OpenHedgeFund

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Technology Entrepreneurship 2012
Venture Lab, Stanford University
April 2nd, 2013

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OpenHedgeFund

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Alberto Sfolcini

Information Technology Project Manager at Giorgio Armani S.p.A. Responsible for inbound and outbound worldwide logistics. More than 12 years experience. Passionate about algorithmic trading and machine learning. Founder and lead programmer of tbg-Quant algorithmic trading platform.

Bachelor in Computer Science.

Nataly Abrosimov

A Social Business Designer at Open Knowledge, an international consultancy specialized in empowering companies to realize their potential through Enterprise 2.0 ideas and instruments, innovation idea management, collaborative innovation, Intranet 2.0 and social e-learning. Clients Include: Luxottica, Eni and Vodafone.

She has lived in Canada, Russia, Israel and Italy and speaks five languages.
Master in Business Design. Bachelor in Product & Experience Design.

OpenHedgeFund provides the best portfolio strategies
to the crowd by the crowd.

We empower the crowd to create their own ‘hedge fund’
through an online platform.

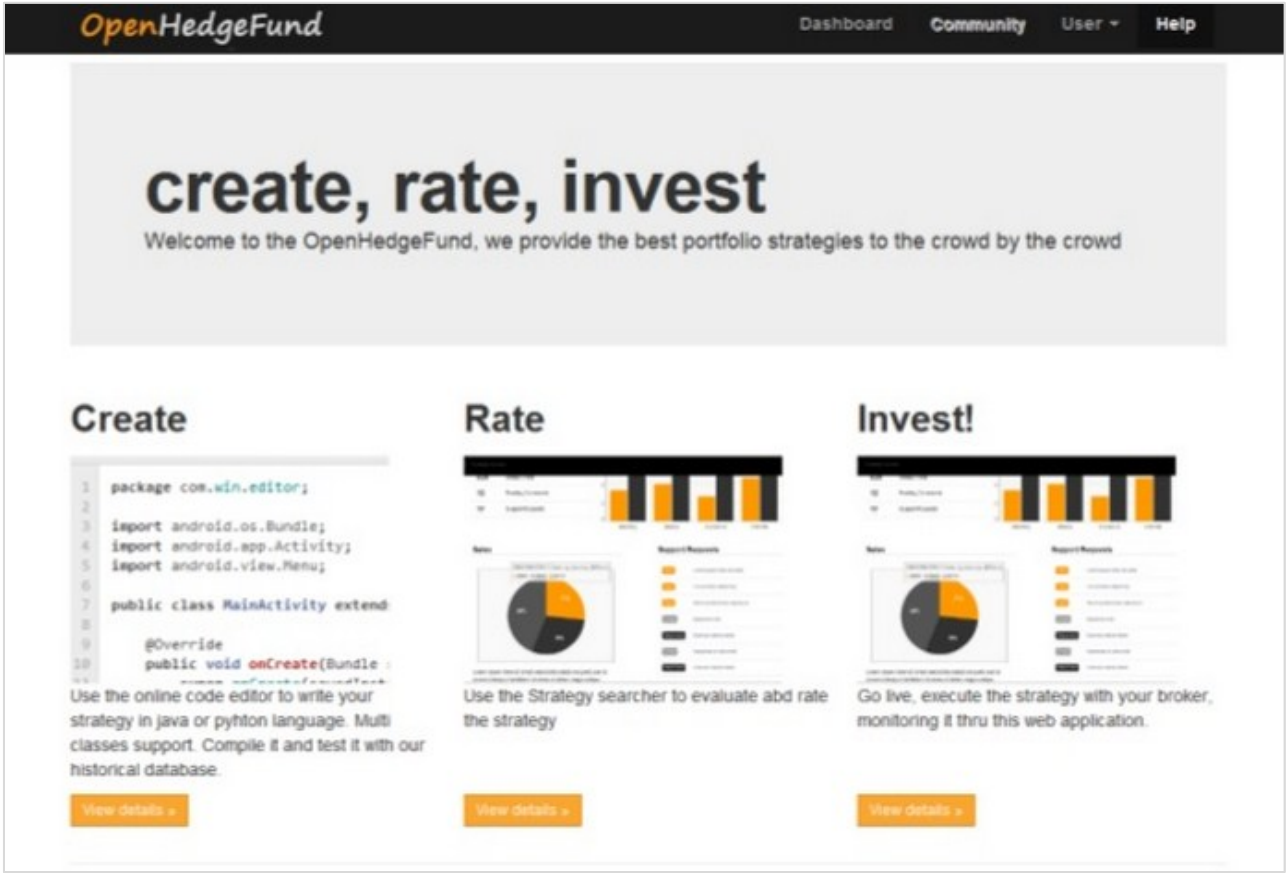
The crowd can then evaluate it, rank it, and use it for trading.

