



*Index Timing
Generating absolute Alpha*

*IndiceA Business Plan
(31 October 2016)*



The next generation equity index based asset manager

From Artificial Intelligence to Outperformance & absolute Alpha

High return

Low risk

Low exposure

by

Benoit Rivollet – Executive Director Development, Olivier Nifle – Secretary General, Jean-Pierre Wang – CEO

(31 October 2016)

- IndiceA is a FinTech company based on an Index Timing technology allowing financial institutions to have a clear and complete understanding of the next Index fluctuations in order to wisely manage their assets.
- IndiceA technology is based on forward prediction in order to provide to our clients with three potential indications on index:
 - **Short**, the market will go down (and buy at the closing)
 - **Long**, the market will go up (and sell at the closing)
 - **Flat**, go to another market because this one is uncertain.
- In the trend of Artificial Intelligence, IndiceA prediction is based on mathematical and automation adaptive models.
- IndiceA is a reliable technology with a high Return On Investment. The system technology has been tested and validated since 07/10/2013 (3 years live track record from 07/10/2013 to 10/10/2016). Since inception, IndiceA has outperformed the European equity market EuroStoxx50 by more than +51% (annual risk-adjusted return +15% vs 1% = 15 times better return), at the same time with much less risk of max drawdown than the market (only 6% vs 27% = 4 times less risk), and with low exposure (only 54 weeks vs 157weeks = 3 times lower than market).
- In a short term, IndiceA provides outperformance-based portfolio and risk management solutions to financial institutions and build tailor-made strategies that suit specific goal. The core business application will be the creation of 3 Asset Management units, one in Europe (open in 2017), one in Asia (open in 2019) and one in USA (open in 2021).
- As an Asset Management structure, IndiceA will charge a percentage fixed management fee of the asset under management and performance fee.
- IndiceA is already successful with the first paying clients-investors confirmed.

The actual financial forecasting system

Reading W.Buffet : no one can beat the benchmark index, no one can overcome them.

Buffett pulls ahead in wager against hedge funds

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	3,620%	1,180%	-0,990%	0,490%	4,060%	3,110%	4,700%	0,520%	4,050%	-1,270%	-0,190%	1,290%
1998	-0,190%	3,760%	3,540%	1,150%	-1,680%	0,230%	-0,460%	-7,810%	1,050%	2,170%	3,780%	2,950%
1999	2,230%	-0,840%	3,480%	4,920%	1,150%	4,130%	0,820%	0,320%	0,740%	1,900%	5,330%	7,730%
2000	0,950%	6,760%	1,740%	-1,470%	-1,000%	3,260%	0,060%	3,740%	-0,710%	-1,070%	-2,520%	2,200%
2001	3,040%	-1,440%	-1,110%	2,020%	1,470%	0,510%	-0,570%	-0,180%	-2,580%	1,840%	2,020%	1,710%
2002	0,660%	-0,480%	1,870%	0,620%	0,380%	-1,490%	-2,240%	0,590%	-1,240%	0,720%	2,090%	0,010%
2003	0,530%	0,090%	0,120%	2,530%	3,230%	1,350%	1,160%	1,660%	0,970%	2,290%	0,940%	1,830%
2004	1,810%	1,140%	0,650%	-1,220%	-0,440%	0,700%	-0,850%	0,120%	1,520%	0,840%	2,700%	1,560%
2005	0,120%	2,020%	-0,860%	-1,530%	0,850%	1,520%	2,290%	1,060%	2,180%	-1,410%	1,920%	2,140%
2006	3,500%	0,610%	1,970%	1,730%	-1,840%	-0,390%	0,020%	0,960%	0,110%	1,800%	1,760%	1,610%
2007	1,130%	0,790%	0,910%	1,590%	2,000%	0,720%	0,370%	-1,450%	2,510%	2,870%	-2,070%	0,520%
2008	-3,260%	1,230%	-2,380%	1,930%	1,820%	-1,730%	-2,100%	-1,210%	-6,990%	-8,410%	-2,800%	0,370%
2009	-0,140%	-1,460%	2,040%	4,270%	5,570%	0,370%	2,970%	1,780%	3,190%	-0,060%	1,330%	1,840%
2010	-0,410%	0,760%	2,820%	1,270%	-3,230%	-1,050%	1,930%	-0,400%	3,470%	1,980%	0,510%	2,930%
2011	0,440%	1,160%	0,230%	1,140%	-0,850%	-1,050%	-0,090%	-3,690%	-4,290%	3,450%	-1,370%	-0,450%
2012	3,100%	2,310%	0,030%	-0,580%	-3,040%	0,590%	0,740%	0,980%	1,610%	0,120%	0,530%	1,700%
2013	2,480%	0,280%	1,370%	0,540%	0,870%	-1,520%	1,620%	-0,610%	2,030%	1,710%	0,760%	1,140%
2014	-0,410%	1,870%	-0,070%	-0,200%	1,110%	1,380%	-0,580%	1,160%	-1,260%	-0,290%	0,600%	-0,420%
2015	-0,100%	2,200%	0,420%	1,080%	0,810%	-1,090%	-0,550%	-2,500%	-1,690%	2,220%	0,220%	-0,860%
2016	-2,990%	-0,350%	2.45%*	1.04%**								

