



In this issue we highlight a “RIXML @” section featuring TheMarkets.com, a contribution article from Mick Lobb of Pelican Software, an update from our RIXML/XBRL Working Group, RIXML.org’s participation in recent industry events and a perspective from Jack Roehrig, Executive Director of RIXML.org.



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www.RIXML.org

RIXML.org @ themarkets.

An early adopter and long-time proponent of RIXML, TheMarkets.com leverages RIXML in the sophisticated research tagging engine behind its suite of products for institutional investors. In creating this platform and enhancing it over the past seven years, TheMarkets.com’s goal has been to save meaningful time in clients' research in two ways: on the front end, by designing an intuitive interface with research-centric features and, on the back end, by employing RIXML-powered search technologies to accelerate delivery and filtering of research content. Individual users indicate that features like these save them, on average, three hours per week in their research activities.

TheMarkets.com has been a partner over time to its clients on both the buy-side and the sell-side and has consistently sought and leveraged RIXML to deliver value up and down the value chain. The company's deep knowledge and understanding of RIXML technologies has enabled it to serve as a partner and consultant to brokers as they look to leverage the markup language to improve their own research delivery. This expertise has been particularly important over the past few months, as TheMarkets.com has begun receiving content directly from brokers other than its owning brokers—notably, brokers that are not currently part of the RIXML consortium. Because of its experience in implementing RIXML, TheMarkets.com

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Membership

Steering Committee Members

Buy-Side

- Fidelity Investments
- Putnam Investments
- MFS Investment Management

Sell-Side

- Bank of America
- Bear Stearns & Co., Inc.
- Citigroup
- Credit Suisse
- Deutsche Bank
- Dresdner Kleinwort
- Goldman Sachs
- JPMorgan

has been in a position to educate these non-member brokers about the benefits of implementing RIXML in their own research delivery and helping to advise them on integrating RIXML tagging into their own research production. As an associate member of RIXML.org since the organization's founding, TheMarkets.com has a long history of being an active driver in advancing the standard. TheMarkets.com's RIXML-based research and estimates platform is now deployed at over 2000 institutional investment management firms worldwide, including nearly two-thirds of the top 100 US and European asset managers and three-quarters of the world's 100 largest hedge funds. TheMarkets.com remains focused on developing and implementing technologies that will enable both sides of the institutional trade to become more efficient in their delivery and access of research content. Currently developing a number of initiatives to be announced in 2009, TheMarkets.com continues to innovate in using RIXML as a foundation for enhanced, next-generation tagging implementation.

Interested in joining RIXML.org? Call our Program Office and 212-655-2945 or email us at rixml@jandj.org for additional information.

Value in research, the case for RIXML

By Michael Lobb, Pelican Software, November 2008

Within five years of fixed commissions for share transactions being abolished, success in the competitive world of investment banking was clearly dependent on the efficient and forceful use of capital. This is in stark contrast to the relationship-based version of "gentlemanly capitalism" as practiced up to that point. Banks dealt with this change by cutting jobs, changing

Merrill Lynch
Raymond James
Standard & Poor's
Equity Research
Services
UBS

Associate Members

Bloomberg
Blue Matrix
FACTSET
FAST
ICB
Instant Information
Inc.
Reuters
Seventh Wave
Systems
Standard &
Poor's/Capital IQ
SNL Financial
TheMarkets.com
Thomson Financial

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their research teams and redeploying their analysts to trading desks. Now, once again we are in the midst of sweeping changes to the industry and the question is, how will the industry respond? Twenty years ago research reports were the primary source of information for fund managers. Today it is Reuters, Bloomberg and others who have created separate markets for the distribution of data (prices, consensus forecasts, news, company reports etc.) with tools to analyze this information. Despite these distribution channels, however the key factor that keeps investment research unique, is the individual opinions and forecasts of analysts who are experts in their respective fields. A common characteristic of most successful investors is the ability to think outside the box. This was the opinion of John Maynard Keynes, who when he first pointed out this unique talent, noted at the same time that large organizations seem to rather place a premium on conventional thinking. It is perhaps this paradox that may explain why today's investment industry tries to make use of small teams working with high levels of autonomy. The potential problem with this model however, is that small teams working under intense pressure and in complex environments, also need a set of common assumptions to work in co-ordination with each other. With conventional thinking, or "group think" such a potential trap for organizations, this set of common assumptions needs to be constantly reappraised so that the ability to think outside the box is kept fresh. It is the insight provided in the opinions of research analysts that, if used and valued correctly, has the ability to provide this invaluable service for an organization. However, with some 1.2 to 2 million pieces of research (reports, notes, emails etc.) distributed each year, it is no wonder that consumers of

