

Reporting Guide

Survey of Securities Brokerage Services

The information collected in this quarterly survey will be used to produce a price index that measures the change in average prices charged for securities brokerage services in Canada. This pilot survey applies to registered Dealer/Broker firms in Canada that provide full-service brokerage services to retail clients.

The survey questionnaire is used to collect revenue and corresponding volume data on some of the full-service brokerage services provided to retail clients. The two main product types covered are transaction-based and fee-based accounts (fee-based brokerage and advisor managed).

Basis of Reporting

- 1. Client Type and Business Segment**
Retail Full-Service Brokerage only (exclude Discount/online)
- 2. Reporting Period**
Calendar Quarter (Jan-Mar, Apr-Jun, Jul-Sep, and Oct-Dec).
- 3. Combined Canadian Operations**
Data should be reported for all Canadian subsidiaries. Exclude operations from any foreign subsidiaries.
- 4. Currency**
All data should be reported in thousands of Canadian dollars.
- 5. Accounting**
Please report on an accrual basis for fee-based accounts and on a cash basis for transaction-based accounts.
- 6. Other**
Exclude any taxes collected for remittance to a government agency (GST/HST/QST).

Instructions

Section A: Transaction-Based Accounts: Canadian Exchange Listed Equities

An account in which Investment Advisors/Brokers charge clients a commission for every trade executed on their behalf. Commissions are usually charged based on a percentage of the market value of trades or a flat dollar amount.

Please report **only for** purchases and sales of **Canadian exchange listed equities** executed on behalf of **retail full-service brokerage clients**.

Exclude:

- 'new issue' equities
- Discount/Online transactions

Notes:

- 1) New issues include all IPO / Primary market trades as well as secondary offerings.
- 2) If an order has multiple or partial fills and a single fee or commission was charged, aggregate the fills as a single trade. In cases for which separate fees or commissions are charged for multiple fills on the same order, treat each charge as its own trade.
- 3) Include transactions for fee-based brokerage accounts only in cases where clients are charged a **commission** for a trade that exceeded their trade allowance.
- 4) Include the total market value of trades for trades that were executed for free.

Instructions:

For each **Trade Value Range (A)**, please report the **Total Commissions (B)** earned in the **calendar quarter** and the corresponding **Total Market Value of Trades (C)** on which the commissions were based.

A) Trade Value Ranges: The market value of trades arranged in a series of ascending tiers.

B) Total Commissions: The sum of commissions earned in the calendar quarter for executing trade orders of Canadian exchange listed equities on behalf of retail full-service brokerage clients.

C) Total Market Value of Trades: The sum of the market values of trades that were executed during the calendar quarter.

Section B: Fee-Based Brokerage Accounts (non-discretionary)

An account similar to a transaction-based account except that clients are charged a fee typically based on a percentage of the market value of assets in the account or a flat annual fee rather than commissions on a per transaction basis. The account generally includes a trade allowance and the Investment Advisor/Broker is required to obtain the client's approval before executing securities transactions on their behalf (**non-discretionary**). Only use the pricing model (Blended or Asset-based, described below) that best matches the pricing method used.

Blended Pricing Model

A pricing model where the fee charged by Investment Advisors/Brokers is calculated **based only on the market value of assets** in the account, **regardless of the types of assets in accounts**. If accounts are grouped or householded together for the purposes of qualifying for preferential rates, list the total market value of all accounts in the household.

Examples:

- The fee is charged as a flat dollar amount or calculated as an annual percentage rate based on the total market value of assets in the account or group of accounts (household).
- The fee is calculated by applying different rates to incremental dollar portions of the total market value of assets in the account or group of accounts (household) which are then blended together to derive the fee.

Instructions:

For each **Account/Household Value Range (A)**, please report the **Total Fees (B)** earned for the **calendar quarter** and the corresponding **Total Account/Household Values (C)** on which the fees were based.

A) Account/Household Value Ranges: The market value of assets in accounts on which the fees were based, arranged in a series of ascending tiers.

B) Total Fees: The sum of investment advisory/brokerage fees earned for the calendar quarter.

Excludes: taxes (GST, HST and QST) and administrative fees.

C) Total Account/Household Values: The sum of the market values of assets in accounts on which the fees were based (billable portion of account assets).

Asset-Class Based Pricing Model

A pricing model where the fee charged by Investment Advisors/Brokers is calculated **based on both the types and market value of assets** in the account. If accounts are grouped or householded together for the purposes of qualifying for preferential rates, list the total market value of all accounts in the household. **Note:** This survey only includes data for the Equity and Fixed Income pricing models.

Examples:

- The asset types in the account or group of accounts (household) are analyzed and categorized as either Equity or Fixed Income based on a set proportion of total value. The fee is then calculated by applying the rate from the designated asset price list to the total market value.
- The market value of the account or group of accounts (household) is separated by asset class and the value of each class is priced according to the separate asset price lists.

Instructions:

For each **Account/Household Value Range (A)**, report the **Total Fees (B)** earned for the **calendar quarter** and the corresponding **Total Account/Household Values (C)** on which the fees were based.

A) Account/Household Value Ranges: The market value of assets in accounts on which the fees were based, arranged in a series of ascending tiers.

B) Total Fees: The sum of investment advisory/brokerage fees earned for the calendar quarter.

Excludes: taxes (GST, HST and QST) and administrative fees.

C) Total Account/Household Values: The sum of the market values of assets in accounts on which the fees were based (billable portion of account assets).

Section C: Advisor Managed Accounts (discretionary)

An account similar to a fee-based brokerage account except that the Investment Advisor/Broker acts as the portfolio manager and has been given the **discretionary** authority to make investment decisions on behalf of the client rather than obtaining their approval to execute each transaction. Fees are typically calculated based on a percentage of the market value of assets. Only use the pricing model (Blended or Asset-based, described below) that best matches the pricing method used. **Note: this survey excludes wraps or any third party managed accounts.**

Blended Pricing Model:

A pricing model where the fee charged by Investment Advisors/Brokers is calculated **based only on the market value of assets, regardless of the types of assets in accounts.** If accounts are grouped or householded together for the purposes of qualifying for preferential rates, list the total market value of all accounts in the household.

Examples:

- The fee is charged as a flat dollar amount or calculated as an annual percentage rate based on the total market value of assets in the account or group of accounts (household).
- The fee is calculated by applying different rates to incremental dollar portions of the total market value of assets in the account or group of accounts (household) which are then blended together to derive the fee.

Instructions:

For each **Account/Household Value Range (A)**, report the **Total Fees (B)** earned for the **calendar quarter** and the corresponding **Total Account/Household Values (C)** on which the fees were based.

A) Account/Household Value Ranges: The market value of assets in accounts on which the fees were based, arranged in a series of ascending tiers.

B) Total Fees: The sum of investment advisory/brokerage fees earned for the calendar quarter.

Excludes: taxes (GST, HST and QST) and administrative fees.

C) Total Account/Household Values: The sum of the market values of assets in accounts on which the fees were based (billable portion of account assets).

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C) Total Account/Household Values: The sum of the market values of assets in accounts on which the fees were based (billable portion of account assets).