Create, Rate, Invest!

1. Create: ability to develop own personal investing strategy (through an online coding editor)

2. Rate: strategies available to the crowd are rated by the crowd based on performance (back testing and live trading)

3. Invest: live trading with personal account (using publicly rated strategies or private strategies)



Customer Segments

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1. General User/Investor

- invests money himself online
- searches for the best portfolio strategies in order to invest

2. Creator/Fund Manager

- financial stocks hobbyist
- interested in developing and testing own strategies

Revenue Streams

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1. General User/Investor

- invests money himself online
- searches for the best portfolio strategies in order to invest

- Fee per strategy used

- 1% of money invested
- 10% of profit made

  5% OpenHedgeFund,
  5% to Creator/Fund Manager

2. Creator/Fund Manager

- financial stocks hobbyist
- interested in developing and testing own strategies

- Coding/algorithm consulting

- $75 per hour

Total U.S. working professionals

140 million people

1/2 invest in stocks

70 million people

1/2 invest themselves

35 million people

average by those who invest themselves

$30,000

total investment around $1 trillion

Market Size estimated min. at ~ 1% fee per year is ~ $10 billion

Development Status

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key activities	status	estimated cost
Purchase Domain		20$ per year
Software development (tbg-Quant engine framework)		35,000$
Website development		20,000$
IT infrastructure (database, servers)		4,000$ per year
Acquire historical data		TBC
Form broker partnership		TBC
Legal consulting (including company creation)		TBC
Marketing initiatives		1,000$ per year

Return on Investment

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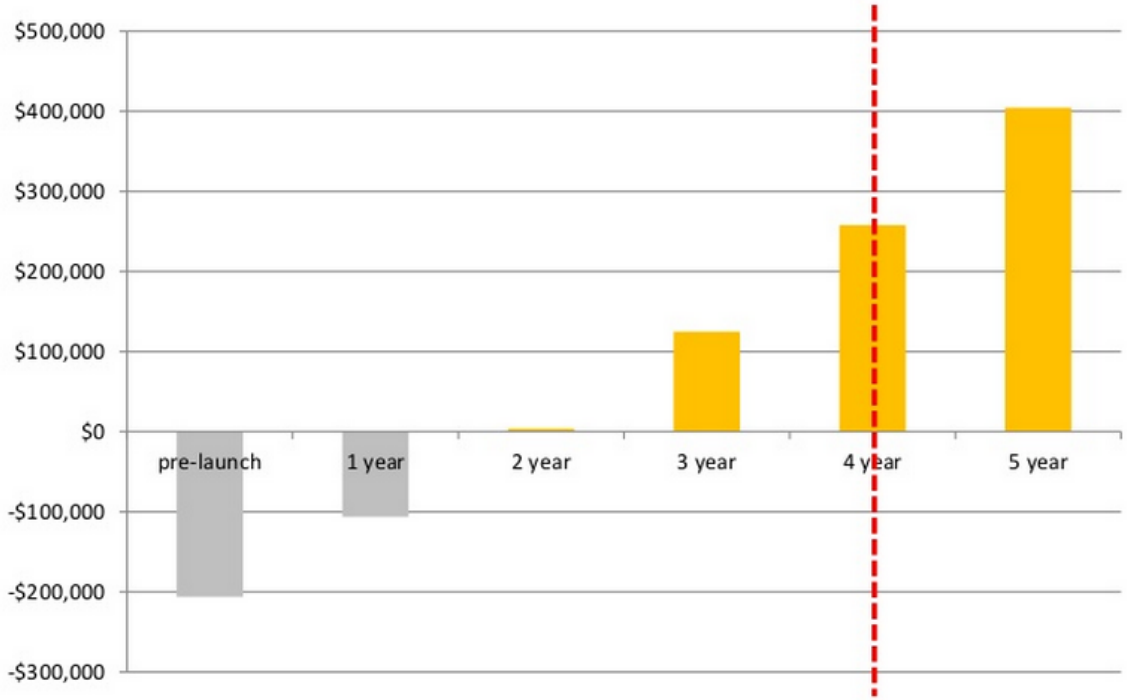

