Aequitas Innovations Inc. (Aequitas) has made numerous inaccurate and misleading claims about TMX’s market data pricing and practices in their campaign to lobby investors to sign a petition supporting their complaint to the Canadian Competition Bureau.

Aequitas alleges that fair access to consolidated market data at a reasonable price is not available in Canada and that anti-competitive hurdles stand in the way of a solution. The truth is that market data fees are subject to regulatory oversight in Canada. TMX’s fees are priced competitively - at the bottom quartile of our global peers - and access to data is provided to everyone on the same fair terms.

The Aequitas analysis is built on an anti-Canadian bias, and its methodology discounts the value of this country’s listed companies in comparison with those in the U.S. In service of their incorrect claims like “13 times more expensive” and “100 times more expensive”, Aequitas misrepresented the actual price of Canadian and U.S. data by using the overall market capitalization of the companies in each country to “normalize” the data and make TMX data fees appear high. To further inflate TMX’s market data fees, Aequitas chose to combine Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) market data fees but at the same time to exclude TSXV’s share of trading volumes in their analysis. The effect of the Aequitas process to “normalize” is to distort the facts. This is simply not right.

YOU SHOULD KNOW THE TRUTH.

**Aequitas Claims**

Aequitas claim: “The TMX has remained, in effect, an unfettered monopoly, charging prohibitive and monopolistic pricing.”

**The Truth**

**The Truth:** TMX competes with 13 Canadian marketplaces as well as 11 U.S. exchanges, 44 U.S. ATSs and over 200 internalization venues in North America.

TMX conducts business with integrity and, as stated in our recognition order approved by the Ontario Securities Commission (OSC), our regulated entities’ business and regulatory decisions are made in keeping with our public interest mandate. TMX market data fees are also subject to regulatory oversight.

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1 Source: Breaking The Virtual Canadian Market Data Monopoly: A Position Paper By Aequitas Innovations Inc. December, 2015
2 TMX analysis from current publicly available exchange websites.
Aequitas claim: “Market data fees are significantly more expensive in Canada compared to international peers because the TMX has used its dominant market position to maintain artificially high pricing.”

THE TRUTH: TMX MARKET DATA IS PRICED TO COMPETE AND COSTS LESS THAN MOST GLOBAL PEERS

We face domestic and international competition every day and benchmark our market data fees accordingly.

Our peer analysis shows that on a global basis, TSX Level 1 Professional subscriber fees are 49% lower, and TSX Level 1 Non-professional, or retail subscriber fees, are 38% lower, than average.

TMX serves a broad spectrum of clients with various trading and investment strategies. We have built a portfolio of market data offerings to suit their wide range of needs, including end-of-day data (free of charge), 15-minute delay data (free of charge) and real-time streaming market data.

THE TRUTH: TMX MARKET DATA COSTS LESS THAN U.S. DATA

For TSX Level 1 (last sale and quote information), professional subscribers in Canada pay $30\(^1\), at the bottom quartile compared to our global peers.

In the U.S., the cost of Level 1 for Tape A (NYSE), Tape B (NYSE Markets) and UTP (Nasdaq) is $72 USD, or almost $100 CAD.

In Canada, consolidated Level 1 data for all marketplaces for TSX listed securities is $71.85 CAD, 39% lower than the U.S.

Bottom line: U.S. Level 1 professional fees are HIGHER.

THE TRUTH: CANADIAN RETAIL INVESTORS PAY COMPARABLE FEES TO U.S. RETAIL INVESTORS

The vast majority of retail investors receive market data through discount brokers, either through a per quote model or through a flat rate streaming service.

Canadian dealers are charged $0.01 CAD per quote for providing their retail investors with market data. In the U.S., the charge for retail investors is $0.0075 USD, or $0.0104 CAD per quote.

Canadian retail investors who subscribe to streaming TSX real-time data pay $6 per month (fee includes benchmark index values not included by most other markets).

U.S. retail investors who subscribe to streaming data pay $3 USD per month, or about $4.20 CAD (fee excludes indices information), and the average global retail investor pays approximately $10 CAD per month.

\(^1\)For comparison purposes, TSXV fees have not been included as there is no analogous listed market represented in the U.S. consolidated Securities Information Processors (SIPs).
**Aequitas Claims**

Aequitas claim: “TMX charges virtually the same fees as they did when they had 100% market share”

Aequitas claim: “When market participants receive market data on a TSX-listed security exclusively from the TSX, they are only seeing part of the picture. Without access to the whole picture, they are making less informed investment decisions.”

**The Truth**

**The Truth: TMX’s Real-Time Data Fees Have Decreased in the Last Few Years**

Since 2010, we have decreased TSX Level 1 Professional subscriber fees from $38 to $30, or 21%, while several global peers have recently increased fees.

Based on the proposed Aequitas NEO fee of $6 (fees waived until Aequitas NEO Exchange reaches a 3% market share, excluding intentional crosses), using the Aequitas process to “normalize” fees, TSX market data would be worth $132 today, or 440% of the current fee.

**The Truth: TMX Provides Access to 100% of Real-Time Market Data from All Canadian Marketplaces**

Canadian market participants have among the broadest equities market data choices available in the world.

TSX market data offers access to the broadest and most representative coverage:

- TSX displays information on a wider set of TSX listed issuers than any domestic competitor, and
- TSX displays the best bid and ask quotes, or “the top of book”, almost 90% of the time.

The Canadian market offers a “pick and pay” model that enables access to one or many Canadian markets, as well as a range of consolidated services, including the CSA-authorized TMX Information Processor which offers both Level 1 (last sale and quote) and Level 2 (all committed orders and trades) information for all Canadian marketplaces.

Whether or not a market participant chooses to access real-time market data from all Canadian marketplaces, investors in Canadian listed stocks are guaranteed best execution by their dealers as required by law.

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4 The cost of TSX Level 1 data in 2003 ranged from $30 to $40 across four price tiers. Only 8 out of approximately 1000 clients comprised the lowest tiered price of $30. Over the next five years, we simplified the TMX market data fee structure by removing tiers to the benefit of a greater number of clients. By 2010, we had implemented a single price tier of $38 for TSX Level 1 Professional subscriber fees, which we reduced to $30 by 2015, a 21% reduction.

5 Source: TMX Analytics.
The truth is that TMX operates at the heart of Canada’s capital markets. More than 3,200 companies are listed on Toronto Stock Exchange and TSX Venture Exchange, from micro-cap to mega-cap, across a broad spectrum of industry sectors, and 93% of them are based in Canada. Our listed companies employ over 3.5 million people around the world⁶ and TMX’s equity markets continuum is vital to job creation and economic development and to ensuring Canada remains globally competitive into the future.

And the truth is, of course, that Canadian capital markets are globally competitive and Canadian market data indeed has value! According to the World Federation of Exchanges, TSX and TSXV combined are the 10th biggest equity markets in the world⁷. Since the start of 2012, however, Canada ranks #3 in the world (behind the U.S. and China) in terms of the amount of equity capital raised⁷. Canadian markets stand tall among our peers throughout the world.

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The information provided is not intended to provide investment or financial advice and is not an invitation to purchase securities listed on Toronto Stock Exchange and/or TSX Venture Exchange.

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⁶ Source: S&P Global Market Intelligence.