RETIREMENT INCOME riia INDUSTRY ASSOCIATION

Welcome to

RIIA and the IIR's 3rd. Annual Managing Retirement Income

February 12 & February 13, 2007

RIIA's Tradition: Starting with the Investor in Mind

The RIIA Opportunity Matrix &
The Retirement Typology's Four Investor Markets

Market Segment	[Commissions] Distribution	[Fees] Intermediary	[BPS/Premiums] Manufacturer
Wealth	Full Service Brokers	CPAs/RIAs	Investment Mgr.
Affluent	Discount Brokers Bundled Vendors Insurance Agents	CPAs/CFPs/PSs/RK Bundled Vendors	Investment Mgr. Bundled Vendors Underwriter
Mass	Insurance Agents Bundled Vendors Banks {Comm./Nat'l}	CPAs/CFPs/PSs/RK Bundled Vendors	Underwriter Bundled Vendors
Marginal	Banks Credit Unions	Online None	Banks Mutual Funds

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The Four Markets
- Wealth (5%)
- Affluent (15%)
- Mass (50%)
- Marginal (30%)

Source: RIIA & SRIC-BI's MacroMonitor

RIIA's Mission

- **Facilitate the exchange of ideas, concepts and knowledge among institutions interested in building retirement income businesses.**
- **Promote products, processes, and financial structures that will improve the ability of Americans to create financial security for themselves in retirement,**
- **Provide information, research, and insights to the public, corporate and government decision-makers about the retirement income needs of Americans,**
- **Elevate the effectiveness of communications between financial services companies and their customers in order to strengthen Americans' understanding of complex retirement income issue.**

RIIA's Structure is Member-driven

- **Board of Directors**
- **Committees**
  - **Education**
  - **Data/Research**
  - **Communications**
  - **Programs**
  - **Membership**
  - ***Employment Survey***
  - ***Methodologies***
  - ***Compliance***

Types of Members

Founding

Regular

Associate

Plan Sponsor

Financial Advisor

Special Advisor to the Board

Affiliated Association

Conference Agenda: February 12 & 13, 2007

- **Morning - Day 1 –** *co-Chair: David Macchia, Wealth2K*
  - **Strategic Context**
- **Afternoon - Day 1 –** *co-Chair: Bob Del Col, FundQuest*
  - **The Present of Retirement Income Offerings**
- **Morning - Day 2 –** *co-Chair: John Bhanken, Bank of America*
  - **The Future of Retirement Offerings**
- **Afternoon - Day 2 –** *co-Chair: Brian Birmingham, Genworth*
  - **The Investor's Behavior**

Daily Conference Flow

- **Previews and Reviews**
- **Morning Sessions**
- **Lunch Keynote**
- **Afternoon Sessions**
- **Concluding Comments**

RIIA's Key Questions in 2006

- Is the market shift from asset accumulation to distribution for income generation real?
- Will the money-in-motion reach trillions of dollars?
- Do large market segments lack convenient access to the products, tools and processes that match their needs?
- Are existing asset accumulation products, tools and processes likely to be inadequate for providing income generation?
- Are early income generation products, tools and processes not likely to meet the entire volume of money-in-motion?

Conference Preview: Theme Cluster #1
How Much Farther Can Incremental Changes Go?

- **How long can we “change the story” without changing the product set or the business models?**
  - **Which market segments will be satisfied with income features on existing products?**
  - **In what ways can incremental income features erode existing product margins?**
  - **What retirement income solutions look expensive to the customer?**

- **What are the limits of Modern Portfolio Theory (MPT) processes and methodologies?**
  - **How far have we moved from Asset Allocation and asking “what type of Immediate Annuity do you want at retirement?” to creating complex and time-changing solutions over the lifecycle?**
  - **How do we address the investors’ need for personal necessities, joy as well as protection from financial shocks?**
  - **What Post-MPT products, processes and methodologies are we developing?**

Conference Preview: Theme Cluster #2
What Must New Business Models Solve?

- **What new products and methodologies are needed to address the shift from Accumulation to Income Generation?**
  - **How can we build Safe and Simple products?**
  - **How can we build solutions that are bought rather than sold?**
  - **What are the relative volume and scale expectation for retirement income vs. longevity insurance solutions?**

- **What new processes are required to meet the demand?**
  - **How much “any product to any channel” processing is required to integrate and produce the “paycheck in retirement”?**
  - **How will the emergence of Web2.0 distribution channels impact our existing advice and distribution channels?**
  - **Will “Decumulation” business models have lower margins than Accumulation business models?**

Conference Preview: Theme Cluster #3
Where are the Scalable Solutions?

- How much market fragmentation are we observing and expecting?
  - Which Baby Boomers are expressing and acting upon preferences for more diverse and complex lifecycles?
  - Does Internet-enabled access to previously rare information create exploitable and profitable new market aggregations ?
  - How will regulation and tax policy influence the marketplace?

- What market segments are becoming customers rather than investors?
  - When and what investors are looking for retirement income solutions rather than longevity insurance?
  - Which market segments want to buy products ?
  - Why is the Industry selling relationships?

Mapping the Conference's Presentations: What Did You Hear?

	Market Studies	**Silo-ed Initiatives**	**Corporate Initiative**	**New Companies**
Budgeted Diffusion				
Forecast Innovation				
Unexpected Inventions				

Let’s Hear It

- **Co-chair’s Perspective**
- **First Speaker**
- **Presentations…**