



software for the securities and investment industries

New Broad Street House, 35 New Broad Street, London EC2M 1NH

52, The Parade, Cardiff CF24 3AB

Telephone +44 (0)29 2040 2200 ■ Fax +44 (0)29 2040 2213

info@peterevans.com ■ www.peterevans.com

market view

the quarterly newsletter from peterevans

March 2009

The year ahead

peterevans has always been committed to investing in R&D and innovation in the product set will continue to be the major focus for 2009.

This year will see an enhancement to the **xanite** platform to include the expansion of asset class coverage into more complex instruments. The roll out of Euroclear Harmonisation and the future T2S Project promises to deliver increased take up of the **xanite SP** platform and peterevans is eager to capitalise on the opportunities such initiatives are creating in the market.

In addition to these features for the back office, peterevans will continue to grow its front office product. **xanite OSB**, which focuses on execution-only stockbroking and will feature new customisation functions that promise to deliver enhanced decision-making capabilities.

peterevans looks forward to delivering these benefits to clients and will be providing further information on all developments in due course.



Industry issues

The introduction of public and private sector initiatives seeking to consolidate the fragmented European markets continue to shape the back office landscape and are at present the greatest spur for development in the industry.

Amongst the projects introduced under the watch of EU Commissioner Charlie McCreevy are the clearing and settlement industry's Code of Conduct and the subsequent introduction of the TARGET2-Securities (T2S) project. TARGET2-Securities will be a platform for the cross-border and domestic settlement of securities within the EU. CSDs will not only have to contend with the concept of outsourcing their settlement functions to a centralised third party but also deal with other market participants, such as custodian banks, who may opt to disintermediate by interfacing directly to the settlement engine.

Whilst these projects are still being implemented, changes in the global economic climate may threaten their success. As governments across the globe are moving towards more protectionist fiscal policies, some are concerned that market support for the creation of a single unified platform may wane.

Whilst a question mark may hang over the future of the T2S initiative, technology providers cannot afford to sit back and wait and many are seeing the apparent disorder as an opportunity. Indeed, there are growing demands for systems that can guide users through the regulatory hurdles and

beyond. Solutions must now be capable of shielding participants from the inherent complexity of the transition, whilst also maintaining all their key back office capabilities.

At the same time commercial efforts - namely Euroclear's Single Platform project and Link-Up Markets, a joint venture including Clearstream amongst others - continue to attempt to address the fragmentation of the asset servicing industry. The future of the sector will undoubtedly be shaped by the events taking place right now. If the current support and momentum continues for these EU/private sector initiatives then technology providers must remain fully committed to developing products with the ability to adapt to a rapidly changing market.



the xanite line up:

xanite WMS
Wealth Management System

xanite CA
Corporate Actions

xanite CS
Custody Services

xanite PCS
Private Client Stockbroking

xanite OSB
On-line execution only Stockbroking

xanite SP
Euroclear Single Platform



Events

peterevans is pleased to be developing its relationship with Cardiff University. The company is committed to growing its technical base in Cardiff and fully believes its link with the university is key in attracting some of the best young talent in the marketplace. In this spirit Dr Mike Foley recently returned to his alma mater to address current undergraduates at the University's career's fair. Mike offered an introduction to peterevans and answered questions about the employment opportunities on offer in this sector. The peterevans stand drew significant interest and the company looks forward to discussing internship opportunities with some of the outstanding students they met at the event. peterevans looks forward to working closely with the University to build on the city's reputation as a centre of business excellence.

On March 3rd the peterevans team took part in the SWIFT partners meeting in La Hulpe, Belgium. The conference addressed the ways in which SWIFT can help its clients at a time when the demands for speed and reliability are increasing and IT spends restricted. These events provide an opportunity for partners to give vital feedback and peterevans welcome the opportunity to debate the ways in which it can work with SWIFT to deliver market leading solutions to their clients.

The 2009 peterevans forum will bring together clients, partners and market participants to discuss the future of clearing and settlement in Europe as well as to preview the company's plans for the year ahead. Dr Iain Saville CBE and Hugh Simpson will address the event as guest speakers, giving an update on Target2-Securities and its impact on the European market place. peterevans would like to take this opportunity to thank all those planning to attend and look forward to working with them over the coming year. For updated information on these and other events this year, please visit the peterevans website at www.peterevans.com.

