

Euro IRP 2019 survey highlights growth of buy-side appetite for independent research in a challenging market

Press Release

November 27, 2019

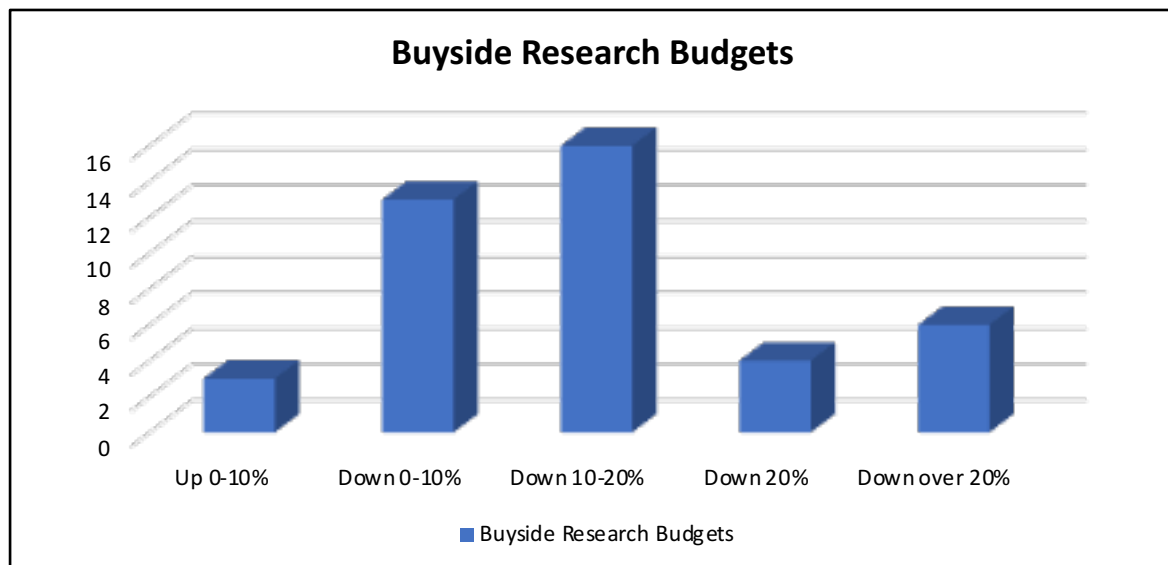
- Research budgets from the buy-side are down nearly 20% on average in 2019, and most IRPs have reduced prices for their services accordingly
- IRPs are maintaining overall revenues, and hence growing market share, as the buy-side focuses more on differentiated and unconflicted sources of research
- Invesco Asset Management is seen by IRPs as the leading asset manager in understanding and valuing independent research
- 67% of Euro IRP members continue to call for urgent action on research pricing, expressing the ongoing concern about cross-subsidisation of research services by the investment banks
- Trials and marketing to new prospects remain hard to come by, despite IRPs being free of risk of inducement for asset managers, as endorsed by the FCA

This 2019 Euro IRP Members Study presents a complete picture of the status of independent investment, and the challenges and opportunities in the market. Chris Deavin, Chair of Euro IRP commented *'It's definitely positive that independent research firms have been able to maintain their business and take market share, despite continuing downward pressure on research pricing and budgets. This shows buy-side firms are increasingly looking for quality, unconflicted insights and ideas – the hallmarks of every successful IRP'*.

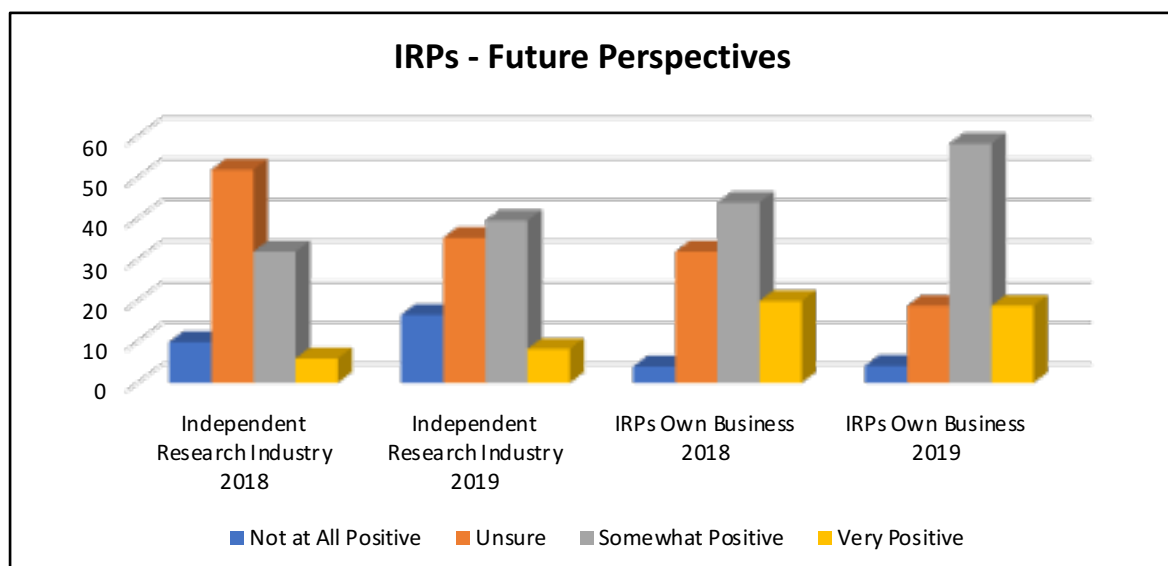
Chris Deavin added *'The buy-side who are the most advanced in running their research consumption in line with MiFID II are serving their end clients the best, and we are pleased to release our first ranking of those asset managers that IRPs see as the most proficient in understanding and valuing independent research, with Invesco AM coming first. More widely however, we continue to have major concerns too about research pricing. Euro IRP and our member firms individually, continue to campaign for more action from the regulators about extreme pricing from investment banks, who are frequently offering their research at rates far below fair market value, and presumably far below costs'*.

Buy-side Firms best at using Independent Research	
<i>1st</i>	Invesco Asset Management
<i>2nd</i>	Artemis
<i>3rd</i>	Jupiter Asset Management
<i>Euro IRP 2019. Ranking based on views of 49 Euro IRP member firms. 23 asset management firms received nominations</i>	

IRPs revenues as a group are broadly level compared with last year, and this compares with the perspective of IRPs on research budgets held by asset managers, where an overwhelmingly majority have seen spend levels decline in 2019.



Looking ahead, Euro IRP member firms see increasing price stability in the market, and are becoming more confident about their own business prospects, and prospects for the independent research industry overall.



All data drawn from the Euro IRP members study 2019. A fuller, public version with many additional graphics and findings is available on request.

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Euro IRP

Euro IRP – the European Association of Independent Research Providers – represents the interests of independent investment research firms which are based in Europe, or which have clients or activities in Europe.

Now with nearly 80 member firms, Euro IRP was founded in 2005 with the following four goals –

- To enhance the awareness and reputation of independent research
- To change the perception that research is free
- To work with regulators and investors to promote the awareness and acceptance of payment structures
- To improve the regulatory and fiscal environment in which independent research firms operate