Customer Service

Clarifying Financial Information With Visualization Tools

PrimePortal

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Online Brokerage

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Editorial

Dear Reader,

Visualization and simulation models have been standard in many businesses for some time. The financial industry, on the other hand, has relied on simple performance charts until recently – even though this industry deals with huge amounts of data and complex scenarios. Visualization can offer great potential for professional and retail investors who need to understand and analyze data which are complex and hard to grasp. The technology and bandwidth to support many visualization and simulation models is currently available – even for the retail market. See page 4 to learn about what Interactive Data Managed Solutions can offer to help enable you to visualize and contextualize financial market data.

Fidelity International is currently using Interactive Data Managed Solutions’ consulting services to redesign new product Web sites. An article on page 8 reveals how this redesign is helping Fidelity to meet the requirements imposed by MiFID, which include providing marketing materials that are “fair, clear and not misleading”.

For ten years, comdirect bank AG has worked with Interactive Data Managed Solutions. This long-time relationship has now been extended with a new contract. The contract covers the migration of the market data components of the comdirect Web site and modernizing the operational architecture. Details can be found on page 8.

Best regards,

Carsten Dirks
Clarifying Financial Information With Visualization Tools

For private investors, the sheer number of financial market instruments available for investing can be difficult to grasp. Financial advisors may feel overwhelmed by the number of instruments and the variety of questions they receive about those instruments from their customers. In the field of derivatives alone, there are more than 10,000 newly issued products per month. In Germany, the number has climbed to approximately 200,000 securities. What's more, new types of instruments, such as Real Estate Investment Trusts (REITs), are issued regularly.

Much of this information is available today on public Web sites of media portals, online brokers and banks. However, a number of these sites run the risk of becoming confusing databases that won't help many investors. At the same time, due to improvements in technology, it can be easier for users at home to access and process larger amounts of data. Financial Web sites can therefore enhance their data offerings, resulting in an ever larger amount of data for investors to take in.

So the question is, how can investors cope with this huge amount of data, and how can financial institutions and Web and media portals help make this information more useful and understandable?

One solution can be to present the financial information in a visual form. Industries like the automobile industry have long used graphic models to display complex data. This technology can offer great potential for banks, financial service providers and media portals that want to help their clients and users. Adopting this technology can also be helpful for providers, because clients and users tend to be more comfortable acting on financial information if they can easily grasp and understand it.
Web sites can be more appealing if they offer clear navigation and useful visualization tools. These tools are designed to help financial advisors enhance their services as well as increase customer satisfaction and sales. In addition, the tools can help private investors make independent and more informed decisions.

**Offerings For Advisors And Investors**

Interactive Data Managed Solutions has Internet and intranet-based offerings including visualization tools intended to assist both financial advisors and retail investors to analyze information.

Applications for advisors that use visualization can help make the advisory process more efficient. For instance, the MiFID Advisor Suite features a “suitability check” module that uses easy-to-understand graphics and visualization designed to help the advisor determine appropriate investment recommendations by taking into account the individual customer’s profile. The module both helps the advisor to optimize his workflow and makes information more understandable to customers.

Private investors tend to focus on investment funds, which may also be suitable with visualization technology. In particular, the ability to search for funds, view the search results and view detailed product fact sheets are all functions that tend to be appropriate for visualization. For instance, when looking for suitable funds, it can be helpful for investors to see the funds universe displayed as a whole, perhaps in a risk/return framework. It’s also helpful for private investors to see search results ranked in terms of their relevance to the investors’ needs. Once the user has detected an interesting investment, the user can get additional help with interpreting key figures such as volatility, alpha or best Sharpe ratio without actually computing the mathematics of those figures.

