



RIXML Winter 2024 All-Member Meeting

January 25, 2024

Meet and greet from 9:30-10AM ET (in person only)

Meeting will begin at 10AM (in person and remote)



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Research Information Exchange Markup Language

RIXML Quarterly All-Member Meeting

Agenda – January 25, 2024

Welcome

Thanking our host – Citi Research

Treasurer's report – Jay Clarke, Raymond James

Usage Reporting Standards Working Group update – Steve Moreno, Capital Group

ESG Working Group update – Don Sharp, Citi

RIXML Standards v3.0 update – Sal Restivo, Morgan Stanley

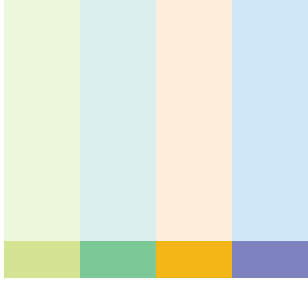
Continuing our discussion: Artificial Intelligence

Upcoming meetings

AOB



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THANK YOU to



for hosting our in-person and online meeting



Financial Update

Jay Clarke, Raymond James



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Member firms can request a copy of the financial report

In-flight workstreams and Looking ahead: 2024





Usage Reporting Standards Working Group update

Steve Moreno, Capital Group



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ESG Working Group update

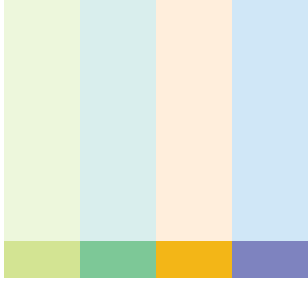
Don Sharp, Citi



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SASB Update



Recap of licensing considerations:

- Corporates don't need licenses to include SASB data for reporting (e.g., 10Ks)
- Asset managers, research firms, and vendors do need them for commercial purposes
- SASB recently put its Materiality Map behind a paywall, after some investors and firms were using the standards for commercial purposes without a license
- More than 200 firms in the “Asset Managers & Asset Owners” category have license, compared with 56 in “Data, Analytics & Research Firms” and only **five** in “Banks & Multilateral Organisations”

SASB Update (cont'd)

- IFRS has committed to retaining the SASB taxonomy until at least 2028; any changes after that would be methodical and announced well in advance
- We have received an initial proposal from SASB/IFRS:
 - License fee of \$5,000/year
 - Would allow us to include the SASB *Dimensions* and *General Interest Categories* in our taxonomy list
 - We are gathering clarification to ensure that it would allow use of these terms for research publishers, consumers, and vendors for use in the RIXML ESG Dimension tag set for research creation, vendor product creation, and end-user use

Proposed ESG Taxonomy



Top level:
generic/
RIXML term

ESG

Second level:
generic/ RIXML
term

Environmental

Social

Governance

Third level:
SASB
Dimension

Environment

Social Capital

Human Capital

Business Model
& Innovation

Leadership &
Governance

Fourth level:
SASB General
Issue
Category

GHG Emissions
Air Quality
Energy Management
Water & Wastewater
Management
Waste & Hazardous
Materials Management
Ecological Impacts

Human Rights &
Community Relations
Customer Privacy
Data Security
Access & Affordability
Product Quality & Safety
Customer Welfare
Selling Practices &
Product Labeling

Labor Practices
Employee Health &
Safety
Employee Engagement,
Diversity & Inclusion

Product Design &
Lifecycle Management
Business Model
Resilience
Supply Chain
Management
Materials Sourcing &
Efficiency
Physical Impacts of
Climate Change

Business Ethics
Competitive Behavior
Management of the
Legal & Regulatory
Environment
Critical Incident Risk
Management
Systemic Risk
Management

ESG migration plan



Tag set	Description	Proposed for v3.0
Subject	The term <i>ESG</i> is included in the long list of options in the Subject enumeration list, allowing publishers to indicate that ESG is a key topic of a report.	This term will be removed from the Subject enumeration list.
Specialty	The term <i>ESG</i> is included in the long list of options in the Subject enumeration list, allowing publishers to indicate that the publishing author or firm specializes in ESG-related research.	The term <i>ESG</i> will remain in the Specialty enumeration list; no additional ESG-related terms will be added.
Rating Aspect	Allows a publisher to indicate what aspect of the rated entity is covered by the rating. Four ESG-related options are included, along with terms like <i>Investment, Credit, Volatility, Fundamentals, Strategy, etc.</i>	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p>ESG</p> <p>Environmental</p> <p>Social</p> <p>Governance</p> <p>...</p> </div> <div style="flex: 2;"> <p>Although we are not adding new ESG Score capabilities in v3.0, this tag set may facilitate reporting such scores for publishers who wish to do so.</p> </div> </div>
<p>NEW for v3.0: a new Top-level Complex Element of <i>ESG Dimension</i> will be added, enabling publishers to provide significantly more granularity regarding the aspect of ESG covered in a research item and/or a component of a research item.</p>		