Barclayhedge fund index year by year, good but not excellent, and below the index...

Five years into a ten-year bet that an S&P index fund can beat hedge fund funds-of-funds, Warren Buffett is in the lead for the first time.

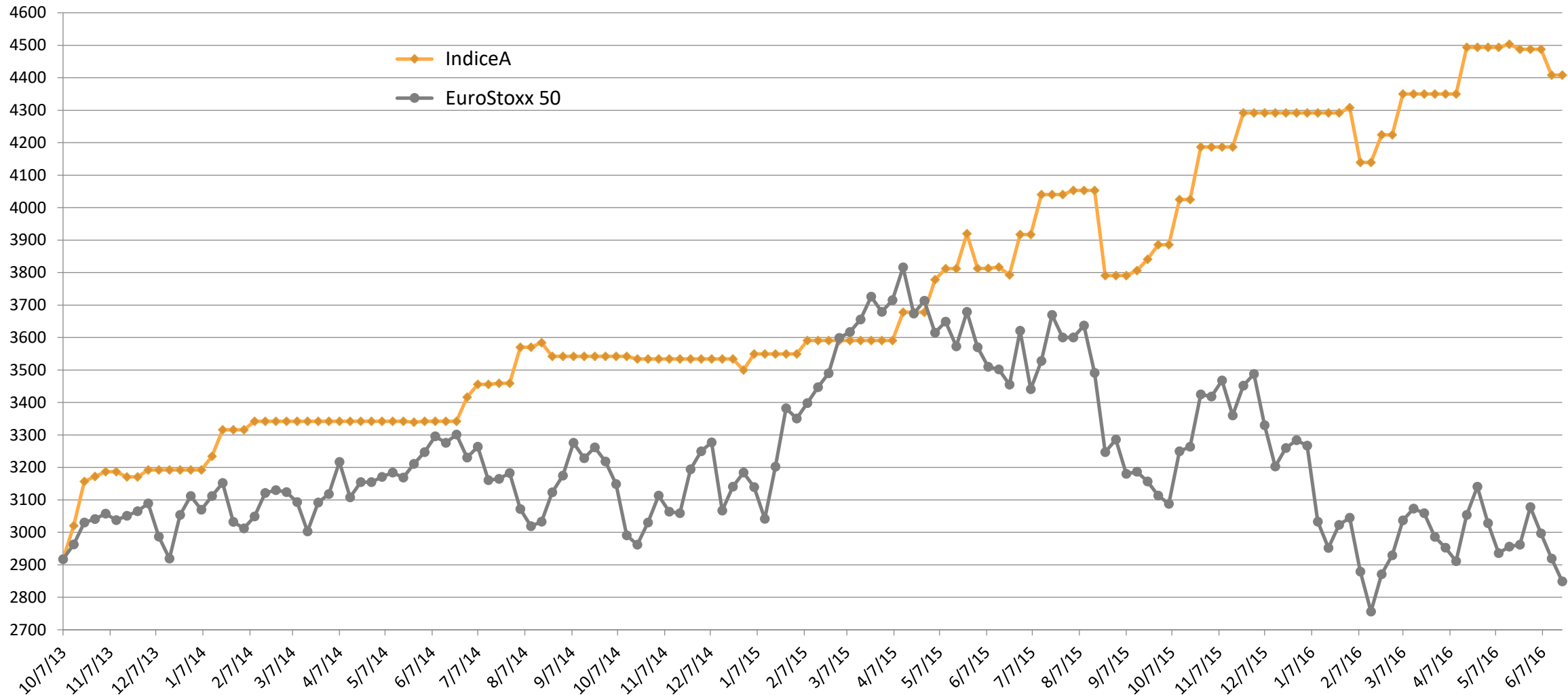


Warren Buffett

FORTUNE — It's halfway time in the 10-year stock market wager sometimes called The Million-Dollar Bet—that's Warren Buffett backing the performance of an S&P index fund vs. a New York money manager backing five funds of hedge funds—and there's double-barreled news.