research are drowning in information. As has been noted on more than one occasion by buy-side colleagues, it is one thing to get on a brokers list; it is another thing completely to get off. Of further note in Stephen Brown's article, is the potential cost savings to be had if the industry gets this right. Some \$400 million in lost productivity costs are up for grabs if this issue of information overload is resolved to everyone's satisfaction. Add to this the changing shape of the industry, with the complexity and sensitivity of information in trading strategies becoming more and more relevant, and the appeal of more targeted information takes on an even greater value. Is research therefore, here to stay? I would argue that it is, that the industry needs it now more than ever, but that the shape, kind and distribution may be up for review. So where does this leave us? Users of research want the information and the insight it offers, but the pain of getting it in an indigestible format make it difficult for users to consume, appreciate and value correctly. The answer the industry has on offer is RIXML. Currently at version 2.2, RIXML offers a common standard for the exchange of research information. And what exactly does that mean to a consumer of research? Well, it seems nothing much on the surface. But what it does offer under the hood is significant! A common language that is understood by all systems that use it, means that as with all common standards, many of the inefficiencies tend to go away. The ability to sort common information, filter it, search across it and compare it, offers significant time savings for consumers. The productivity tools that become possible over the top of a common standard have the potential to offer significant gains to those that embrace the standard. RIXML has reached maturity and with most providers in a position

to offer content in RIXML, consumers who do embrace it are in position to reap the rewards. RIXML is not a panacea, but it is the best alternative out there at the moment and there are unlikely to be any others. The industry has endorsed RIXML and most vendors support it. The last hurdle is the consumers themselves and it is our hope that more of them will adopt it with enthusiasm and demand content in it.

The RIXML/XBRL Working Group Update From Sara Noble, Chairperson

Jack Roehrig represented RIXML at the Oct 15 - 16 XBRL International Conference in Washington DC, participating in a panel discussion entitled "Global Institutional Investors and XBRL." Overall, the panel was very well received, with 528 attendees and panel participants representing standards bodies for the investment community, buy and sell side analysts, and the vendor community. The overall theme of the discussion centered around the great selling opportunities that exist for XBRL tool kits in the research space. XBRL International Conference presentations have been posted to <http://conference.xbri.org/papers/listpresenters.aspx> Data Consistency Check proposals are in for XBRL.org committee review The Mutual Fund Risk/Return Summary and Schedule of Investments Taxonomies are now in public review. The review period ends on Nov. 24. XBRL will also be introducing Executive Compensation, Proxy Statement & Corporate Actions taxonomies sometime next year. We encourage and welcome your participation in our working group. Our group meets bi-weekly. Please contact Sara Noble at snoble@bloomberg.net for further details.

RIXML.org Industry Events

Our organization was very active and participated in several events, including:

>**RIXML.org sponsored the September 26th,
SIFMA Research Conference in NY**

<http://events.sifma.org/2008/180/event.aspx?id=5438>

>**CFA Institute—"XBRL for Investment
Professionals", Friday, September 26th**

Chartered Accountants' Hall, London----Andrew Ling,
RIXML.org Sell-Side Chair, presented at this conference

>**XBRL.org International Conference, Oct 15-16,
Washington DC**

Jack Roehrig participated in the "Global Institutional
Investors and XBRL" panel

[Oct 15th 2008 XBRL Intl Conference](#) As we build out
the event calendar for 2009, we welcome your input.

Perspective from Jack Roehrig, Executive Director, RIXML.org

PLEASE NOTE: This viewpoint is entirely my own and neither the official viewpoint of RIXML.org nor the viewpoint of any of its member organizations. Having spent 30 years on the sell-side and this past year running RIXML.org, it is difficult to have witnessed the shock waves in our industry over this past year. We know more shock waves lie ahead for the business in this very challenging and stressed environment and for the Research business in particular. Where, in the past, significant industry and Research impacted events, i.e., the market meltdown in late 1987, the tech-bubble burst in the late 1990s, the regulatory fallout and scrutiny a few years ago, in their own right, might have created the equivalent shock waves of "5 or 6" on the Richter scale--those events, unfortunately, pale in comparison to the "7 or 8" shock waves we are currently experiencing--we can only hope to gain better footing sooner than later. So...when the business

