

# Eden weighs in with tailored research

**LYNN STRONGIN DODDS**

Eden Group has jumped on the independent research bandwagon with its new pan-European research product. The UK-based brokerage and asset management firm has built a platform of independent third party providers it can use to match the specific needs of its clients, instead of creating its own department from scratch with armies of analysts.

Jamie Stewart, former director of research in Europe at Instinet, came on board late last year to lead the effort as head of institutional research and marketing. In many ways, he acts as an agent between the buy-side and the research house, introducing the two parties and co-ordinating the distribution. His job is not only to identify the providers, but to assess each clients' needs and determine which product would best suit their investment style and methodology.

Institutional investors can receive the research in any format, ranging from standardised reports, bespoke research, one on one meetings with analysts and corporates to customised packages and products are all on offer. Clients have flexibility in how they pay for the research. They can either deal directly with the independent firm or through trading commissions with Eden, who will then pass on payment to the research provider.

Stewart points out that the service is transparent in that the client knows the exact cost of the trading and the research. He says: "If they do not want to direct trading to us, we

simply have to put up with it. It is important that the platform enables research houses to retain their independence and flexibility. Clients may have a cash budget for research or softing agreements built up with other brokerage firms."

Eden has a consortium of 50 independent firms across the UK, continental Europe, US and Asia. Each firm has its own speciality such as economic strategy, sector specific, quantitative, technical or behavioural analysis. Capital Economics, Eurozone Advisers and Lombard Street in Europe, plus the Yankee Group and Market Semiotics in the US, are just a few of the names that have joined. The common thread is that they all focus on European stocks against a local, regional and global background.

According to Stewart, the product will not only complement the traditional sellside output, but will fill some of the gaps. For example, a client running a healthcare fund may turn to one of the specialised research firms for a more detailed analysis if a company they held in their portfolio decided to switch their emphasis to Alzheimer from cancer therapies.

Stewart, who has been in the industry for 18 years, believes the current climate combined with the focus on best execution, has forced fund managers to take a more critical view of their relationships with traditional brokers. He admits that while institutional investors are not keen to pay for research separately, they may not have a choice in the UK for example, if Myners has his way and services are unbundled.

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