No one beats the index ? IndiceA does

From 07/10/2013 to 20/06/2016

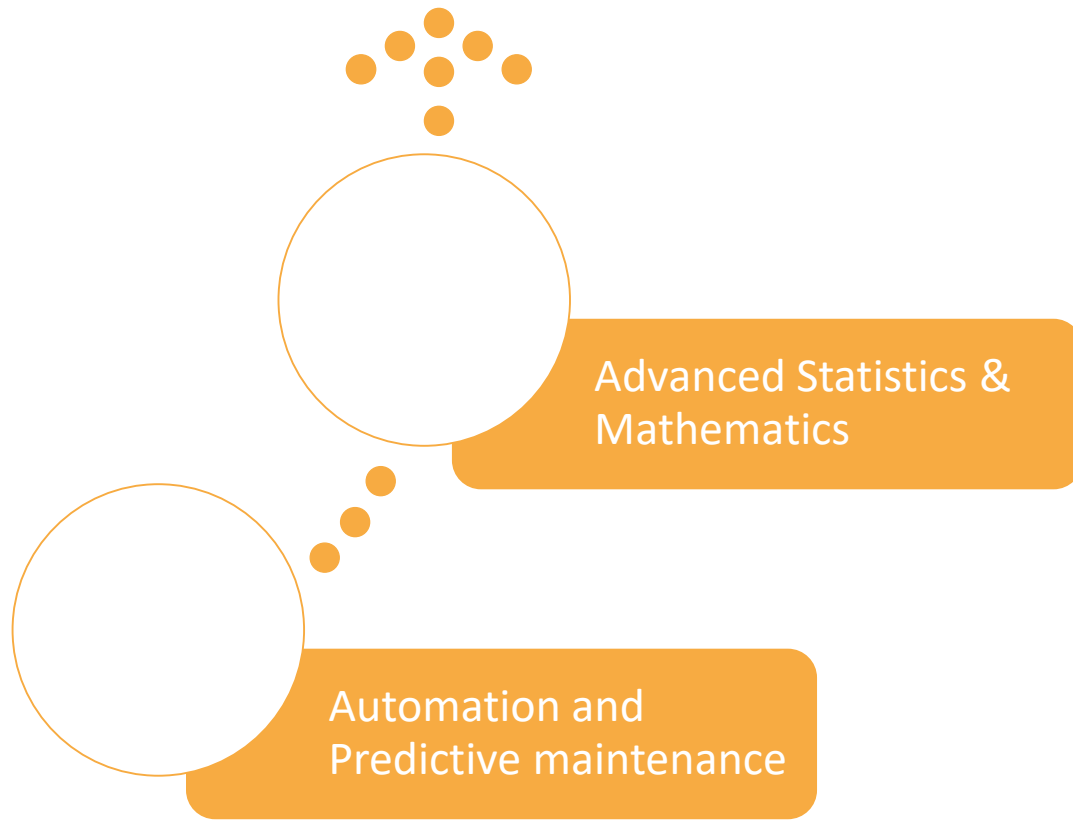


Since 2013, IndiceA has beaten the Index

<i>Performance</i>	<i>EuroStoxx50 = 2849 (100% SX5E)</i>	<i>IndiceA = 4408 (100% IndiceA)</i>
<i>Total Return</i>	-2.83%	+51.06%
<i>Compound Annual Return</i>	-0.85%	+16.44%
<i>YTD Return</i>	-12.79%	+2.70%
<i>Average Monthly Return</i>	-0.07%	+1.27%
<i>Average Weekly Return</i>	-0.01%	+0.29%
<i>Worst drawdown</i>	-27.77%	-6.46%
<i>Annual Standard Deviation</i>	19.12%	9.15%
<i>Sharpe Ratio (+)</i>	-0.04	1.79
<i>Correlation vs. SX5E</i>	1	0.4121
<i>Beta vs. SX5E</i>	1	0.1973
<i>Alpha (++) vs. SX5E</i>	0	+17.29%

Where does the innovation come from ?

Artificial Intelligence : Big Data, predictive model, filter theory

