How soft dollars are generated and spent

Portfolio Manager

Manages client's account, directs trades to broker

Trades

Example:
Total trade commission paid by client: $10

Broker

Executes trades

Of the $10 commission:
$7 paid to broker for trade execution ("hard" portion)
$3 : for soft dollar credits

Soft dollars:
Spent by broker on eligible expenses* incurred by portfolio manager

*Only for use on eligible research and trade placement goods and services for benefit of clients, as defined by National Instrument 23-102