



## **Digging up Intelligence for Hedge Funds**

20<sup>th</sup> April 2006

Hedge funds are calling increasingly on business intelligence firms to find the nuggets of information they need to make fat profits on financial markets. As customers, the hedge funds ask a lot of private intelligence firms but they also have deep pockets. Yet they equally oblige the intelligence firms to work differently than for other clients to avoid suspicion of involvement in insider trading. And research firms working exclusively for the hedge funds are beginning to spring up in the United States.

### **An Emerging Market.**

The main suppliers of information to hedge funds had long been banks which make money by carrying out their stock market transactions but also by offering research and analysis services. Feeling that this double function prevented the banks from being objective, the hedge funds have gradually turned to other providers of information, and particularly business intelligence firms.

This is the case of gpw, a British firm set up in 2004 by a veteran investigator, Patrick Grayson, and two former staffers at Kroll's London bureau, Andrew Wordsworth and Peter Pender-Cudlip. The latter, who has served in the past with the corporate law firm Norton Rose and the Schroders investment bank, had already supervised inquiries on behalf of hedge funds when he worked for Kroll.