Initial Funding Needed:
$ 210,000 US

Break-even point:
4th year of operation

Return on Investment in 5 years:
232%

Demo

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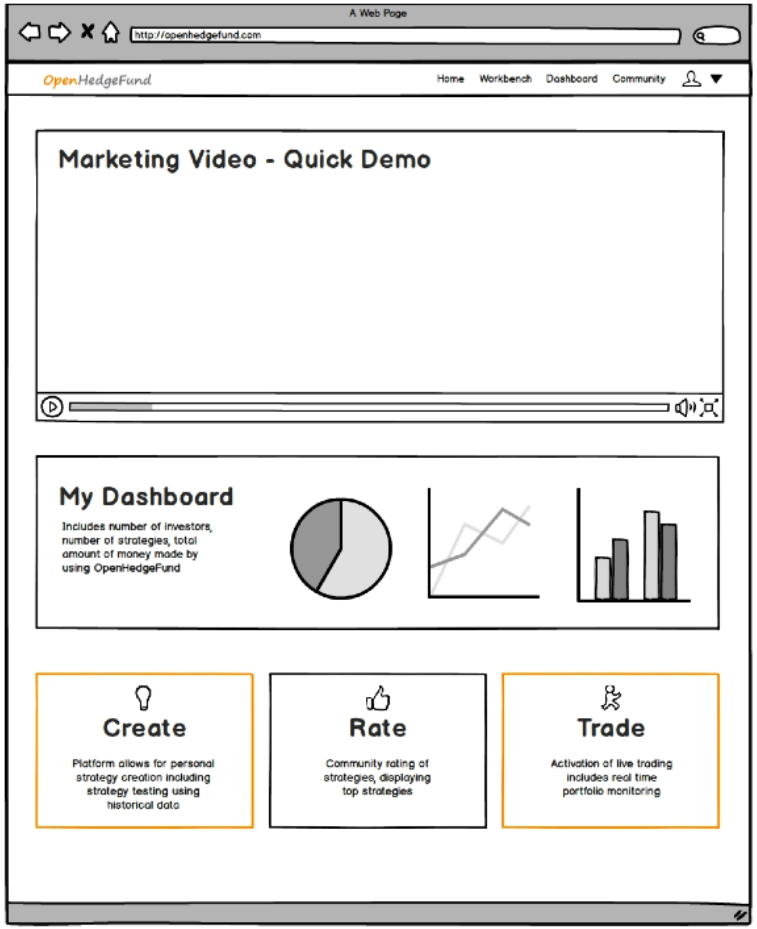

Demo: tbg-Quant Desk (Create & Invest)

