
FINANCIAL SERVICES AND THE RETIREMENT OPPORTUNITY



A New Mindset Toward Distribution

"Unlike other trends, the retirement boom is a demographic fact [...] whose effect will be with us long in the future."

– McKinsey & Company

The greatest demographic event in the Western world has started: baby boomers are turning 60 in 2006. This generation has saved and invested up to now. With retirement looming, this large demographic segment is shifting its mindset from accumulation to distribution.

Financial advisors are not immune to this sweeping trend. With uncertainty in the capital markets and capital preservation replacing performance as a priority, they now need the knowledge and tools to advise their clients and prospects on the distribution of assets for a retirement that is no longer defined as a single point in time.

The Retirement Opportunity

The major opportunity is to provide retirement advice to the baby boomer market and consolidate their assets as part of this process

Many financial services firms view retirement as a top growth opportunity, but fail to provide comprehensive information and resources to their clientele and advisor workforce.

In a landmark study¹, McKinsey & Company sees four main challenges for financial services firms:

- Poor consumer perception of their ability to meet retirement needs
- Need to educate pre-retirees of their financial planning needs
- Disconnect between accumulation orientation and income and asset protection needs of retirees
- Repositioning and adapting toward income and advice needs of retirement segment

"With the peak of the baby boom generation approaching 50 and many others well past that milestone, their retirement planning options will increasingly narrow as their peak earning years pass and investment time horizons shorten", says the McKinsey study. "If these people fail to do proper retirement planning, eventually their only options will be to keep working, lower their standard of living, or rely on relatives."

These consumers are at the point of making significant and often permanent decisions about their finances and are more willing to take advice and consolidate assets. Once they start the transition to retirement, this window will close. The McKinsey study concludes that distribution and advice will be the real point of leverage in attracting retirement assets.

Hence, the major opportunity for financial services firms is to provide retirement advice and education to the baby boomer market and capture their assets as part of this process before their transition to retirement is complete.

A lot of online traffic on financial services Websites comes from consumers researching financial products and services. Many are high quality leads. For example, a recent survey by Forrester Research² reports that consumers are using financial calculators as a primary research tool and rate them as the most helpful tools in assisting them to take decisions.

**70% use online tools
71% rate them as helpful**

Your Website may already have tools and content, but are they a point of differentiation with your competition? Does the online experience provide your users compelling tools and resources to help them with their retirement decisions? Are you able to engage your leads, build credibility and loyalty prior to converting them to new customers or routing them to advisors?

About Apeiron Software

Retirement Planning Software, Web Applications and Content

Apeiron Software Limited creates the best resources and technology to help individuals make informed financial and retirement planning decisions for the future.

We have developed innovative software and Web applications that can help you provide a rich user experience, enhance your brand and convert traffic to online leads. By making our products part of your online marketing strategy, you can identify more interested buyers of financial products and services.

¹ McKinsey & Company, The Retirement Journey – Pathways to success in the new retirement market

² Forrester Research, Consumer Technographics 2005 North American Finance Online Survey - "How Consumers Buy Financial Products"

Provide a rich user experience, enhance your brand and convert traffic to online leads

We customize the look and feel of our tools and content to be consistent with your brand experience. Our applications are hosted in-house or implemented at your site for little or no infrastructure costs. Customization allows for a rapid and cost-effective implementation for a quick return on investment. We provide end-to-end solutions for the desktop and the Web, in both .NET and J2EE, that include consulting, custom programming, project management, training, support and maintenance.

Two of the largest financial institutions in Canada are currently using our products.

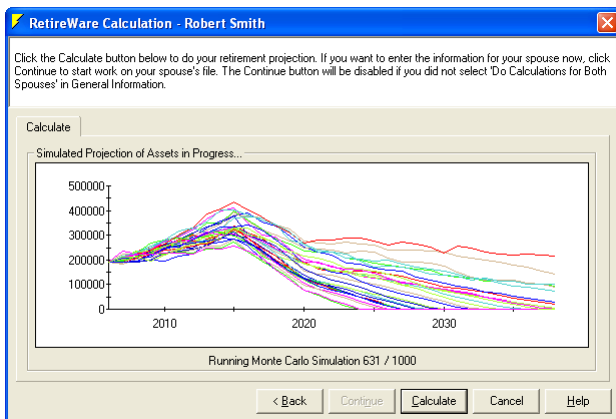
Unique Technology and Products

The foundation of our product portfolio is our sophisticated retirement calculation engine. This proprietary model accounts for all Canadian retirement savings rules, performs accurate income tax calculations (as opposed to using marginal tax rates) and is kept current via an annual update.

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Goal setting accommodates the concept of "new retirement" – a gradual transition before becoming fully retired, and account for a variable pattern of expenses for each period of retirement.

In addition to CPP, OAS (some that may be subject to "clawback"), the calculation engine incorporates defined benefit pensions, future income, savings from an RRSP, defined contribution pension plan, deferred profit sharing plan (DPSP), registered retirement income fund (RRIF), life income fund (LIF) or locked-in retirement income fund (LRIF), non-registered investments, each with their own deposit and withdrawal constraints, insurance, inheritance or proceeds from a future real estate property or business sale.