**Technology Of The Future**

Technology plays a major part in the visualization of financial market data. One example is Ajax (Asynchronous Javascript and XML) – a technology which is increasingly being used for innovative Web sites. Interactive Data Managed Solutions has experience in working with such Web 2.0 technologies, and can provide advice on how to use them. In short, visualization of market data will become increasingly important in the financial industry. Interactive Data Managed Solutions can help your firm optimize the use of this very useful technology.
PrimePortal

Bank Sarasin With New Derivatives Site

Bank Sarasin has selected Interactive Data Managed Solutions’ PrimePortal service to help create a redesigned and enhanced derivatives Web site. The Swiss private bank’s Web site now offers its customers more in-depth information on over 800 structured products. Bank Sarasin also relies on Interactive Data Manages Solutions’ PrimeTerminal and Contribution Suite.

Bank Sarasin has offered services in financial engineering for 10 years and has established itself as a provider of structured products for the Swiss market, especially for specialized derivatives on Swiss small and mid-cap stocks.

On the bank’s re-designed Web site, investors can utilize the new content, including extensive background information and easy-to-use analytical tools, to assist them in making more informed trading decisions. Through a product matrix on the home page, traders can easily navigate to the product categories that are the most suitable, based on their own personal risk and return parameters. Fact sheets are designed to deliver fast, well-structured product and underlying data, and charts help to inform customers on current and historical quote data. Additional features include search functionalities, overviews on recent issues and product categories, product descriptions and a glossary, and a special page on expired products which are due for redemption. All of the above information is currently available in both German and English.

“The PrimePortal solution which has been developed by Interactive Data Managed Solutions closely follows our requirements and has certainly impressed us,” said Urs Treier, project leader at Bank Sarasin. “The flexible and powerful solution is a great basis for successfully selling derivatives. Thanks to easy navigation, customers can find their way through our complex derivatives product universe. Also, the well-structured and up-to-date product sheets are of great importance to our users as they provide crucial decision support. Thanks to those, our customers have the chance to compare even the most complex derivatives.”

Strategic Data Distribution Via Contribution Suite

Apart from redesigning the product presentation on its Web site www.sarasin.ch, the bank has enhanced data distribution to third-party participants via Contribution Suite, Interactive Data Managed Solutions’ multi-contributor platform. Contribution Suite is designed to deliver and integrate pricing and fundamental data on structured products and distributes the data to large market data vendors in real-time. In the course of the new project, additional fundamental data was integrated for product categories. The result has been designed to be an efficient and cost-effective way of distributing data to the bank’s own derivatives Web site as well as to market vendors. As a next step, the bank plans to enhance Contribution Suite with a Web-based interface for data administration, provided by Interactive Data Managed Solutions.

Further Information: www.sarasin.ch
Online Brokerage

“Simple, Quick And Secure Stock Market Transactions”

Interview with Yann Pittier, Head e-Brokerage at Banque Cantonale Vaudoise (BCV)

compass: Since 1999, BCV’s stock market portal e-SIDER.COM has allowed investors to trade securities online. What are the benefits for the customer?

Yann Pittier: Our customers can handle their stock market transactions over the Internet in a simple, quick and secure way. Simple because of the intuitive navigation, and quick because it takes just a few clicks to place a trading order. Secure because customer data confidentiality is a top priority for us – we use an encryption system, a three-step log-in process and have secure premises for server hosting.

e-SIDER.COM offers numerous tools and information free of charge: theScreener.com, a tool which analyzes shares of 1,100 companies corresponding to 80 percent of the worldwide market capitalization; real-time quotes from the SWX and virt-x stock exchanges; the tools Watchlist and Interactive Charts from Interactive Data Managed Solutions, and more than 400 financial and stock market pieces of news from AFX and AWP.

Finally, our transaction costs are extremely low, ranging from 8 CHF to a maximum of 190 CHF per transaction at the Swiss stock exchange.

compass: e-SIDER.COM is using the PrimeTerminal Private Investor Edition from Interactive Data Managed Solutions. What do you see as the benefits for the customer and what are the most important capabilities?

Yann Pittier: PrimeTerminal delivers capabilities that are similar to those used by professional investors. The automatic updating of quotes and graphics, the real-time alerting and the dynamic link to the trading platform to settle stock market transactions are the functions that I consider most important.

compass: Watchlist and Interactive Charts, two more interactive features, have recently been added to e-SIDER.COM. What’s your reaction to the new capabilities?