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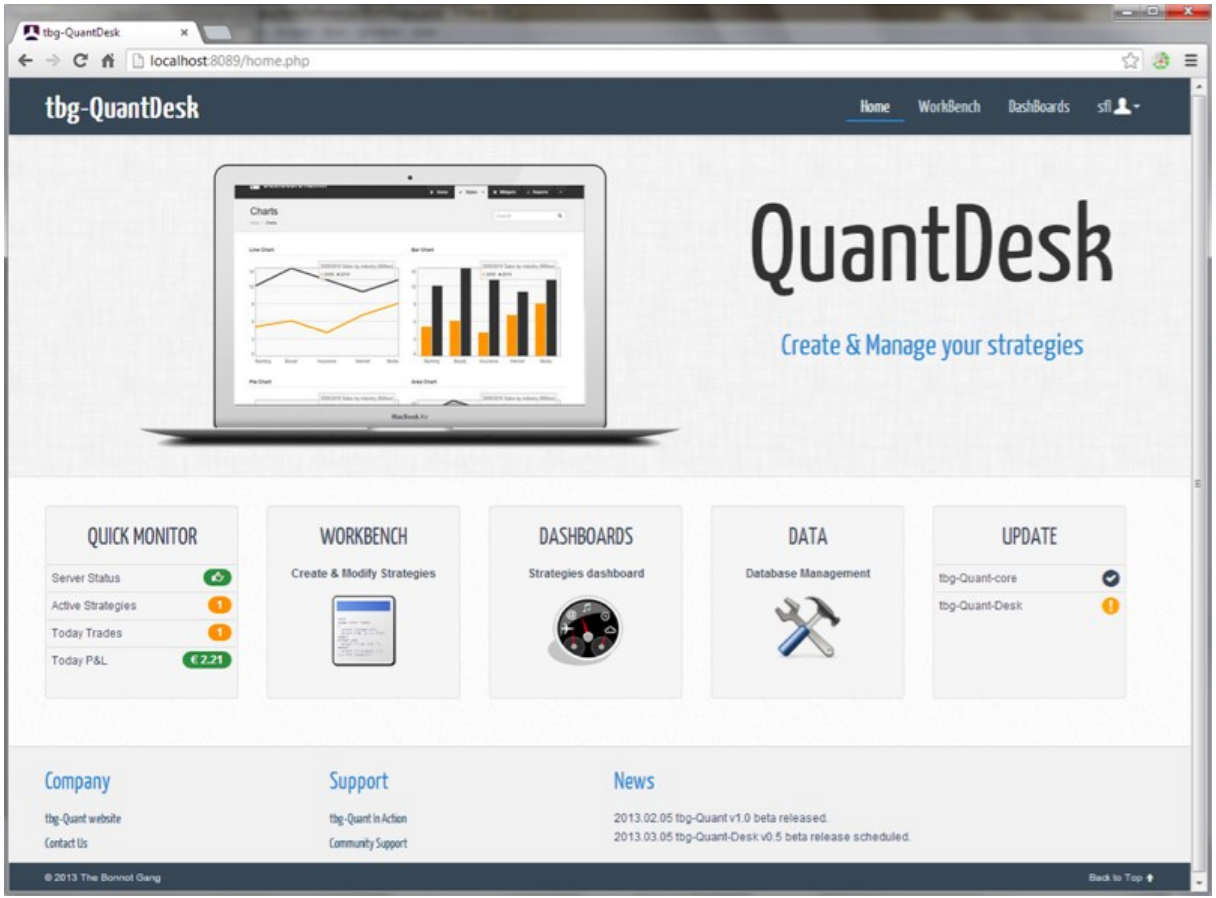
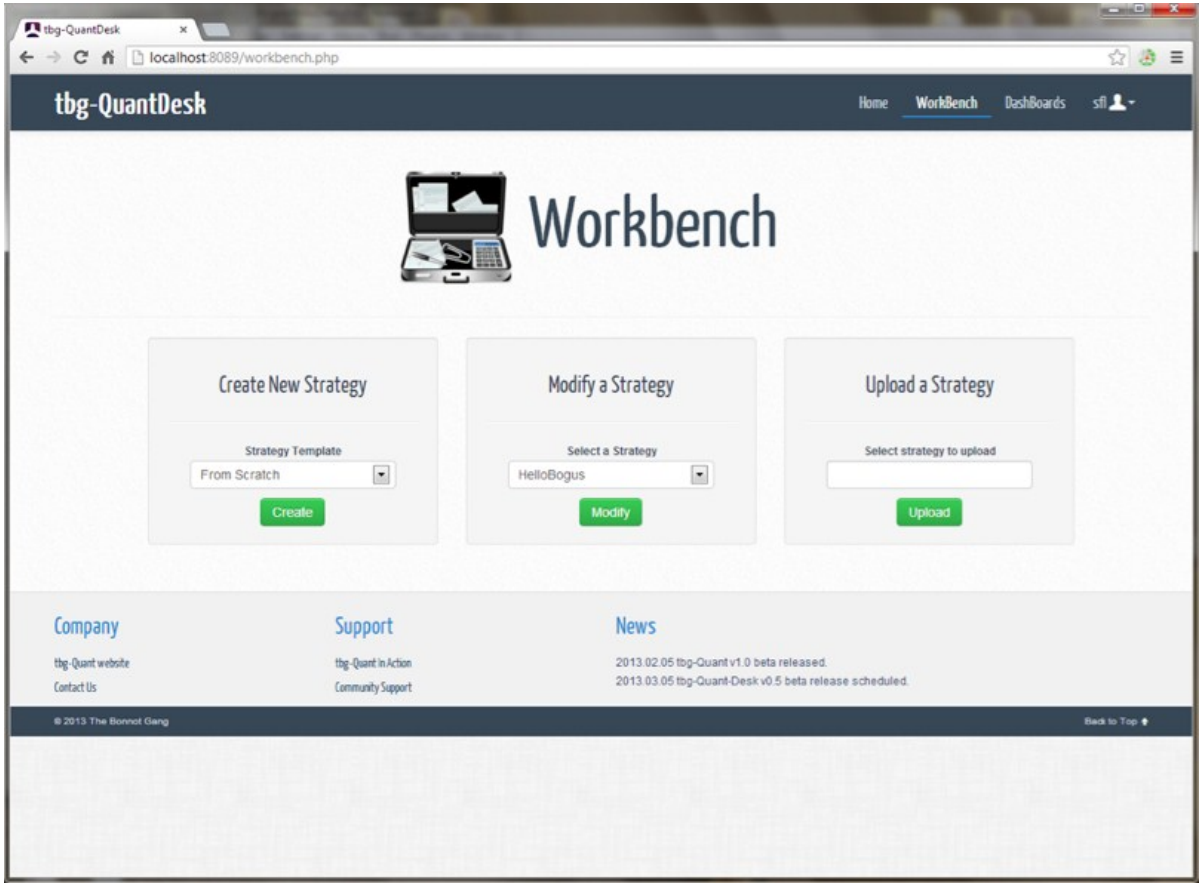