Our modeling also includes Monte Carlo simulations, a mathematical method that shows what may happen in the future with volatile capital markets, based on historical returns and volatility. By doing thousands of random trials, the Monte Carlo simulation "stress test" the retirement plan and gives a probability of success of meeting financial objectives.

These software and Web applications are supported by extensive independent resources and content for a complete portfolio of information that can be customized to the needs of your audience, from the basic to the most advanced.

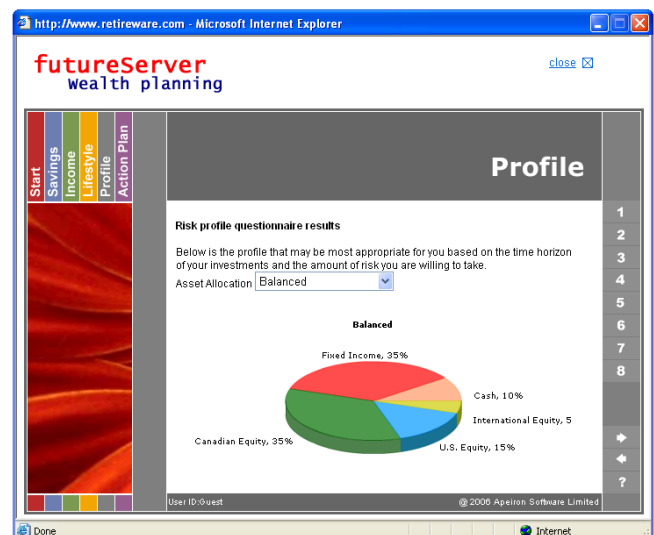
New post-retirement risk management framework funded by the National Research Council

We continue to develop products for the future and are in the process of adding a post-retirement risk management framework, a project funded in part by a research grant from the National Research Council of Canada.

Our expertise is unique because our focus is the development or customization of technology products within our specific area of expertise: actuarial, pension and retirement planning knowledge. Our familiarity with your business issues allows us to propose solutions, as opposed to merely gathering and implementing requirements.

futureServer Wealth Planning

futureServer is an easy-to-use hosted Web application with or without data saving capability that uses spectacular Flash effects to provide an upscale and engaging user experience.



Users get a complete retirement action plan within a few minutes. The retirement plan is based on assets, income and the results of a risk profile questionnaire. The action plan shows projected retirement assets, charts for future income and assets and monthly savings required to attain lifestyle goals.

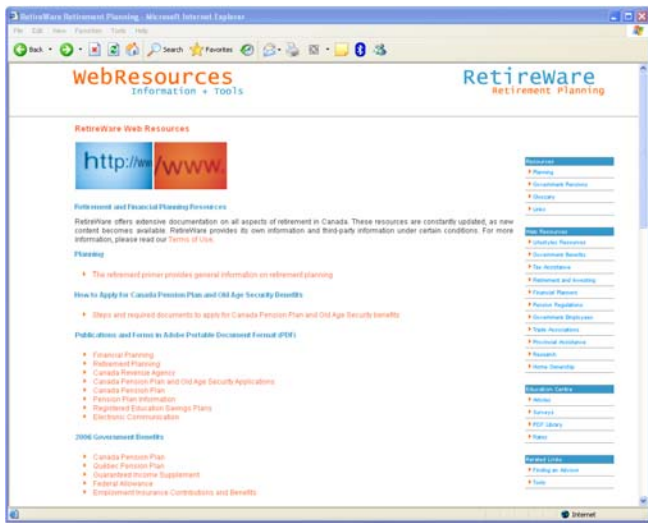
Complete with help files and a printer-friendly report, we can customize the application to adopt your branding or own risk profile questionnaire.

WebResources

Our Web-based information resource provides extensive content, tools and references. This Canadian-based retirement and financial planning information include a retirement planning primer, a glossary of investment and retirement savings terms, information about Government benefits, applying for the CPP pension or OAS pension, taxation, investing and retirement planning guides.

All resources are proprietary or come from Government or non-profit sources, so the information is completely independent and not tied to any financial services companies.

Canadian-based retirement and financial planning information and tools



RRIF Illustrations and Other Tools

With more Canadians nearing retirement, our RRIF Illustration Web application provides a simple yet powerful sales tool for advisors and agents discussing the conversion of RRSP and locked-in accounts to a RRIF, LIF or LRIF. Advisors can archive an unlimited number of illustrations for future reference or modification.