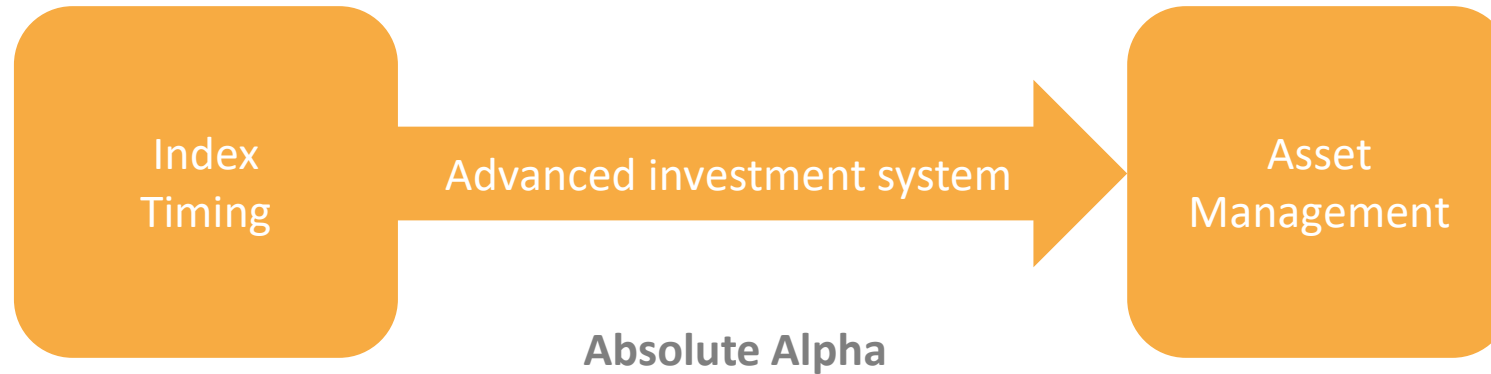


IndiceA is at the edge of these 2 sciences

- The Index Timing technology developed by IndiceA needs the joint expertise on 2 fields Automation and Mathematics
- Today, none of these sciences can provide by themselves a such advanced solutions as IndiceA.
- The innovation is a smart combination of these two sciences and can not be mimic by other ways. At this point, only Jean-Pierre Wang and his scientific team have the combine expertise to run this technology.
- The innovation comes from 20 years of research of Jean-Pierre Wang and Pierre Bernhard (founder of Inria Sophia-Antipolis)

IndiceA disruptive proposal : Index Timing

A timed prediction based on real-time dynamic system approach.

