

The Rollercoaster Continues, Greenwich Leaders Stay the Course

2014 Greenwich Leaders: Emerging Market Equities

Q4 2014

Greenwich Share and Quality Leader designations are awarded to brokers based on the results of interviews conducted by Greenwich Associates with 120 institutional investors in CEEMEA (including South Africa) and Latin American equities. Greenwich Quality Leaders are firms whose receive quality ratings from their institutional clients that top those awarded to competitors by a statistically significant margin.

Interviews for this research were conducted between April and May 2014. As such, the results presented do not fully capture some of the gyrations in Russian markets associated with geo-political issues in 2014. However, the data do reflect the rollercoaster nature of the emerging markets more generally, as demonstrated by market volatility in Brazil, Argentina and other economies.

Due to this inherent volatility, the brokers named as Greenwich Leaders in the emerging markets are generally firms that have proven their willingness to stay the course and maintain a commitment to these markets in good times and bad. This staying power wins the confidence of clients seeking long-term relationships while also giving brokers the opportunity to develop a level of experience and expertise that sets them apart from rivals.

“The brokers that dominate in emerging markets equities share three characteristics,” says Greenwich Associates consultant John Colon. “They have proven their commit-

ment this business, they have developed specific expertise at the sector, country and macro level, and they have established broad coverage across the emerging markets.”

Greenwich Leaders: CEEMEA

Bank of America Merrill Lynch is the clear global leader in CEEMEA Equity Research/Advisory Services. The firm receives a 15.5% weighted share of the “votes” that determine commission allocations among European and U.S. institutional investors. Morgan Stanley is second with a 12.0% share, followed by a tie among J.P. Morgan, Credit Suisse and HSBC. These firms are the 2014 Greenwich Share Leaders in CEEMEA Equity Research/Advisory Services. Bank of America Merrill Lynch is the 2014 Greenwich Quality Leader in CEEMEA Equity Research Analyst & Service while Morgan Stanley is the 2014 Greenwich Quality Leader in Sales & Corporate Access.

Greenwich Leaders: Latin America

Although Brazilian banks BTG Pactual and Banco Itau built their reputations on strong franchises in their sizable home markets, both banks have grown by successfully exporting their capabilities to investors in Europe and the United States. In research/advisory services, BTG Pactual now ranks as the clear leader in Latin American, with a solid 15.0% share of the institutional research vote. Bank of America Merrill Lynch and Banco Itau are tied

Greenwich Share Leaders — 2014



CEEMEA Equity Research/Advisory Vote Share

Broker	Vote Share	Statistical Rank
Bank of America Merrill Lynch	15.5%	1
Morgan Stanley	12.0%	2
J.P. Morgan	8.0%	3T
Credit Suisse	7.4%	3T
HSBC	7.3%	3T

Latin American Equity Research/Advisory Vote Share

Broker	Vote Share	Statistical Rank
BTG Pactual	15.0%	1
Bank of America Merrill Lynch	12.2%	2T
Banco Itau	11.9%	2T
Credit Suisse	10.5%	4T
J.P. Morgan	9.9%	4T

Note: Based on responses from 52 CEEMEA and 66 Latin American respondents at buy-side institutions for Equity Research/Advisory Vote Share, weighted by commission spend of accounts. Greenwich Associates Research/Advisory Vote Share represents a broker's relative importance to the buy-side institutions within the Greenwich Associates universe for research, sales and corporate access. Scores are based upon the amount of business conducted with each respondent and the size of each responding institution based on commission spend with the sell-side community. Top five leading brokers are cited including ties.

Source: Greenwich Associates 2014 U.S., European, Brazilian Equity Investors Study

Greenwich Quality Leaders — 2014



CEEMEA Equity Sales & Corporate Access Quality

Broker

Morgan Stanley

CEEMEA Equity Research & Analyst Service Quality

Broker

Bank of America Merrill Lynch

Latin America Equity Sales & Corporate Access Quality

Broker

Bank of America Merrill Lynch

BTG Pactual

Morgan Stanley

Latin America Equity Research & Analyst Service Quality

Broker

BTG Pactual

Note: Based on 52 CEEMEA and 66 Latin American respondents for Sales Quality and Research and Analyst Service Quality. Leading brokers are displayed in alphabetical order.
Source: Greenwich Associates 2014 U.S., European, Brazilian Equity Investors Study

for second, followed by a tie between Credit Suisse and J.P. Morgan. These firms are the 2014 Greenwich Share Leaders in Latin American Equity Research/Advisory Services.

The 2014 Greenwich Quality Leaders in Latin American Equity Sales and Corporate Access are Bank of America Merrill Lynch, BTG Pactual and Morgan Stanley. BTG Pactual also claims the title of 2014 Greenwich Quality Leader in Latin American Equity Sales & Corporate Access.

Consultants Jay Bennett, John Colon and John Feng advise on the institutional equity markets globally.

Methodology

From April to May 2014, Greenwich Associates interviewed 120 institutional investors in CEEMEA (including South America) and Latin American equities at U.S., European and Brazilian institutions about the research and sales services they receive from their brokers. These portfolio managers and traders were also asked about current market practices, trends and compensation.

The findings reported in this document reflect solely the views reported to Greenwich Associates by the research participants. They do not represent opinions or endorsements by Greenwich Associates or its staff. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Greenwich Associates compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results.

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