ITG Global Trading Cost Review

ITG INVESTMENT TECHNOLOGY GROUP
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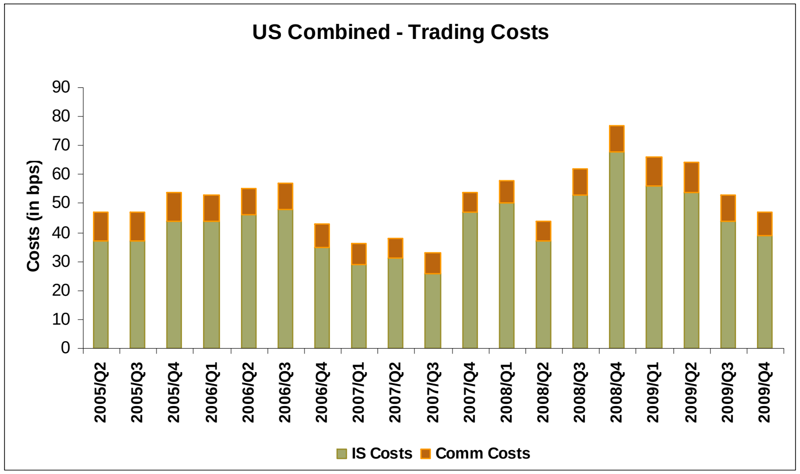
Q4 2009

US-Combined (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	37	10	47
2005/Q3	37	10	47
2005/Q4	44	10	54
2006/Q1	44	9	53
2006/Q2	46	9	54
2006/Q3	48	9	57
2006/Q4	35	8	43
2007/Q1	29	7	36
2007/Q2	31	7	38
2007/Q3	26	7	33
2007/Q4	47	7	53
2008/Q1	50	8	57
2008/Q2	37	7	45
2008/Q3	53	9	61
2008/Q4	68	9	77
2009/Q1	56	10	66
2009/Q2	54	10	63
2009/Q3	44	9	53
2009/Q4	39	8	48

Trading costs for the US Combined universe decreased in the fourth quarter of 2009 by 5 bps from the previous quarter. This was mainly due to a decrease of 5 bps in implementation shortfall costs.

From the perspective of a longer time frame, total transaction costs for US Combined have decreased by 29 bps (-38%) on a year over year basis (2009/Q4 versus 2008/Q4). This is mainly the result of a decrease in implementation shortfall costs (-43%).



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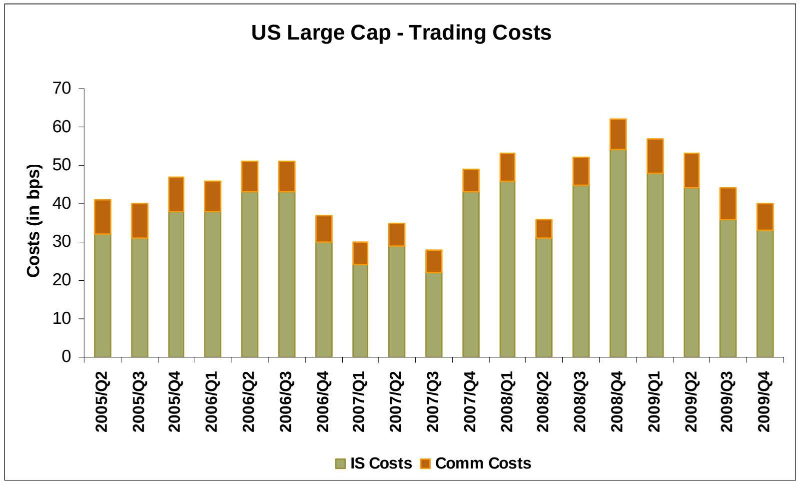
US-Large Cap (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	32	9	41
2005/Q3	31	9	40
2005/Q4	38	9	47
2006/Q1	38	8	46
2006/Q2	43	8	50
2006/Q3	43	8	51
2006/Q4	30	7	37
2007/Q1	24	6	30
2007/Q2	29	6	35
2007/Q3	22	6	28
2007/Q4	43	6	49
2008/Q1	46	7	53
2008/Q2	31	5	36
2008/Q3	45	7	52
2008/Q4	54	8	62
2009/Q1	48	9	57
2009/Q2	44	9	53
2009/Q3	36	8	44
2009/Q4	33	7	40