Yann Pittier: With Watchlist, our customers can compile personal lists of securities and use SMS Alerting. Interactive Charts is a powerful tool for technical analysis. We believe that the addition of both new features could help us to move up in the ranking of the best Swiss online brokers. This year we have already risen by two places, according to a newspaper’s comparison.

compass: What’s your outlook for the growth of your online business?

Yann Pittier: The Swiss market for online trading is growing by 25 percent per year. We believe that e-SIDER.COM can help us to gain new customers and assets in this expanding market.
comdirect bank AG

Reconfirms Long-Time Relationship

comdirect bank AG has selected Interactive Data Managed Solutions to migrate the market data component of the bank's Web site www.comdirect.de to a new technology infrastructure. comdirect, one of the largest European online brokers and a long-time client of Interactive Data Managed Solutions, signed an agreement in July 2007 with Interactive Data Managed Solutions for its Web hosting services and to modernize the bank's operational architecture.

The arrangement between the two companies involves implementing Interactive Data Managed Solutions' Market Data Gateway, an open market data platform that offers market data from various providers in real-time or on a delayed basis. The Market Data Gateway also provides comdirect with HTML- and Java-based analytical tools and trading applications.

The Market Data Gateway's flexibility helped facilitate the integration of the comdirect and Interactive Data Managed Solutions platforms. Additionally, new interfaces for connecting to the Market Data Gateway were developed especially for comdirect designed for seamless integration with the bank's IT architecture. As a result, comdirect is able to use both Interactive Data Managed Solutions' and its own Web applications for the first time. Another advantage of the new architecture is the maximum scalability of the Web site.

"Our alliance with Interactive Data Managed Solutions has been influenced by a pioneering spirit ever since the early days, ten years ago when the relationship began," said Helge Fobbe, Head of Web Management at comdirect bank AG. "Since then, we have been able to develop a very successful Internet presence which is used both by private investors and professional users. We have always appreciated Interactive Data Managed Solutions for being a good, reliable partner for market data and software."

Fidelity Highlights

Transparency On New Web Site

Fidelity International has teamed up with Interactive Data Managed Solutions to redesign portions of its German Web site at www.fidelity.de. The goal is to provide users with high transparency standards to help meet the requirements of the Markets in Financial Instruments Directive (MiFID) for marketing materials. The project includes consulting and development services.

As well as meeting MiFID requirements, Fidelity's goals include redesigning multi-paged product fact sheets. The Web site is also being upgraded with a matching and modern design that is designed to present content more clearly and allow users to easily navigate through the site. Interactive Data Managed Solutions and Fidelity are planning to launch the new site in October 2007.

Customer Communication Transparency Complying With MiFID

One of Fidelity's main objectives is complying with the MiFID requirement that customer communications be "fair, clear and not misleading". "We appreciate Interactive Data Managed Solutions' experience in presenting financial information, especially when it comes to their flexibility in designing individual solutions. This is why we opted for them when it came to choosing the right company to work with. We want to offer our customers a Web site that is designed to fulfill the high transparency standards required by MiFID," said Kay Henning, manager B2B Online at Fidelity.
On May 11, 2007, the Implementation Act (Finanzmarktrichtlinie-Umsetzungsgesetz FRUG), which puts requirements defined by MiFID into national law, was adopted by the Federal Council of Germany (Bundesrat). MiFID regulations will be implemented in Germany on November 1, 2007. In addition to the MiFID-related concerns including pre- and post-trade transparency and best execution, the regulations’ influence on day-to-day consulting and product marketing is becoming increasingly apparent.

Interactive Data Managed Solutions has rolled out further enhancements to its PrimeTerminal Professional Edition including options filtering capabilities as well as new functionality and data. PrimeTerminal now provides an Option Chain Clip which displays an options overview on a selected underlying security at a glance. Calls and puts can be displayed side by side and users can also filter the displayed instruments by exchange, maturity, exercise price and ATM (at-the-money – the difference between the exercise price and the current underlying price).

