

## Comparative TCA

### GSCS Information Services

A small, highly focused company that has specialised in the areas of transaction cost research, measurement and analysis for more than 10 years, GSCS provides post-trade transaction cost measurement services to investment managers and pension fund clients in the UK and continental Europe. By focusing on the needs of each client individually and offering a flexible approach to a complex subject, GSCS provides a consultative rather than a proscriptive service. Its data is independently owned and managed and is not affiliated to any larger group.

The GSCS global equity transaction cost measurement universe comprises representative trades from more than 150 investment managers, using more than 400 institutional brokers. The total number of transactions in the universe grows at a rate of approximately four million per annum across more than 50 countries.

#### Asset classes

Both equity and fixed income instruments are analysed in all global markets without limit.

#### Range of benchmarks

More than 25 benchmarks are used, including all standard measures for Implementation Shortfall, Cost of Delay, Market Impact and Opportunity Cost. Customised benchmarks are provided upon request.

#### Reporting

The recently launched GSCS *itero* (institutional trade execution review online) service provides complete and flexible online reporting via a secure website. It features multiple and comprehensive summary analyses coupled with full drill-down capability to individual trade detail. *itero* also allows compliance and client reporting that satisfies the requirements proposed by both the FSA and MiFID.

*itero* is normally updated weekly, with information available about trades completed the previous day.

#### Consultation services

GSCS provides a full analysis, research and consulting service for clients on request, drawing from a proprietary universe of trade information for peer group comparison. The GSCS Landscape research tool assists clients in understanding the

trading consequences of their investments and internal communications processes.

The company aims to help clients improve their execution performance and enhance investment returns. This process demands analysis over time rather than a near-term focus on the progress of individual transactions.

#### Pre-trade analysis

GSCS helps clients determine optimum execution strategies based on analysis of patterns of trading and results. It does not provide quantitative estimates of likely trading costs for individual transactions, "as such analysis is not sufficiently statistically robust to offer meaningful insight."

#### Future direction

Client demand for analytical coverage of all asset types is anticipated to increase. GSCS is focusing on developing services in FX and derivatives to augment its existing equity and fixed income coverage.

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