Demo: Create


tbg-QuantDesk
localhost:8089/workbench.php
tbg-QuantDesk
Home
WorkBench
DashBoards
sfl
Workbench
Create New Strategy
Strategy Template
From Scratch
Create
Modify a Strategy
Select a Strategy
HelloBogus
Modify
Upload a Strategy
Select strategy to upload
Upload
Company
tbg-Quant website
Contact Us
Support
tbg-Quant in Action
Community Support
News
2013.02.05 tbg-Quant v1.0 beta released.
2013.03.05 tbg-Quant-Desk v0.5 beta release scheduled.
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Demo: Live Strategy Monitor

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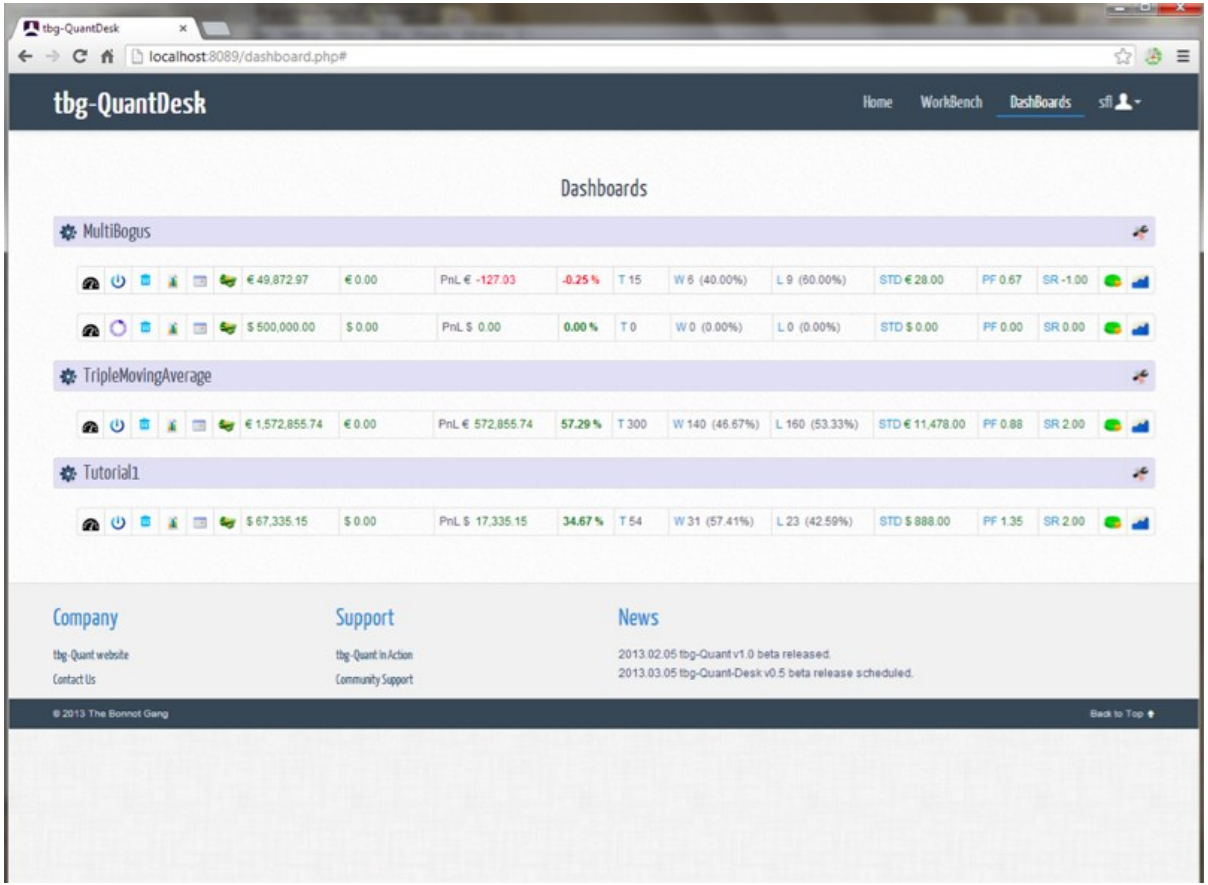

Demo: Live Strategy Monitor (Portfolio Composition)

