

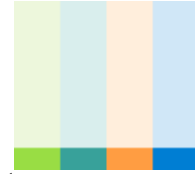


**RIXML.org**

Research Information Exchange Markup Language

**The Industry Standard for Investment Research**

In this issue we highlight an article contributed by J.P. Morgan, sections on building the case for RIXML and implementing RIXML, an update from our RIXML/XBRL Working Group, planning for industry events and a perspective from Jack Roehrig, Executive Director of RIXML.org.



1<sup>st</sup> Quarter, 2009

| Issue # |

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### Benefits of an industry standard taxonomy

**Gil McErlane, JP Morgan**

To help selling Rixml in a high level way it would be useful to compare what we are trying to achieve to a genre that everyone will be familiar with. Searching for music online is something that most people will now be familiar with, comparing the tagging system in rixml to that used by iTunes would be a nice way to introduce the subject.

In iTunes, if you take Genre as an example you basically have a standard taxonomy and a non standard taxonomy sitting side by side so it is perfect for this comparison.

When you rip one of your own physical CDs onto your computer, the application looks for the track details on a system called 'Gracenotes'. Gracenotes is a database that is populated by voluntary contributors. There is no standard taxonomy so you end up with a large number of overlapping genres (Rock, Heavy Rock, Alt Rock) in your music library that is difficult to sort.

If you go into the iTunes store however, this is a system with standard taxonomy enforced by the apple store. This means that there are fewer categories and all music is grouped using the same rules. This means that you are able to narrow down your search of music with ease and have more accurate results.

Genre in iTunes is comparable to AssetType and Class in Rixml, you may have an interest in Fixed Income and Rock and have absolutely no need to see results for Economics or Rap Music. All music producers tag their music with this industry standard schema so customers can filter on one genre and see the results for all vendors. If you had to look for Sony Music under 'Fast

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Guitar Music' whilst Universal call the same type of music 'Rock and Roll', it would take forever to find the songs that you were interested in and you would never find half the results that interested you. This is in essence how the research business is currently operating.

It should be stressed that by standardising this across the industry, consumers will be able to view all similar articles together and remove the ambiguity between the different tagging methods and systems used by vendors. This will enable them to quickly find the research that they are interested in and compare the offerings from various firms much easier.

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

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#### **The Case for RIXML: Multiple Benefits**

##### **A sell-side firm that adopts RIXML:**

- May use RIXML tagging in their internal research-creation process
- Will definitely use RIXML tagging in the metadata of the research they distribute to third-party data aggregators and directly to clients

##### **A 3rd-party data aggregation firm that adopts RIXML:**

- Will have a mechanism to accept research reports or other content with RIXML-tagged metadata
- Should provide an interface that allows end users to search using the enhanced metadata
- May have a mechanism to assist non-RIXML-compliant firms to add RIXML-based metadata to the

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content they contribute to the aggregator

- Is free to develop products and tools utilizing RIXML

**A buy-side firm that adopts RIXML:**

- May use RIXML tagging in their internal research-creation process
- Will benefit from enhanced search capabilities provided by 3rd-party data aggregators
- Will use RIXML-based feeds to receive metadata and research directly from sell-side firms

**Implementing RIXML**

**Sell-side firms interested in implementing RIXML will need to:**

- Classify all content according to the standard
- Evolve their publishing tools
- Validate their content against the standard
- Apply the RIXML standard to their internet strategy and other distribution models

**Vendors need to:**

- Determine what application changes are needed
- Require content providers to adhere to the standard
- Work with RIXML.org to innovate and improve the standard
- Contribute to RIXML's continued growth

**Buy-side firms need to:**

- Work with its technology vendor or internal

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systems developer to adopt the standard

- Determine what company-specific changes to the existing system will be needed, such as filtering, aggregating, sorting
- Require content providers to adhere to the standard
- Establish a strategy for commingling
- Integrate RIXML into its investment process

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

As we moved out of 2008 and into 2009, we took some time to re-evaluate our goals for XBRL within the analyst community. At the end of 2008, the SEC approved the mandate requiring US Companies to begin filing using XBRL by mid-year 2009, with all US companies scheduled to begin filing in XBRL format by mid-year 2011. This mandate will certainly offer some an opportunity to begin deeper and more consistent analysis across company filings. It will also cause many to begin to explore ways of making their own analysis more transparent, offering more value through new methods of information consumption and delivery. With so many changes occurring in the markets as a whole, it is important for us to take a step back to evaluate the impact of this mandate, and how we can take advantage of these new directions at a time when the entire industry is stretched so thin.