emerges from these shock waves (and it WILL), what might the “new world order” for Research resemble? If you follow the Integrity Research Associates blog (I recommend it as a daily MUST read) there will be greater emphasis on specialty/channel checking research, less of a need for traditional “maintenance” research, a shrinking universe of institutional consumers and a shrinking pool of resources from which to pay for research. This will likely result in an overall research suite of offerings that becomes more competitive and chases after fewer dollars (or your currency of choice). I believe this will only hasten the need to formalize the business constructs around research design/development, packaging, pricing and distribution---as a means for publishers to realize cost/benefit models and for consumers to identify the greatest value add and to allocate payment accordingly. This does not diminish the importance of the message that good ideas and value added analysis are worth paying for---quantifying that message—equating real payment for real value--takes on a greater urgency going forward. So...how does RIXML.org apply here? It is not conceivable that any product to consumer commerce model (research publisher to consumer commerce model in our case) can be fully realized without “bar coding” the product. UPC bar codes have been around since the 1970s. Research content, via the xml-tagging of meta data, results in bar coding content that will allow the publisher to minimize opportunity costs (research that can't be identified due to poor or no tagging) and also will allow the consumer to get to the research they need when they need it—this will also serve as an enabler in equating real payment for real value. Several of our Associates/Vendor members see this as an opportunity to build out and market RIXML

tagging utilities to publishers. I am in discussion with several prospective members that also see the need to seize this business opportunity. Despite the challenges of this business environment, I am encouraged by the prospects for our organization to positively impact this ever evolving landscape. Since this is our Fourth Quarter newsletter and we approach the end of 2008, I would like to offer thanks and cite the outstanding contributions from several of our members, particularly, those that spearhead our committees and working groups. These individuals are at the core of our organization, where, we cease to function without their many contributions and tireless dedication. I am very grateful to have them and I continuously learn from them. Many thanks to:

Sal Restivo, Credit Suisse, who Chairs our Technical & Standards Committee. Sal's depth of knowledge and technical prowess is widely respected among our membership. In symphony orchestra terms, Sal is our "first chair violin." He has played a vital role in our organization since its inception---I appreciate his counsel and long term perspective.

Sara Noble, Bloomberg, who Chairs our RIXML/XBRL interoperability committee. We see exciting opportunities and synergies between our organizations and Sara has been instrumental to moving our partnership forward.

David Hill, FactSet, who is the Treasurer for RIXML.org. We continue to leverage David's organization skills and his long term and deep industry relationships. He is a proactive marketer for our organization.

Martin Latowsky, Citi, who Chairs the sell-side/publishers and **Suzanne Szur**, Bloomberg, who Chairs the associates/vendor “best practices” working groups and Alan Francis, FactSet, who released “Best Practices for Publishing RIXML”, this past June. Their leadership and expertise are critical as we look to a new RIXML schema release in the first quarter of 2009.

Andrew Ling, UBS, who Chairs our Sell-Side Steering Committee. Andrew is a strong ambassador for our organization with global reach. He offers a blend of Research business and technology practical experience that has served RIXML.org well for years. ...and to recognize the many contributions from the membership, in providing technical guidance and expertise, assisting me in marketing and membership activities, hosting our meetings and speaking to prospective members--- RIXML.org has clearly benefited as a result. I would also like to recognize and thank Kathy McGovern and George Francis from Jordan & Jordan for providing program office and technical support to our organization. In the coming year, while the business challenges will no doubt remain, we have reason to be optimistic on the prospects for and impact of our organization. We look, through the efforts of our Technical & Standards committee and the “best practices” working groups to bring about a new release of our schema in the first quarter of 2009. To accompany that effort, we look forward to producing enhanced marketing and technical collateral and to the revamp of our web site. 2008 brought several additional new members to the organization and I anticipate that pace continuing in 2009. Much like our participation in 2008, we will enhance RIXML.org’s presence in industry conferences

and forums, as topical speakers, panel members or organization sponsors. I would like your thoughts as to where you feel we could have the greatest leverage and impact at these events. I want to hear from you----to receive candid feedback, guidance and suggestions on how we can partner to move YOUR organization forward in the coming year.

“Business! Mankind was my business. The common welfare was my business; charity, mercy, forbearance, and benevolence, were all my business. The dealings of my trade were but a drop of water in the comprehensive ocean of my business!”

Jacob Marley to Ebenezer Scrooge

“A Christmas Carol”, C. Dickens, 1843