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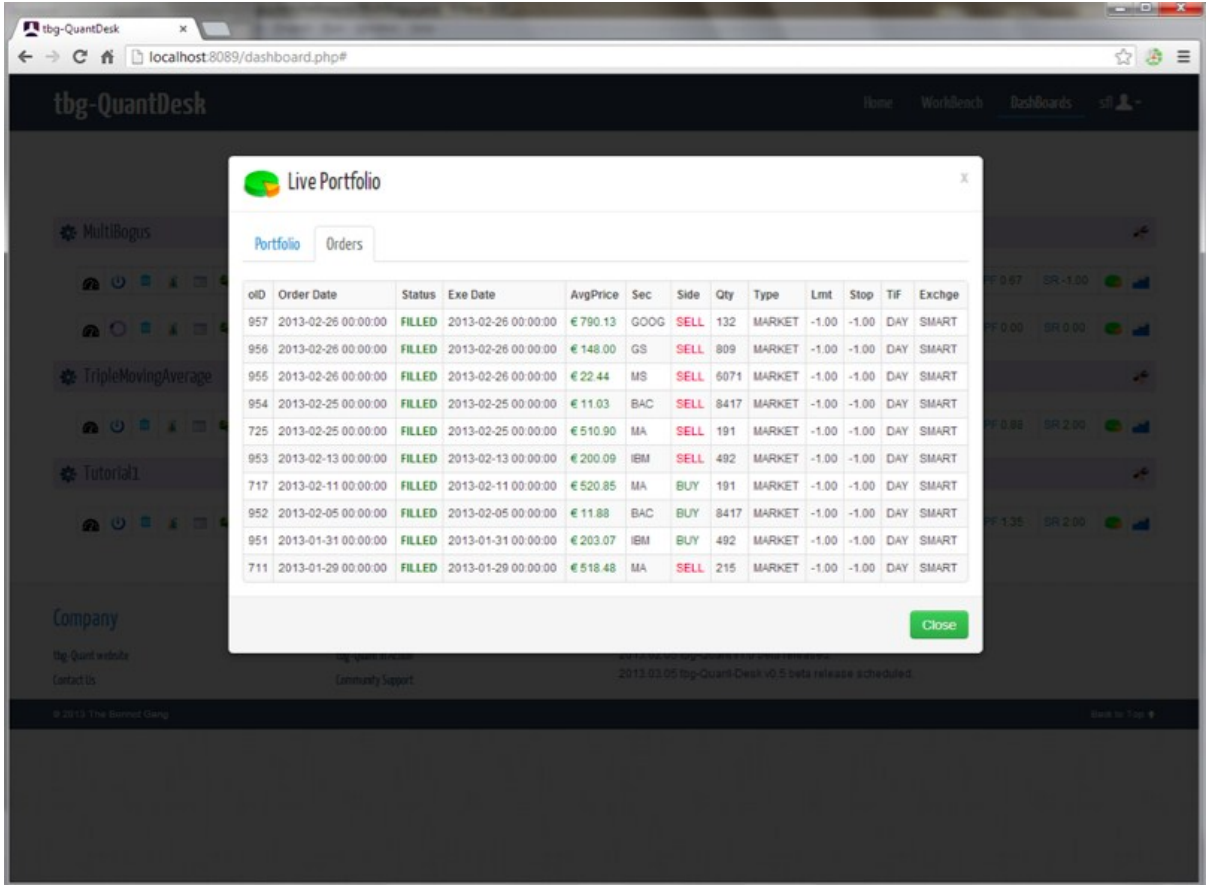

oID	Order Date	Status	Exe Date	AvgPrice	Sec	Side	Qty	Type	Lmt	Stop	TiF	Exchge
957	2013-02-26 00:00:00	FILLED	2013-02-26 00:00:00	€ 790.13	GOOG	SELL	132	MARKET	-1.00	-1.00	DAY	SMART
956	2013-02-26 00:00:00	FILLED	2013-02-26 00:00:00	€ 148.00	GS	SELL	809	MARKET	-1.00	-1.00	DAY	SMART
955	2013-02-26 00:00:00	FILLED	2013-02-26 00:00:00	€ 22.44	MS	SELL	6071	MARKET	-1.00	-1.00	DAY	SMART
954	2013-02-25 00:00:00	FILLED	2013-02-25 00:00:00	€ 11.03	BAC	SELL	8417	MARKET	-1.00	-1.00	DAY	SMART
725	2013-02-25 00:00:00	FILLED	2013-02-25 00:00:00	€ 510.90	MA	SELL	191	MARKET	-1.00	-1.00	DAY	SMART
953	2013-02-13 00:00:00	FILLED	2013-02-13 00:00:00	€ 200.09	IBM	SELL	492	MARKET	-1.00	-1.00	DAY	SMART
717	2013-02-11 00:00:00	FILLED	2013-02-11 00:00:00	€ 520.85	MA	BUY	191	MARKET	-1.00	-1.00	DAY	SMART
952	2013-02-05 00:00:00	FILLED	2013-02-05 00:00:00	€ 11.88	BAC	BUY	8417	MARKET	-1.00	-1.00	DAY	SMART
951	2013-01-31 00:00:00	FILLED	2013-01-31 00:00:00	€ 203.07	IBM	BUY	492	MARKET	-1.00	-1.00	DAY	SMART
711	2013-01-29 00:00:00	FILLED	2013-01-29 00:00:00	€ 518.48	MA	SELL	215	MARKET	-1.00	-1.00	DAY	SMART