Questions



- Any objections to holding off on adding a new tag set for ESG ratings?
- Is there any need to consider changing the terminology we use regarding ESG?
- What are the next priorities regarding ESG and ESG tagging in RIXML standards?

RIXML Research Standard v3.0 update

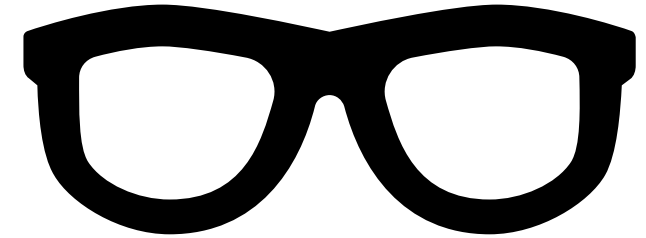
Sal Restivo, Morgan Stanley



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At A Glance



- Development of 2023 Scope is mostly done
- SASB negotiations well underway but not yet finalized
- Maybe add some more scope?
- Testing and Documentation phases still ahead

Progress

As Of: September 2023 Meeting

Phase 3: Development Progress				70%
Scope Category	Scope Item	Size	% Complete	Notes
Handling Hierarchies	Asset Classes	L	80%	
Handling Hierarchies	Industries	L	70%	
Handling Hierarchies	ESG Dimensions	L	50%	Under further review until SASB considerations finalized
Handling Components	Component Catalog	L	60%	
Handling Components	Expected Search Terms	M	80%	
Handling Components	Context Tagging for Components	M	80%	
Handling Components	Audio, Video, and Interactives	M	50%	
Tag Variations	For Segmented Audiences	M	100%	
Tag Variations	For Non-English Languages	M	90%	
Tag Variations	With and Without Format Coding	S	100%	
More	Episodic Content	L	60%	
More	Related Content	M	40%	
More	Automated Tagging	M	70%	
More	Entitlements	M	60%	
More	Events	S	100%	
More	Non-Research	S	100%	
More	Covered Bonds	S	100%	
More	Enumerated Lists as XML Namespaces	L	40%	This may not make the final scope
Removals	Root, Price	S	100%	