Trading costs for the US Large Cap universe decreased in the fourth quarter of 2009 by 4 bps from the previous quarter. This was mostly due to a decrease in implementation shortfall costs (-3 bps).

On a year over year basis (2009/Q4 versus 2008/Q4), total transaction costs for US Large Cap have decreased by 22 bps (-35%). This is the result of a decrease in implementation shortfall costs (-39%).

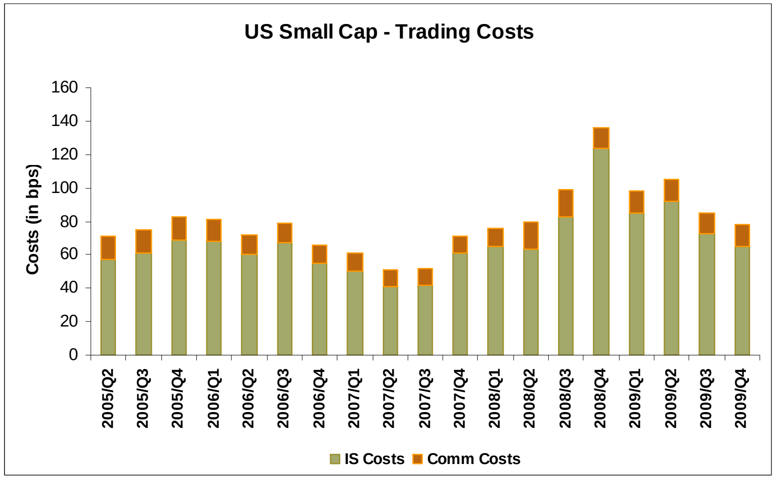


US-Small Cap (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	57	14	71
2005/Q3	61	14	75
2005/Q4	69	14	83
2006/Q1	68	13	81
2006/Q2	60	12	71
2006/Q3	67	12	79
2006/Q4	55	11	66
2007/Q1	50	11	61
2007/Q2	41	10	51
2007/Q3	42	10	52
2007/Q4	61	10	71
2008/Q1	65	11	75
2008/Q2	63	17	80
2008/Q3	83	16	99
2008/Q4	124	12	136
2009/Q1	85	13	98
2009/Q2	92	13	105
2009/Q3	73	12	86
2009/Q4	65	13	78

Trading costs for the US Small Cap universe decreased in the fourth quarter of 2009 by 8 bps from the previous quarter. This was driven by a decrease in implementation shortfall costs (-8 bps).

From the perspective of a longer time frame, total transaction costs for US Small Cap have decreased by 58 bps (-43%) on a year over year basis (2009/Q4 versus 2008/Q4). This is the result of a decrease in implementation shortfall costs (-48%).