Demo: Live Strategy Monitor (Equity Line Chart)

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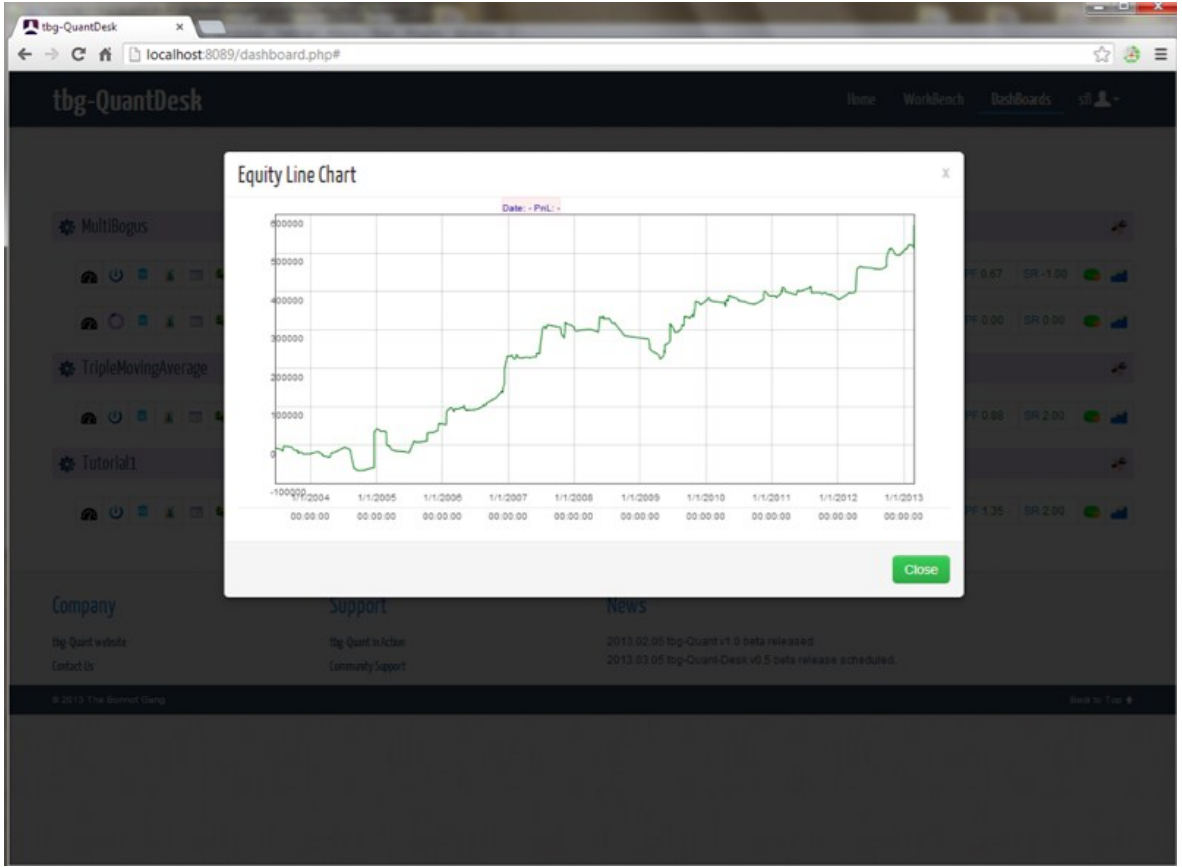

Competitor's Map

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	online strategy creation	crowd rating	automated trading	intuitive user experience	incorporates gamification	cost to consumer
Quantopian	●			●		$
collective2		●	●			$$$
eToro		●		●	●	$$$
OpenHedgeFund	●	●	●	●	●	$

the best portfolio strategies
to the crowd by the crowd.