Progress

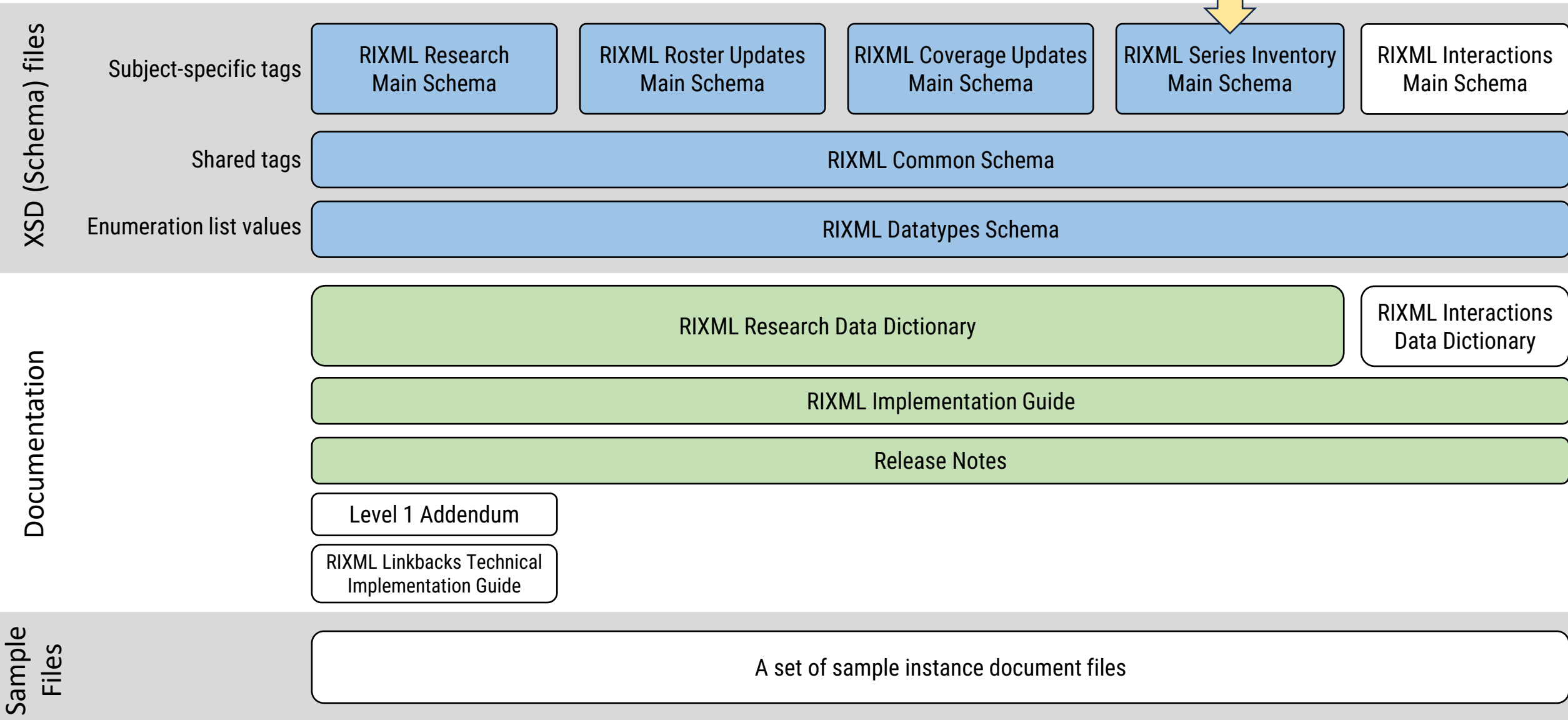
As Of: Today

Phase 3: Development Progress				100%
Scope Category	Scope Item	Size	% Complete	Notes
Handling Hierarchies	Asset Classes	L	100%	
Handling Hierarchies	Industries	L	100%	
Handling Hierarchies	ESG Dimensions	L	100%	SASB negotiations well underway but not yet finalized
Handling Components	Component Catalog	L	100%	
Handling Components	Expected Search Terms	M	100%	
Handling Components	Context Tagging for Components	M	100%	
Handling Components	Audio, Video, and Interactives	M	100%	
Tag Variations	For Segmented Audiences	M	100%	
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More	Events	S	100%	
More	Non-Research	S	100%	
More	Covered Bonds	S	100%	
More	Enumerated Lists as XML Namespaces	L	40%	This may not make the final scope
Removals	Root, Price	S	100%	

Files involved in a RIXML release

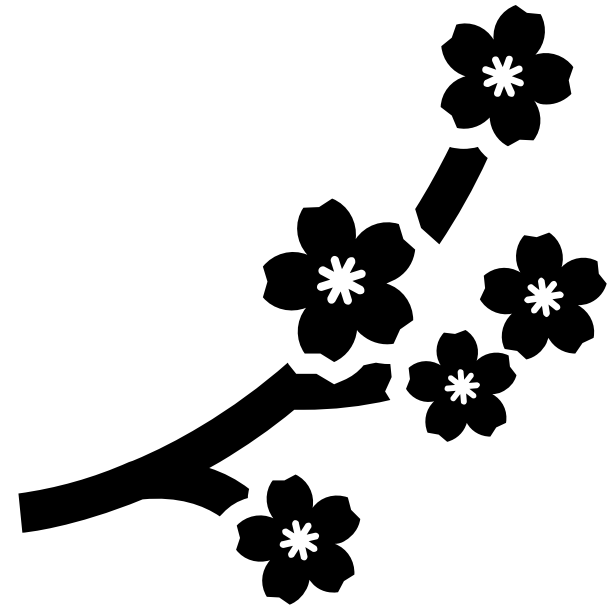
■ In Progress
■ Completed

New!



Additional Scope

- Ideas for getting more done in v3.0
- Still some opportunities to improve
- Or does the membership feel we should freeze scope and release?

