

MAPPING RESEARCH MANAGEMENT SERVICES

Exclusive research by *HFMTechnology* provides a comprehensive view of the main vendors and their services

BY CARLY MINSKY

Prompted by a flurry of recent announcements from vendors about new tools or updates for Mifid-compliant research management, *HFMTechnology* undertook a project to map both the new and not-so-new services on offer.

In addition to surveying managers about their initiatives to comply with the new unbundling regulations (*p18*), all the primary vendors in the asset management space were asked for a top-line summary of the tools and features available to clients.

The resulting table presents a comprehensive overview of the research management landscape, both in Europe where Mifid II is driving a healthy amount of innovation, and in North America and Asia.

But, as with any structure imposed to represent a messy marketplace, some nuance is lost between the categorisations. With that in mind, the following comments from vendors should be seen as qualifications and clarifications to the data.

Oneaccess (Visible Alpha)

A representative explained that Oneaccess has partnered with many RPA providers to facilitate the payment process, even though strictly speaking it is not a RPA administrator.

“If the box was labelled ‘RPA Integration’ then it would be a box to definitely check for Oneaccess,” they said.

Red Deer

Marketing manager Emma Garvey explained that Red Deer’s platform had integrated with RPA administrators, although it does not facilitate payment itself.

There was also discussion about whether Red Deer’s tools for data trials and research delivery counted as ‘research discovery’ or a ‘research marketplace’.

Based on the fact that, as Garvey put it, “our research discovery/marketplace is not quite in the generic sense”, the platform more naturally falls under research management systems and not research discovery.

Smartkarma

In addition to the categories provided, the team at Smartkarma suggested other value-add features of research management, in line with the company’s focus on collaboration between research providers to optimise research value. The four additional features highlighted by Smartkarma are:

1. Providing independent research that is unconflicted, an important step in ensuring investors derive true value from the research they use
2. One-price subscription fee for access to all of the research on the platform
3. A collaborative platform that allows for real-time conversations to take place
4. A validation process for accepting insight providers onto the platform to ensure expertise

While these features are clearly important elements of a robust research management strategy, they are not (as yet) a priority for firms primarily focusing on transitioning to Mifid II compliance, and so do not warrant inclusion as universal categories.

FactSet

Like other vendors, FactSet pointed out that it partners with other firms, including Liquidnet, Instinet and Oneaccess to offer full research management coverage beyond its proprietary tools. The research discovery service is available only to clients with a full workstation license, but a spokesperson explained that any client using FactSet’s RMS could access all broker research they are already entitled to, and make use of tools for consumption monitoring and control.

Commcise

Amrish Ganatra, managing director of Commcise Software, suggested that managing research accounting at the fund level should be included as a separate category.

He explained: “This requires a fair allocation approach to evidence that clients are not being treated unfairly. Getting an RPA administrator and tracking consumption doesn’t allow a firm to comply with the new regulations. They have to be able to demonstrate that funds have obtained a benefit from the services that have been consumed; they must be able to provide a fund level budget (or “Estimated Research Charge” as described by ESMA) and also need to be able to provide ad-hoc and end of year reporting at the fund level.

“This requires asset managers to have their funding data, consumption data and accounting data all in one place. It also requires asset managers to be able to track when funds join and leave a strategy and also cope with big inflows and outflows of cash into a given fund.”

Bloomberg

The leading financial technology company confirmed to *HFMTechnology* that product managers are developing a new research marketplace, but a spokesperson could not confirm any details until the functionality was already in use. They did explain: “It seems the term “marketplace”, isn’t the best term to describe our current plan, which is to make the research we aggregate from +2,000 providers discoverable.”

Thomson Reuters

Like Bloomberg, Thomson Reuters also have a research discovery/marketplace in the works. Otherwise, for evaluating research and budgeting, the research management system integrates Oneaccess’ tools, and also uses Oneaccess’ partners for RPA administration.

Westminster Research Associates (Cowen)

On the other side of RPA payment integration, the RPA administrator Westminster Research Associates highlighted ongoing integration efforts with research management vendors.

“Westminster RPA is currently integrating with Bloomberg, Commcise, Red Deer, One Access, Dealogic, Blue Matrix, Eze Software, RSRCHXchange and many others to provide a complete solution,” Cowen’s marketing director explained.

Castine

Castine’s global head of business development John McGough made a case for breaking down the feature categories at a more granular level and/or supplementing with additional categories.

His suggestions included adding research payment management and research invoicing management as two separate categories distinct from RPA administration and budgeting; adding research provider due diligence as sepa-



Research management vendors and services

	RPA Administration	Research discovery/ marketplace	Research management/ aggregation	Consumption monitoring/ control	Evaluation	Budgeting
Oneaccess (Visible Alpha)			✓	✓	✓	✓
Alpha Exchange (Visible Alpha)		✓	✓	✓		
Red Deer			✓	✓	✓	✓
RSRCHXchange		✓	✓	✓	✓	
BlueMatrix		✓	✓	✓	✓	
IHS Markit	✓		✓	✓	✓	
Street Context			✓	✓	✓	
Smartkarma		✓		✓	✓	
FactSet		✓	✓	✓	✓	
Commcise	✓		✓	✓	✓	✓
ITG	✓	✓				✓
Bloomberg			✓	✓	✓	✓
Thomson Reuters			✓	✓		
Instinet (Nomura)	✓					
Westminster Research Associates (Cowen)	✓					✓
Castine	✓		✓		✓	✓
Frost Consulting				✓	✓	✓
Investars				✓	✓	✓

Source: *HFMTechnology* research

rate to both research discovery and research management; and adding research inducement management as a separate category to consumption control.

Although Castine does not collect and analyse consumption data with in-built tools, McGough added: “We can also make an argument for consumption monitoring/control since we enable clients to work with the consumption data once its uploaded into our Valuation Centre module.”

Frost Consulting

To supplement the firm’s existing research services under FrostRB, Frost Consulting has a marketplace product under development, named KiteEdge.

Although no specific details of the new product have been announced, a paper on Frost Consulting’s perspective on research management under Mifid II seemed to imply that it would use “emerging technologies”.

Principal Neil Scarth wrote: “Regardless of funding mechanism, asset managers will have to demonstrate that their research spending is supporting the investment objectives of their clients.

“Emerging technologies can play a significant role in meeting this critical requirement. New approaches to semantic search and collaboration across complex, multi-asset class investment management organisations can drive unprecedented research efficiencies, even in a constrained supply environment.” ■