During this last quarter, we have reached out to RIXML members to prioritize the development of XBRL tools and technologies that might help us to use these new developments to their greatest advantage. Some

important takeaways from the group have been the need for a technical liaison to help steer the integration of XBRL within the broader context of the RIXML schema, some tools that specifically highlight the benefits of XBRL within the analyst community, and the need to develop a clear XBRL taxonomy to deal with the ways in which analysts would use the information presented. We have received some good feedback to date, but would welcome additional involvement from our members in order to determine where best to apply our efforts in the coming year.

In addition to the work being done out of the RIXML organization, it is important to note some additional opportunities available to align our organization more closely with the XBRL organization. XBRL International has announced the formation of a Best Practices Board that may benefit from the involvement of our members. We will also continue to explore the potential benefit of RIXML representation in public comment periods for proposals presented through the XBRL organization. As always, your comments are encouraged as we continue to explore these possibilities. Anyone interested in participating in our upcoming XBRL working group calls can send their contact details to Sara Noble at [snoble@bloomberg.net](mailto:snoble@bloomberg.net). We will be sure to keep you up to date on the latest meeting schedule and working group developments.

#### **RIXML.org Industry Events**

We are building out our events schedule and would welcome your input and ideas as to where we can best leverage participation in industry related conferences. In the past, our organization has played a role, as topical speakers, panel moderators and participants and

exhibitors. We would look to continued involvement with key industry associations, including, SIFMA, the CFA Institute, NYSSA, AQ Research and XBRL.org, among others.

RIXML.org would also welcome a greater presence and participation in members' related events, particularly, client conferences and forums. It can be of direct benefit to have your clients learn of your membership and contribution to our organization in order to influence and shape an important industry standard.

**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.

**What's in your "playlist"? Tagging DOES Matter**

I must admit that I am a big fan of the iPod and the iTunes application. I am seldom without the device( I still use the big clunky "classic") and typically have some playlist constantly playing at home, from my PC to my stereo(again, a "classic" set up---what can I say, I am a buy/hold sort of a guy !). For the record, I am neither endorsing the underlying company, nor its stock. That disclaimer aside, I have found the iTunes/iPod model to be about as perfect a "publisher to consumer" model that is out there today. The model really is "end-to-end", where, who does not take some sort of satisfaction(Stones/1965) in previewing a song, ensuring it is truly the right version and not some knock off/re-recording, seeing the hard and fast price for the content(the 99 cent song price seems to prove price elasticity, at least for me) and then clicking on "buy"--- it is actually a fun experience, isn't it? The experience provides an immediate "value add".

To pick up on the previous observations from JP Morgan(thanks for the contribution), the value add is a function of the data structure. There is a requirement that the meta data be tagged correctly in order to ensure the content(songs for me) is captured, displayed and *relevant*. If the songs that might interest you

never make it into your playlists or the iTunes search results due to poor tagging, that can result in an *opportunity cost* to the content provider. So....tagging really *does* matter in this commercial construct.

What does this have to do with RIXML? A lot, really...as the ultimate beneficiaries of Research, the buy-side consumers, create their "Research playlists" or as our associate members structure their search engines, there is an objective in mind that is parallel to the iTunes model---*enhance the user experience to get the relevant product to the right place at the right time for the right price.*

It seems to me, an iTunes-like model could well emerge in the Research application space. It just feels like the natural progression for tech savvy and content driven institutional consumers...when and how these new models emerge, RIXML tags will be part of the process, thus, part of the playlists.

I thank you for your ongoing commitment to and support of our organization. I do want to get your thoughts and ideas on how we can improve its impact.

**"Surely as cometh the Winter, I know  
There are Spring violets under the snow."**

- R. H. Newell