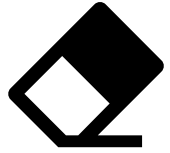




Consistent Container Element Style

Broaden application of “*List” container element style to eliminate v2.5/v3.0 stylistic differences

- Rating, Weighting
- ProductCategory
- Discipline, Currency, Subject, Index, Country, Region
- Security, SecurityFinancials, Issuer, IssuerFinancials
- Organization, OrganizationID, OrganizationName
- PersonGroup, PersonGroupMember, PersonLabel, ContactInfo
- Resource



Removals

Features that should perhaps be removed or split out due to lack of use

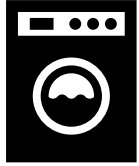
- Get rid of package layer (*Source, Context, Content, Legal, Utility*)
- *Organization.Expertise* (added in v2.4, includes *Specialties*) - maybe move to a sidecar schema?
 - *ProductClassifications.Specialty*
 - *CoverageUpdates.CoveragePairing.CoveredEntities.Specialty*
- *ContactInfo.InstantMessenger* (AIM, ICQ, Yahoo, etc. - obsolete?)
- *Content.Description*
- Replace *YesNoEnum* with standard XML boolean type throughout
- Scan for any unused/unreferenced items and remove them



Additions

Ideas for additional features

- *ActionsList* for encapsulating changes in ratings, weightings, earnings forecasts
- *Person.PersonDetails.PreferredPronouns* (D&I support - free form vs. pick list?)
- Make an attribute group for *primaryIndicator* and *sequence* and apply everywhere applicable



Other Cleanup

Broaden support for multiple languages

- Organization
 - OrganizationName
- Scan for more opportunities

Take another look

- Index (consistency with ContextTag?)
- StatusInfo (over-complicated design?)

Cleanup schema files

- Update intro boilerplate in comment at top of each file
- Confirm grouping of complex types and elements is consistent
- Look at changing top level type from XML 1.0 to XML 1.1

Next Steps

- Finalize SASB/ESG arrangement
- Maybe add some more scope?
- Assess Impact on Interactions Standard
- Test and Validate
- Update Documentation
- Production Release



Input and assistance needed

- Assistance in reviewing Interactions Standard
- Input on using namespaces to manage enumeration lists
- Reviewing/testing XSD files before releasing for comment period
- Documentation review
- Enumeration list review





Any questions?



Artificial Intelligence & Natural Language Processing: Implications for investment research



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Observations from September quarterly meeting



- The AI/NLP landscape is rapidly evolving
- Quality of the writing style is not an indication of the veracity of the information
- Use of AI/NLP tools, at least for the foreseeable future, will require an increased attention to fact-checking
- At this point, many firms have decided that the only input data they are comfortable using is content that they have created

Some ways AI/NLP may be used



- Structured data
 - to create the tagging/metadata (structured data) for research content
 - to eliminate the need for manual tagging
 - to ascribe heavier weight to content in structured data (e.g., RIXML tagging), perceiving intentionally-added metadata as a measure of higher significance
- Research content creation
 - to create abstracts, summaries, etc. that are part of the research item
 - to facilitate creation of multiple customized versions of research content
 - to create the research content itself – e.g., use of one analyst’s research to train the tool to write in that analyst’s voice
 - to perform or inform the underlying research
- AI-facilitated idea generation and analysis
 - to speed up process for creating summaries, abstracts, overviews, daily compilations, etc.
 - to identify trends, synthesize findings, etc. by using research content as input into AI tools

Implications for the industry



Sell-side firms

and other investment content
creators

Vendors

who create solutions for these firms

Buy-side firms

and other investment content
consumers

aggregators

research creation tools

inter-firm interaction compliance tools

custom solutions

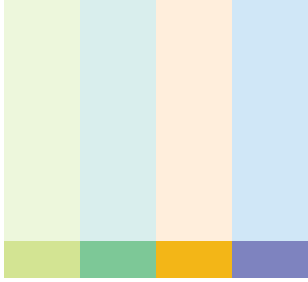


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as we work to support our member firms and the industry

Considerations



- How will content consumers *and* creators ensure accuracy?
- What responsibilities do research departments have regarding disclosing their use of AI for idea generation, research, and/or content creation?
- How should ai-generated content be identified, and sources cited?
- Who decides how and whether research content can be used as input data?
- At what point does the content creator's responsibility end from a compliance standpoint?
- Who owns the output?
- Who assumes the risk for the output?
- At what point does ownership of a generated idea end?

Next steps

- Convene initial AI working group meeting to determine priorities





Any questions?

Upcoming meetings

- Proposed all-member meetings
 - Spring meeting: March or April (March 21, April 4, or April 18)
 - Summer meeting: June, during the week of the Substantive Research conference
 - Autumn meeting: September 19
 - Winter meeting: timing?
- AI Working Group kickoff/planning meeting
- Technology Working Group
- Taxonomy/Documentation Working Group





Thank you all for participating



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