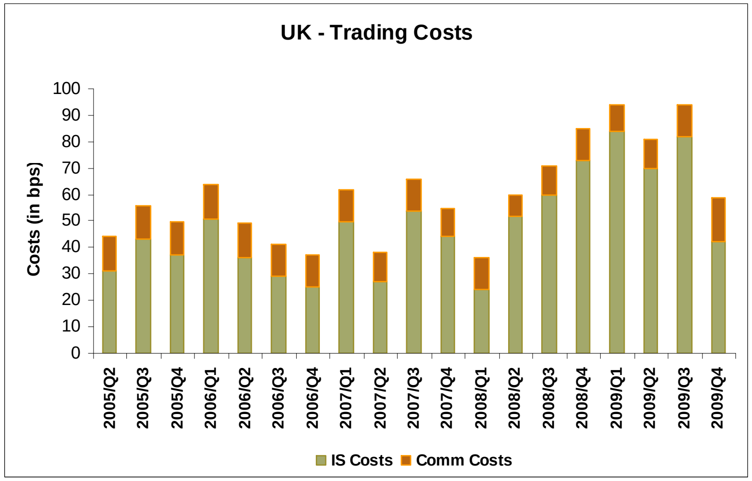


UK (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	31	13	44
2005/Q3	43	13	55
2005/Q4	37	13	51
2006/Q1	51	13	64
2006/Q2	36	13	49
2006/Q3	29	12	42
2006/Q4	25	12	37
2007/Q1	50	12	62
2007/Q2	27	11	38
2007/Q3	54	12	66
2007/Q4	44	11	55
2008/Q1	24	12	36
2008/Q2	52	8	61
2008/Q3	60	11	72
2008/Q4	73	12	84
2009/Q1	84	10	94
2009/Q2	70	11	81
2009/Q3	82	12	94
2009/Q4	42	17	59

Trading costs for the UK universe decreased in the fourth quarter of 2009 by 35 bps from the previous quarter. This was driven by a decrease in implementation shortfall costs (40 bps) offset by an increase in commission costs (5 bps).

On a year over year basis (2009/Q4 versus 2008/Q4), total transaction costs for the UK have decreased by 25 bps (30%). This is the result of a decrease in implementation shortfall costs (-31 bps) offset by an increase in commission costs (5 bps).

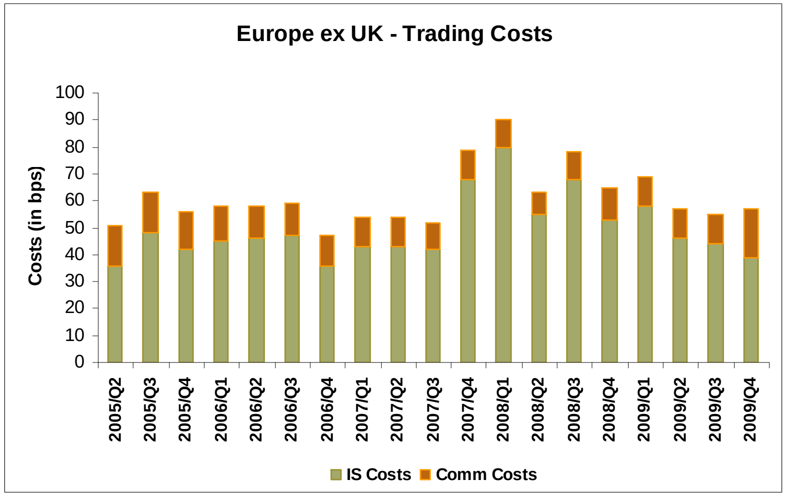


Europe X-UK (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	36	15	51
2005/Q3	48	15	64
2005/Q4	42	14	57
2006/Q1	45	13	57
2006/Q2	46	12	58
2006/Q3	47	12	59
2006/Q4	36	11	48
2007/Q1	43	11	54
2007/Q2	43	11	54
2007/Q3	42	10	52
2007/Q4	68	11	79
2008/Q1	80	10	90
2008/Q2	55	8	62
2008/Q3	68	10	77
2008/Q4	53	12	65
2009/Q1	58	11	69
2009/Q2	46	11	57
2009/Q3	44	11	55
2009/Q4	39	18	57

Trading costs for the Europe X-UK universe increased in the fourth quarter of 2009 by 2 bps from the previous quarter. This was due to an increase in commission costs (7 bps) offset by a decrease in implementation shortfall costs (-5 bps).

From the perspective of a longer time frame, total transaction costs for Europe X-UK have decreased by 8 bps (-12%) on a year over year basis (2009/Q4 versus 2008/Q4). This is the result of a decrease in implementation shortfall costs (-14 bps) offset by an increase in commission costs (6 bps).