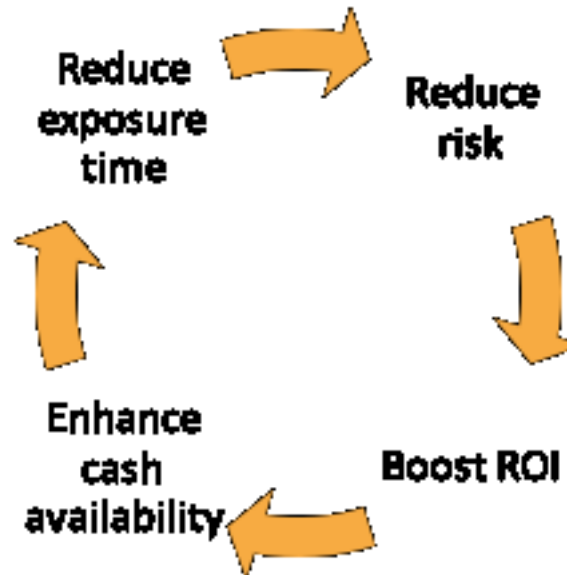


Index timing calculation is made on a tailor-made base :

- Daily
- Weekly
- Monthly...

At each step, the client receive the prediction and choose to go or withdraw.

Each action is guided by clients' requierment in terms of return, risks, duration, need of cash availability...



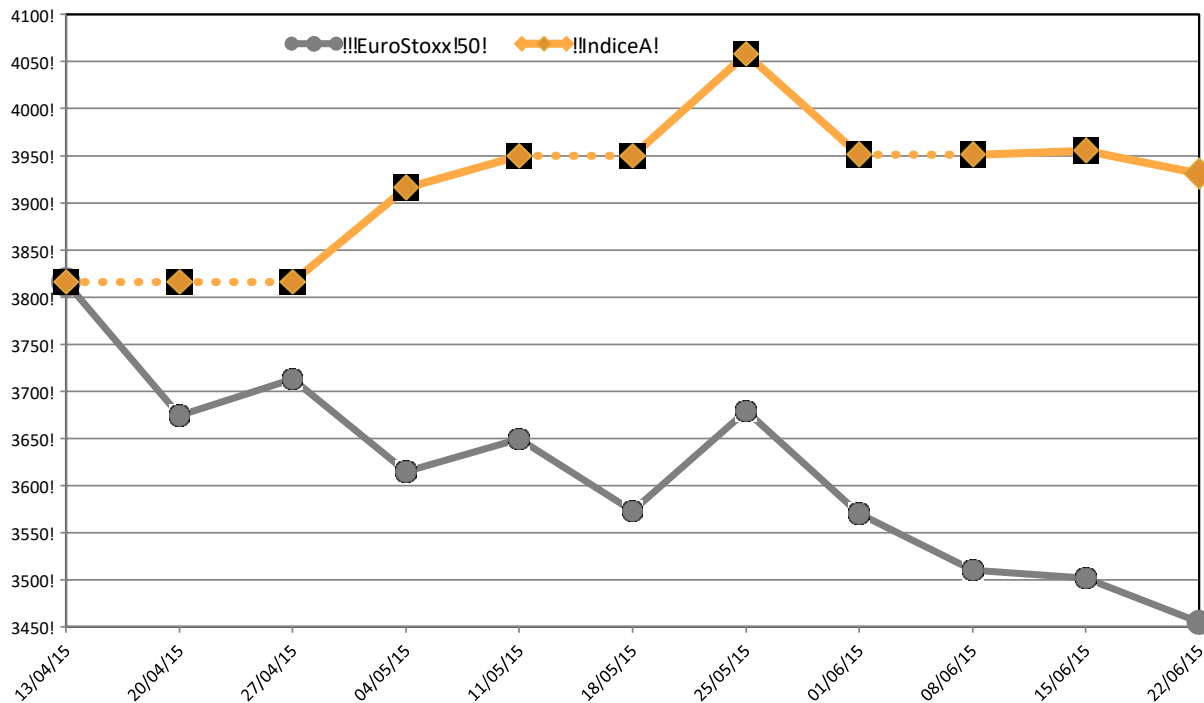
IndiceA provides its clients with 3 potential indications:

- **Short**, the market will go down (and buy at the closing)
- **Long**, the market will go up (and sell at the closing)
- **Flat**, go to another market because this one is uncertain.

