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ITG Releases Hedge Fund CFO Survey Evolving Regulations, European Research Unbundling Are in Focus

NEW YORK, July 8, 2015 – ITG (NYSE: ITG), a leading independent execution broker and research provider, today released the results of a survey of Chief Financial Officers at leading US hedge funds. The poll addressed some of the key business challenges hedge fund CFOs face in the evolving capital markets landscape. Among the key findings:

- Changing financial rules and regulations are the most pressing issue on these CFOs minds, according to 47% of respondents, followed by the need to streamline compliance processes (37%).
- European moves to unbundle research payments from equity trading commissions are a clear concern, with 49% of hedge fund CFOs very or somewhat concerned.
- If Europe moves towards a “hard unbundling” of research payments from commissions, 65% of the CFOs surveyed said they would likely segregate the accounts of their European clients in order to continue using Commission Sharing Agreements (CSAs) for the non-European clients, while 35% said they would consider ending the use of CSAs altogether.
- Some 51% of the hedge fund CFOs surveyed already pay for at least some of their research using hard dollars (i.e. dollars from the fund’s management fees, not funds generated through trading commissions).
- Hedge fund CFOs rely on their peers to keep abreast of changes in the marketplace: 45% cited conversations with their fellow finance and compliance professionals as their main source of updates, followed by content from their brokers or vendors (31%) and content from business or trade publications (24%).

The survey polled more than 40 attendees of ITG’s CFO dinner in New York in late June, from funds ranging from \$50 million to \$14 billion in assets under management, representing a collective total of more than \$115 billion in AUM.



ITG Hedge Fund Solutions

ITG delivers a comprehensive offering for hedge funds, including Commission Management Aggregation, the ITG Position Manager order management system, the Triton Black execution management system, ITG Investment Research and institutional block liquidity in POSIT Alert®. ITGs OMS and Commission Management solutions come fully equipped with robust compliance functionality and tools to help navigate the changing regulatory environment.

ITG is dedicated to helping both emerging and established hedge funds to generate and preserve alpha throughout the investment lifecycle. For more details about ITG's full range of hedge fund products and services please visit <http://www.itg.com/about-itg/for-hedge-funds/>, email us at hedgefundsales@itg.com or call the sales desk at 1-212-444-6100.

About ITG

ITG is an independent execution broker and research provider that partners with global portfolio managers and traders to provide unique data-driven insights throughout the investment process. From investment decision through settlement, ITG helps clients understand market trends, improve performance, mitigate risk and navigate increasingly complex markets. ITG is headquartered in New York with offices in North America, Europe, and Asia Pacific. For more information, please visit www.itg.com.

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