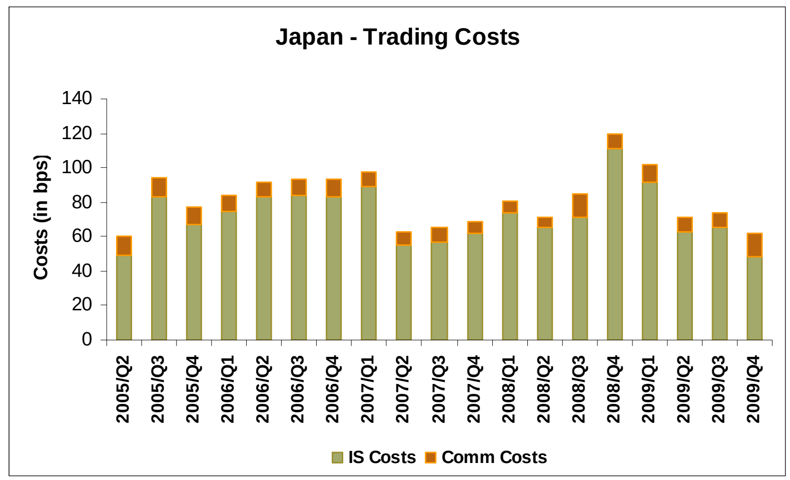


Japan (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	49	11	60
2005/Q3	83	11	94
2005/Q4	67	10	77
2006/Q1	75	9	84
2006/Q2	83	9	92
2006/Q3	84	9	93
2006/Q4	83	10	93
2007/Q1	89	9	98
2007/Q2	55	8	63
2007/Q3	57	8	65
2007/Q4	62	7	68
2008/Q1	74	7	81
2008/Q2	65	6	71
2008/Q3	71	14	85
2008/Q4	111	9	120
2009/Q1	92	10	102
2009/Q2	63	8	71
2009/Q3	65	9	74
2009/Q4	48	14	62

Trading costs for Japan decreased in the fourth quarter of 2009 by 12 bps from the previous quarter. This was driven by a decrease in implementation shortfall costs (-17 bps) offset by an increase in commission costs (5 bps).

From the perspective of a longer time frame, total transaction costs for Japan have decreased by 58 bps (-48%) on a year over year basis (2009/Q4 versus 2008/Q4). This is the result of a decrease in implementation shortfall costs (-63 bps) offset by higher commission costs (5 bps).

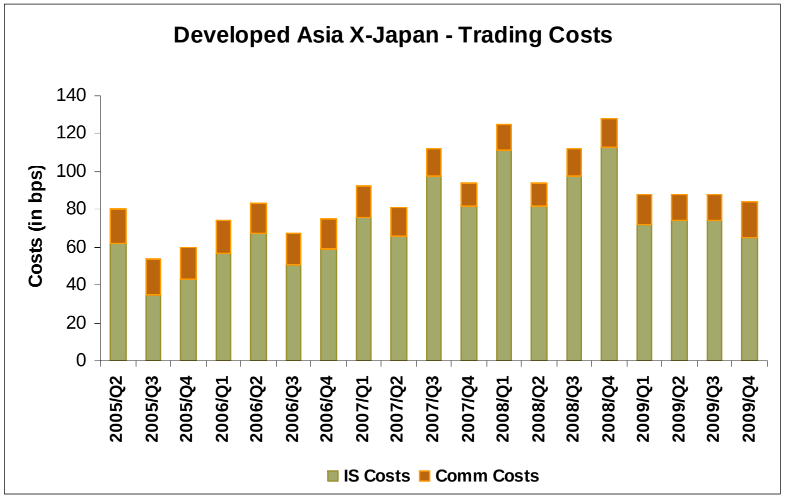


Developed Asia X-Japan (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	62	18	80
2005/Q3	35	19	54
2005/Q4	43	17	61
2006/Q1	57	17	74
2006/Q2	67	16	83
2006/Q3	51	16	67
2006/Q4	59	16	75
2007/Q1	76	16	91
2007/Q2	66	15	81
2007/Q3	98	14	112
2007/Q4	82	12	94
2008/Q1	111	14	125
2008/Q2	82	12	94
2008/Q3	98	14	112
2008/Q4	113	15	128
2009/Q1	72	16	88
2009/Q2	74	14	88
2009/Q3	74	14	88
2009/Q4	65	19	84