It works !

Exposure IndiceA: Between 0 – 100%

Performance	EuroStoxx50 = 2849 (100% SX5E)	10% IndiceA = 3004 (90% SX5E + 10% IndiceA)	50% IndiceA = 3628 (50% SX5E + 50% IndiceA)	IndiceA = 4408 (100% IndiceA)
1. Return (%)	-2.33%	+2.98%	+24.37%	+51.11%
2. Risk (Max drawdown)	-27.77%	-23.87%	-11.37%	-6.46%
3. Time (Weeks exposure)	141 weeks	141 weeks	141 weeks	49 weeks



Time exposure:

SX5E = 141 weeks
IndiceA = 49 weeks

SX5E Time exposure ratio (141/141) = 100%
IndiceA Time exposure ratio (49/141) = 34%

Positive return weeks:

SX5E = 80 weeks
IndiceA = 38 weeks

SX5E Time exposure ratio (80/141) = 57%
IndiceA Time exposure ratio (38/49) = 78%

Negative return weeks:

SX5E = 61 weeks
IndiceA = 11 weeks

SX5E Time exposure ratio (61/141) = 43%
IndiceA Time exposure ratio (11/49) = 22%

Our values: Outperformance & absolute Alpha

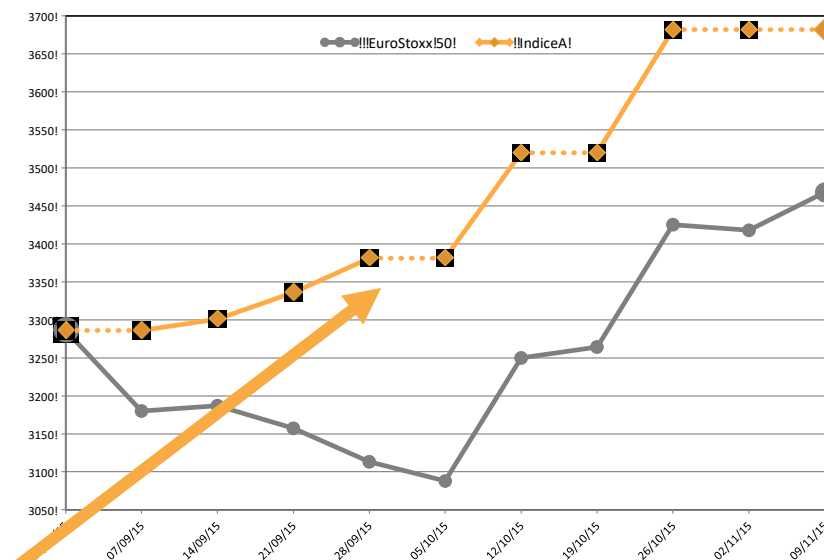
Performance	EuroStoxx 50 = 3468	IndiceA = 3682
Return (%)	+5.53%	+12.05%
Risk (Max Drawdown)	-6.02%	-0.00%
Time (Weeks exposure)	10	5

Boost ROI

Reduce risk

Reduce exposure time

Enhance cash availability



At each order, the user can choose to go or to withdraw so the cash is available.
At each opening, our users know if they need to buy or sell first, or if they should stay out and withdraw their assets.

- Powerful and reliable technology
- Validated track record since 2013
- High level team of partners and board members
- Complete structuration with a core technology and applicative subdivisions
- Sales of Index Timing customized solutions

Index Timing

Asset Management

- Traditional Business Model of Asset Management based on IndiceA technologies.
- Operational development plan with dedicated partners used to evolve in this sector



Why are we so disruptive ?