Additional funds data supplied by software-systems.at, a leading provider in Austria, of international funds data and funds data research is offered with a new optional data package. What’s more, designed for faster and easier access to news topics and categories, news can now be retrieved using subject and sector codes of the German “AG für Wirtschafts-Publikationen” (AWP).

In addition, scrolling futures symbols (for example FGBLC1, Eurex Euro Federal Future) are now available in the search function. Scrolling futures symbols roll over to the succeeding contracts upon contract expiration.

Also, the navigation for Interactive Charts has been redesigned to be more user-friendly. Benchmarking in the chart clip and the overview of indices and sectors have also been enhanced.

New Product Structure
Former eFinance Products Reorganized As PrimePortal

Since April 2007, Interactive Data Managed Solutions’ former eFinance applications for Internet and intranet have been reorganized within the new product line PrimePortal.

Just like eFinance, PrimePortal comprises various modules such as interactive charts, alerting functionality or market data reporting that can enable the design of customized applications. Such customized applications can help optimize the customers’ sales and consulting processes. PrimePortal is designed to enable customers such as banks to integrate proprietary content so their staff can access the information they need via one solution which can help them save time and increase efficiency. PrimePortal solutions can be used as either a complete Web portal solution or to upgrade an existing Web environment.

PrimePortal is geared towards private banks, online brokers, media portals, exchanges, asset managers and issuers who offer financial data, news and analysis via intranet applications, via the public Internet or for closed user groups. PrimePortal is complemented by hosting services as well as entitlement and administration services for intranet solutions.
Web 2.0 Offers Opportunities To Financial Institutions

Web 2.0 is currently getting lots of attention. Blogs, podcasts and online communities are expanding the way people can use the Internet. Indeed, the TowerGroup concludes that “Web 2.0 has already changed the consumer Internet and it also will impact business, changing the paradigms of content publication, Web site usability, and software development.”

Web 2.0 applications can enable interactive communication and the creation of online communities making it possible for users to get the information they require, when they need it – oftentimes already commented on by their respective peer groups. Web 2.0 applications also can allow firms to target narrowly defined groups with offerings that are tailored to their specific interests.

How can financial institutions take advantage of these new technologies? According to Deutsche Bank Research: “Financial institutions face new opportunities in the process of communication with customers and their employees. Interactive applications supplement conventional sales channels and offer better access to defined target groups.” These new applications are causing changes in user behaviors that can benefit financial services marketers. For instance, users can comment on certain securities and that information can be helpful to other users looking for the right instrument.

Technologies For Future-Oriented Financial Web Sites

Meanwhile, new Web 2.0 technologies are offering Web designers greater opportunities as well. For instance, with Asynchronous Javascript and XML (Ajax), when a user requests a change, the Web pages reload only small amounts of data instead of the entire Web page. This technology can help to increase a web site’s speed, interactivity and usability, and at the same time can offer new navigation and web design possibilities. Ajax can offer designers new ways of placing information about financial products within the browser window.
With expertise in Web 2.0 technologies like Ajax, Interactive Data Managed Solutions can assist financial institutions looking to take advantage of these innovations. New types of applications are designed to enable financial services firms to personally address and advise customers via the Internet and offer new opportunities for online marketing and advertising. Interactive Data Managed Solutions can help firms develop and implement customized solutions using these exciting technologies.

Further Information:

Market Trends

Investors Shun Equity Funds And Fixed Income Funds

Since the beginning of 2007, investment funds experienced an outflow of around 40 billion euros, with fixed income funds being hit the hardest. Equity funds were sold likewise. It is remarkable, however, that despite this trend equity funds focusing on ecology and ethics recorded very strong inflows of roughly seven billion Euros. Money market funds also recorded stronger inflows (about 20 billion) than other fund categories. And despite negative developments in the global property markets, real estate investment trust funds recorded capital inflows.

This analysis is based on the PrimeContent Funds Statistics Service which examines fund inflows and outflows of 300 investment companies. The analysis is based on retail funds.