Trading costs for the Developed Asia X-Japan universe have decreased in the fourth quarter of 2009 by 4 bps from the previous quarter. This was driven by a decrease in implementation shortfall costs (-9 bps) offset by an increase in commission costs (5 bps).

From the perspective of a longer time frame, total transaction costs for Developed Asia X-Japan have decreased by 44 bps (-34%) on a year over year basis (2009/Q4 versus 2008/Q4). This is the result of a decrease in implementation shortfall costs (-42%).



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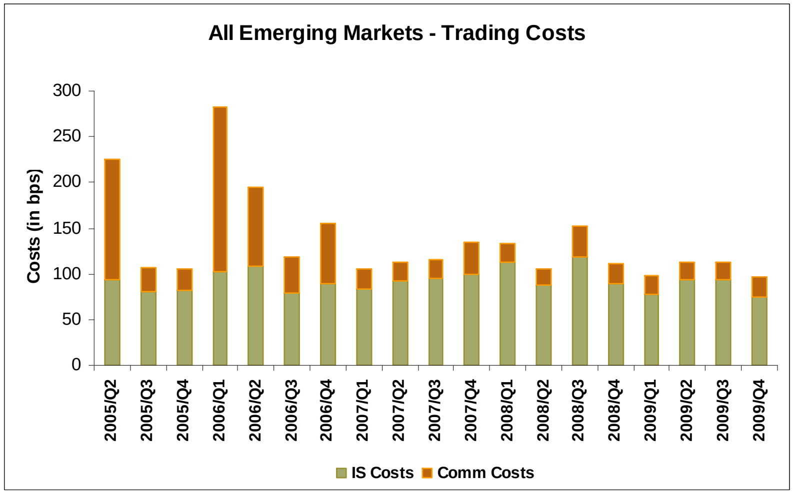
All Emerging Markets (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2005/Q2	94	131	224
2005/Q3	81	26	107
2005/Q4	82	23	105
2006/Q1	103	179	282
2006/Q2	108	87	196
2006/Q3	79	40	119
2006/Q4	89	66	155
2007/Q1	83	22	105
2007/Q2	92	20	112
2007/Q3	95	20	114
2007/Q4	99	36	136
2008/Q1	113	20	132
2008/Q2	88	18	106
2008/Q3	119	33	152
2008/Q4	90	21	111
2009/Q1	78	20	98
2009/Q2	94	19	112
2009/Q3	93	19	112
2009/Q4	75	21	96

Trading costs for the Emerging Markets universe decreased in the fourth quarter of 2009 by 16 bps from the previous quarter. This was driven by a decrease in implementation shortfall costs (-18 bps) offset by an increase in commission costs (2 bps).

