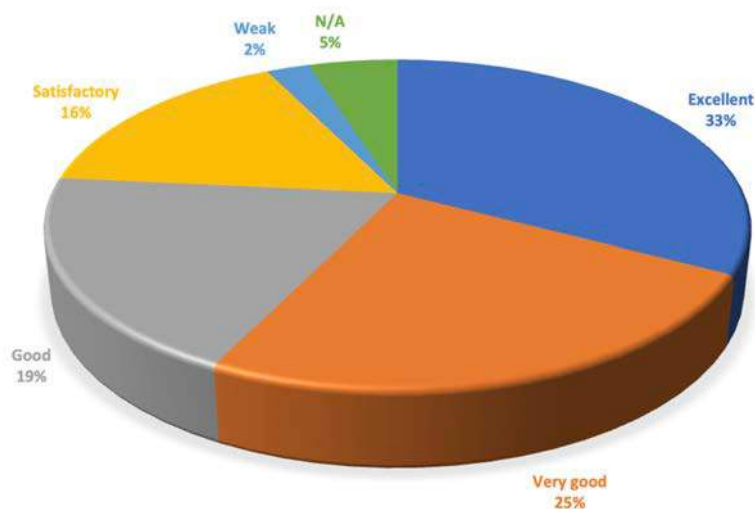
A strange mixture of scores for TD Securities this year. While running close to the survey average with a more than satisfactory overall score of 5.68, the firm has a wide spread of category scores from a low of 4.67 for Consulting - 0.94 points below the survey average - to a high of 6.42 for Client Services, 48 basis points above the survey average.

Capital Introductions, often one of the lower scoring categories in the survey, has seen a drop from Good in 2022 to Satisfactory in 2023. “We conducted interviews and held a group call with the primer broker’s financial advisors, but no qualifying investors expressed an interest,” says one respondent. “However, we believe that the value of the prime broker’s other services outweighs its capacity to make capital introductions, thus this is unimportant.”

Technology, which can affect the day-to-day experience of clients, holds its own. “While the reporting system doesn’t have the most modern front-end design and doesn’t have certain customisable features like layouts and favourites like some other platforms, it is intuitive, reliable, rarely down, loads quickly and has a good range of reporting options,” says one client.

In its favour, the bank is also seen as responsive to feedback. “The stock loan rates have improved after this was brought up with their team recently, implying that our feedback has been noticed,” comments one survey participant.

SPREAD OF OPINION



RATING BY CLIENT SIZE

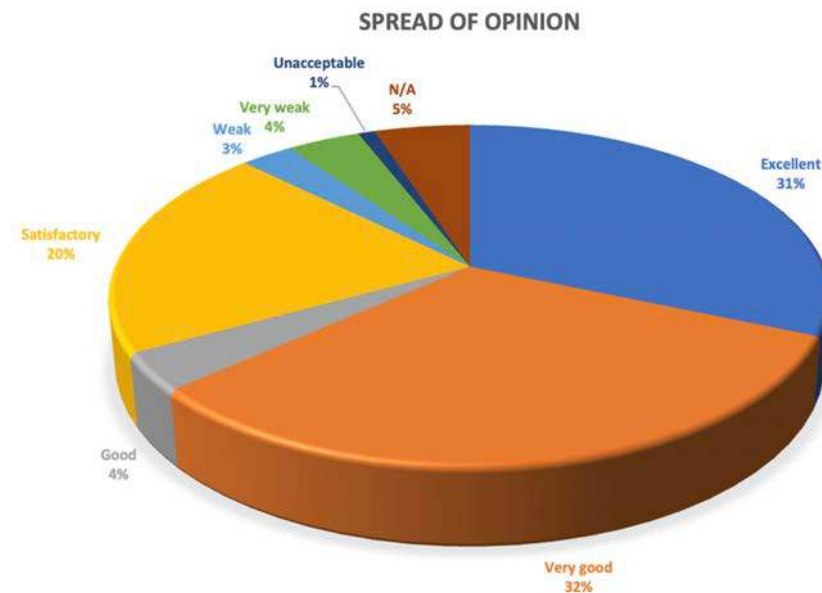


BNP Paribas

Although falling just shy of the number required for a full write up, BNP Paribas has come in with similar scores overall to 2022. Outperforming the survey average in Technology, Stock Borrowing and Lending, Risk Management and Fixed Income.

Capital Introductions and Operations are cited by one or two respondents as areas with room for greater proactivity. In the latter case, the individuals at the coal face are well regarded, but are let down by “processes and systems.” That said, the bank’s overall score is in Good range and the majority of individual scores awarded across all categories – 63% – are either Excellent (7) or Very Good (6). After some initial headwinds, the bank’s absorption of the Deutsche Bank PB business - the transfer of which was completed in early 2022 - now seems to be progressing smoothly.

Oliver Jacomb, head of prime brokerage sales, EMEA at BNP Paribas,



has left the role after three years in the position, Global Custodian understands. Interestingly, the firm’s best scores

are awarded by clients at the higher and lower ends of the AUM scale.

Scotiabank

While respondents for Scotiabank this year are primarily Canadian, the bank maintains experienced client service teams in Toronto, New York and London, providing 24-hour coverage and insight in global markets.

Falling just shy of the required response threshold this year, Scotiabank’s best scores are for Client Services, Technology and Operations, while its laggards are Cap Intro, Listed Derivatives and Asset Servicing. “The Bank could improve

on their back-office processes and transparency on Corporate Actions, as well as striving to improve the service level provided by their third-party agents to ensure the information requested by clients is provided on a timely and accurate basis,” says one respondent.

“Client service is good but there is a lot of turnover, which can be disruptive,” says another survey participant.

The provider itself points out that, “With an A+ credit rating by S&P, The Bank of Nova Scotia offers safety, security and an extensive global presence that enables connectivity around the world.” In addition, Scotiabank offers flexible Cash and Synthetic Prime Brokerage platforms that clients can access through an integrated global platform.

Hopefully, the bank will return to full published ratings with one or two more client responses in 2024.