25 years of peterevans

2009 promises to be an interesting 12 months for all involved in financial markets, however it will be especially memorable for peterevans as we head towards our 25th anniversary! We'd like to take this opportunity to thank all our clients, staff and partners for the support and hard work they have shown over the years.

In honour of what we're sure you'll agree marks a significant milestone, we're taking a trip down memory lane in the 2009 newsletters with a look back at some of the achievements from the past quarter of a century. First, let's take a look up to the nineties and identify not only some of the important issues along the way but also a few which may take you back in time:



1984
peterevans was founded in 1984 just before the planned Taurus program to automate the London Stock Exchange. Despite the well documented problems encountered by the LSE's drive towards automation, this new approach to share trading offered opportunities for boutique software developers and Peter Evans identified that a turnkey solution for nominees would be successful in the market.

Dr Mike Foley was introduced to Peter through his Professor at Cardiff University. The research fellow initially joined the peterevans operation on a three month secondment, 25 years later Dr Foley is leading the company as CEO.

As all this was beginning other memory joggers include, Apple mac 1984 commercial at the Superbowl, CD ROM for computers, first untethered space walk, Space Shuttle Discovery maiden voyage, Coal Miners Strike, The Terminator, Ghostbusters, Indiana Jones and the Temple of Doom, Prince - Purple Rain, Wham - Wake Me Up Before You Go



1985
1st Version of Windows launched, Network File System, Sinclair C5, 1st British mobile phone, Red phone boxes retired, Madonna's Virgin tour, Mikhail Gorbachev becomes Soviet leader, Bhopal, Live Aid, BBC mirror globe ident (testcard) retired, Back to the Future, Dire Straits - Money for Nothing



1986
peterevans' structure and ethos came into effect very early on in the company's history and still holds true today. The research and development arm was established by Dr Foley in Cardiff where it remains today, with the sales and client support operation located in London, ensuring a close relationship with clients from day one. With their initial products developed and tested the team set out to present their innovations to prospective clients. Far from the slick demos used today this involved hauling a Compaq Portable weighing in at a hefty 28 pounds around the City. The company had grown to five employees.

IBM unveils the PC Convertible - the era of the laptop begins and the Brain virus is released by a 19-year old programmer, who causes the first IBM PC compatible virus epidemic

1986 was also the year that the London Stock Exchange was deregulated and computerisation introduced - Big Bang. Fixed commissions on security trades were eliminated, and face to face trading became less of a focus. IBM was the official technology supplier for the LSE, which held an agreement enabling them to use IBM machines for product development and testing.

Other events included, Space Shuttle Columbia, Voyager 2, Comet Halley, John McCarthy kidnapped, M25 completed, Top Gun, Crocodile Dundee, Aliens, Platoon



1987
Powerpoint, Perl, Kings Cross fire, Michael Jackson - Bad, U2 - With or Without You, George Michael - Faith, Dirty Dancing, Good Morning Vietnam, Moonstruck, Fatal Attraction



1988
Stephen Hawking - A Brief History of Time, Hubble Space Telescope, National League for Democracy founded by Aung San Suu Kyi, Globe Theatre uncovered, Mandela's 70th Birthday, Lockerbie, 1st Comic Relief held, Die Hard, Who Framed Roger Rabbit, Cocktail



1989
Nintendo launch the GameBoy and the world goes crazy for Tetris, Berlin Wall, Exon Valdez, Tiananmen Square, Batman, Indiana Jones and the Last Crusade, Dead Poet's Society, When Harry Met Sally



1990
Windows 3.0 released by Microsoft, Gulf War, Mandela released from prison, Poll Tax introduced, Margaret Thatcher resigns, The Simpsons, Re-unification of Germany, Gorbachev - Nobel Peace Prize, Tim Berners Lee world wide web proposal, British and French sections of the Channel Tunnel meet, Twin Peaks, Home Alone, Pretty Woman, Ghost, Total Recall, r. Dances with Wolves

As the nineties dawned peterevans successes continued and the company grew from strength to strength. With the beginning of the internet revolution on the horizon and a world of new opportunities opening up, peterevans entered the decade with a sense of ambition and optimism.