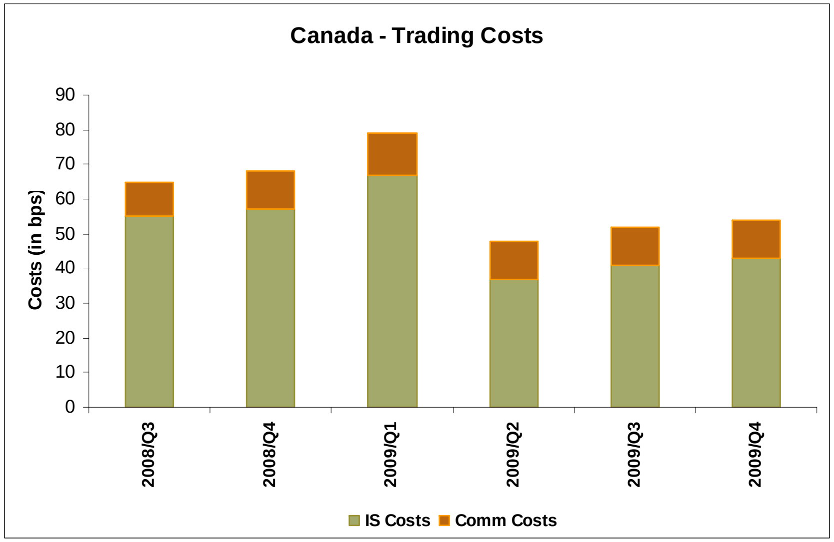
From the perspective of a longer time frame, total transaction costs for the Emerging Markets have decreased by 15 bps (-14%) on a year over year basis (2009/Q4 versus 2008/Q4). This is the result of a decrease in implementation shortfall costs (-17%).



Canada (all costs in bps)

Quarter	IS Costs	Comm Costs	Total Costs
2008/Q3	55	10	65
2008/Q4	57	11	69
2009/Q1	67	12	79
2009/Q2	37	11	48
2009/Q3	41	11	52
2009/Q4	43	11	54

Trading costs for the Canada universe increased in the fourth quarter of 2009 by 2 bps from the previous quarter. This was driven by an increase in implementation shortfall costs (2 bps).



Cross Market Comparisons (all costs in bps)

Total Costs **Group**

Quarter	All Emerging	Developed Asia	Europe ex UK	Japan	UK	US Large Cap	US Small Cap	Combined US	Canada
2005/Q4	105	61	57	77	51	47	83	54	
2006/Q4	155	75	48	93	37	37	66	43	
2007/Q4	136	94	79	68	55	49	71	53	
2008/Q4	111	128	65	120	84	62	136	77	69
2009/Q4	96	84	57	62	59	40	78	48	54

IS Costs **Group**

Quarter	All Emerging	Developed Asia	Europe ex UK	Japan	UK	US Large Cap	US Small Cap	Combined US	Canada
2005/Q4	82	43	42	67	37	38	69	44	
2006/Q4	89	59	36	83	25	30	55	35	
2007/Q4	99	82	68	62	44	43	61	47	
2008/Q4	90	113	53	111	73	54	124	68	57
2009/Q4	75	65	39	48	42	33	65	39	43

Comm Costs **Group**

Quarter	All Emerging	Developed Asia	Europe ex UK	Japan	UK	US Large Cap	US Small Cap	Combined US	Canada
2005/Q4	23	17	14	10	13	9	14	10	
2006/Q4	66	16	11	10	12	7	11	8	
2007/Q4	36	12	11	7	11	6	10	7	
2008/Q4	21	15	12	9	12	8	12	9	11
2009/Q4	21	19	18	14	17	7	13	8	11

Glossary

Implementation Shortfall (IS) Costs – comprised of 2 pieces:

1. **Timing Delay Costs - Any delay cost incurred between the Initial Decision (Open on Day 1) and the Broker Placement Price. Think of this as the cost of Seeking Liquidity.**

2. **Market Impact Costs - Price change between the time the Order is placed with the Broker and the eventual trade price.**

Regional Groups

Europe ex UK = Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland

Developed Asia X-Japan = Australia, Hong Kong, Malaysia, New Zealand, Singapore

All Emerging Markets = Brazil, Chile, China, Colombia, Croatia, Cyprus, Czech Republic, Egypt, Estonia, Hungary, India, Indonesia, Israel, Jordan, Lithuania, Mexico, Morocco, Oman, Pakistan, Peru, Philippines, Poland, Qatar, Romania, Russia, S. Korea, Slovenia, South Africa, Taiwan, Thailand, Turkey, Ukraine

US - Combined = 80% Large cap, 20% Small cap