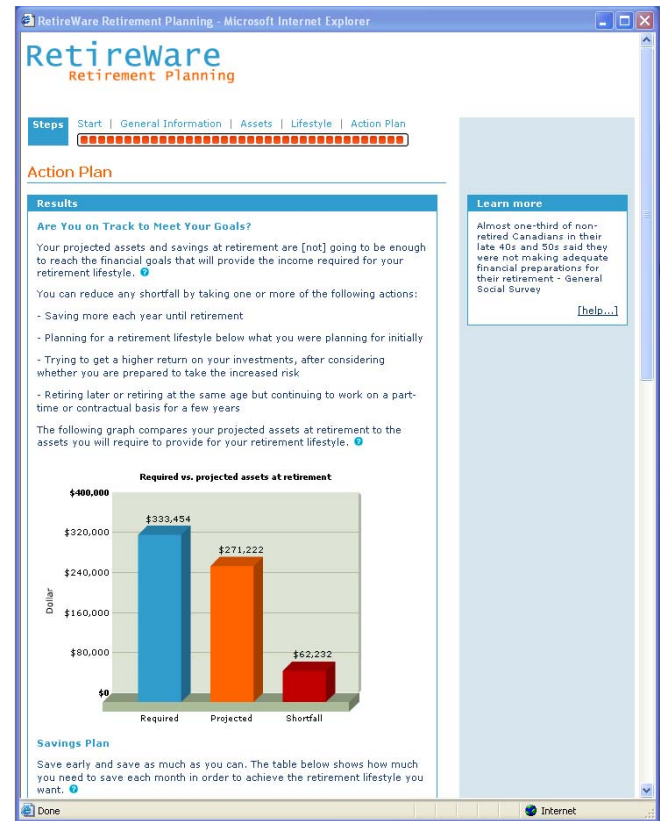
We also have several tools for the desktop or the Web:

- Annuity
- Mortgage vs. RRSP
- Capital gains vs. RRSP
- RRSP loan
- OAS clawback
- Withdrawal impact calculator
- Life expectancy and the odds of survival
- Diversification modeling based on historical rates
- Insurance needs analysis
- RESP planner
- Risk profile questionnaire
- Budget and net worth statement

Hosted RetireWare Web Application

The RetireWare calculation engine runs on the desktop or through a Web browser connected to the Internet. The Web version provides a vibrant and accessible presentation that we can customize for your unique brand experience.

The power of our calculation engine in an accessible presentation



Security and Performance

With our outsourced ASP model, there are no infrastructure costs and applications are hosted on dedicated servers that have been tested for performance and security. Our service level agreement provides for 99.5% guaranteed uptime.

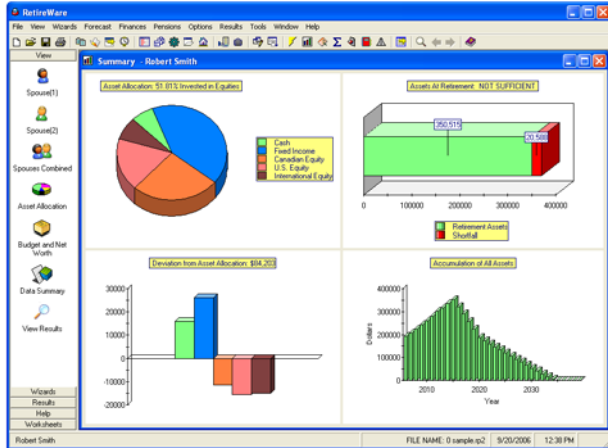
To prevent internal tampering or attacks the web hosting service enforces stringent physical access measures to ensure security over the premises and equipment. We use SSL certificates, the industry standard approach to encrypt all information that is in transit, to prevent tampering or attacks to data transmitted. A robust firewall prevents unauthorized access from outside the network.

Application security includes built-in authentication to prevent unauthorized access to system functions and data. Security strategies are in place against hacker strategies such as SQL Injection attacks. Applications are monitored 24/7 for uptime. And down time alerts are sent to a mobile device for immediate remedial action.

RetireWare Retirement Planning Software

"Slick financial planning software ... The new version goes well beyond the capability of other consumer software and some pro brands used by planners"

James Daw – The Toronto Star



For most Canadians, the Canada Pension Plan, Old Age Security and corporate pensions will likely not be enough to maintain their lifestyle. They will have to draw down their nest egg: an RRSP, company-sponsored savings, non-registered investments, sometimes proceeds from the sale of a house that's too big for their needs.

The challenge is figuring out a sustainable lifestyle that will not result in outliving assets during a retirement that may last 30 or even 40 years.

Only by modeling the future, can better decisions be made today. RetireWare provides invaluable information for the many decisions that can affect retirement security. When to retire? What is the impact of transitioning to full retirement over a few years? Will postponing retirement really make a difference over the long-term? How to invest assets?

RetireWare puts everything together with its intuitive and modular user interface and easy-to-use Wizards. It comes with extensive help files, manual (also included with the electronic version as a PDF file), worksheets and a tutorial.

All results are shown with clear and compelling charts, detailed tables, and a full report that can be printed or saved as a PDF file.

RetireWare helps people determine how far their assets will go in the future

This desktop software comes in three versions, available in English or French (the French trade name is *RetraiteWeb*):

- **Millennium Edition** for employees of companies sponsoring pension arrangements
- **Standard Edition** for consumers
- **Monte Carlo Edition** for sophisticated users and financial advisors

Contact Us

Contact us to discuss how we can help you transform your business to take advantage of the retirement opportunity.

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