Disruptive to existing methods

- Not a simple application of optimized back-testing methods
- But a forward-testing dynamic real-time system process, with a constant learning and updating
- Focused on a simple & clear objective: Index Timing – generating outperformance and absolute Alpha

Disruptive to data/software providers

- Not an index to averaging markets or a software tool adding functional calculations
 - But an advanced investment system
 - Aligned with asset managers & investors' ultimate goal : Outperformance
 - Which creates real value for asset management and for investors: absolute Alpha
-
- 1) Return: > benchmark index
 - 2) Risk: < benchmark index
 - 3) Time: < benchmark index

Disruptive to asset manager

- Not a money management fees-based financial products
- But a performance-oriented unambiguous pure index point-based criteria: outperformance & absolute Alpha
- Supported by a rigorous engineering methodology with a complete system architecture
- Applied to precisely defined time horizons (1 day, 1 week, 1 month)
- And to globally diversified markets (EU: Eurostoxx50, US: S&P500, China: CSI300)

IndiceA has 2 types of client



For private clients

- Benefits of IndiceA absolute Alpha (return, risk and exposure) and possibility of diversification in several markets (EU/US/China) and in several time horizons (1 Day, 1 Week, 1 Month),
- And you get:
 - 100% control
 - 100% transparency
 - 100% daily liquidity

For institutional clients

- Benefits of IndiceA absolute Alpha (return, risk and exposure) and possibility of diversification in several markets (EU/US/China) and in several time horizons (1 Day, 1 Week, 1 Month)
- And you get:
 - Simplification, transparency, and liquidity
 - Cost-efficient & Cost-effective

IndideA faces 2 types of competitors

Internal models of Asset Managers

- Main competitors are internal expertises and models - “Not invented here” syndrom
- “Black box” model / internal model
- IndiceA Strengths : additional tool for asset strategy and “not in the market” position
- IndiceA strategy : convince Index management new comers to enter this market using IndiceA tools

FinTech – Asset Management

- Artificial Intelligence, Data Science, Machine learning are trendy : emerging FinTech robot
- IndiceA Strengths : proven model and strength scientific background
- Who are the FinTech competitors ? ETS, CFM => big successes ! Let's do it.
- IndiceA strategy : better performance than competitors

Already started

Asset Management activities

GIPS certifications
(3Y)

Opening of IndiceA
in Luxembourg in
JV with a local actor

CSSF accreditation

Business development

> 20 tests
running

**November
2016:
1st signed
contract !**

First paying
clients

Global business
development

- While comforting our position of Index Timing provider for the private and institutional structures, IndiceA will develop its own subsidiaries in order to support regional Asset Management activities, first in Luxembourg, then in ASIA and US.
- The core structure in Sophia-Antipolis will continue to develop advanced investment systems and handle the Index Timing services. These services will be sold to historical clients and used by the Asset Management structures bounded to IndiceA in the different area.
- Each regional subsidiary will be built as a Joint Venture with regional actors authorized to work as Asset Manager in their jurisdiction and having the network to support IndiceA development at regional level.
- As a mid term objective, IndiceA will have secure enough Index Timing clients to support the Asset Management activities.

Executive management

Jean-Pierre Xiao-Min Wang **Founder**

- CEO of IndiceA
- PhD. Mathematician & automation engineer
- 20 years of experience in index timing R&D

Benoit Rivollet **Partner**

- Serial Entrepreneur
- CEO of Tech2Market
- President at DiamLite
- 20 years of experience in innovation management and strategy.

Olivier Nifle **Partner**

- PhD
- CEO CESCE France
- former CEO Coface BELUX
- 16 years of business development
- 6 years in banking companies including 'Banque de France'
- 20 years experience in insurance-banking

Partners – early investors

Cyril D **Partner**

- PhD
- Executive Director in an investment Bank

Philippe Jullian **Partner**

- Former CFO at Air Liquide

Pierre Bernhard **Scientific Advisor**

- PhD, Upcoming IndiceA Scientific Committee President
- Worldly recognized mathematician & automation scientist
- Previous professor in French leading institutions (Paris-Dauphine, École Nationale Supérieure des Mines de Paris)
- Founder of INRIA Sophia-Antipolis

We are supported by innovative ecosystems



Scientific exchanges with researchers



Our incubators in Sophia Antipolis



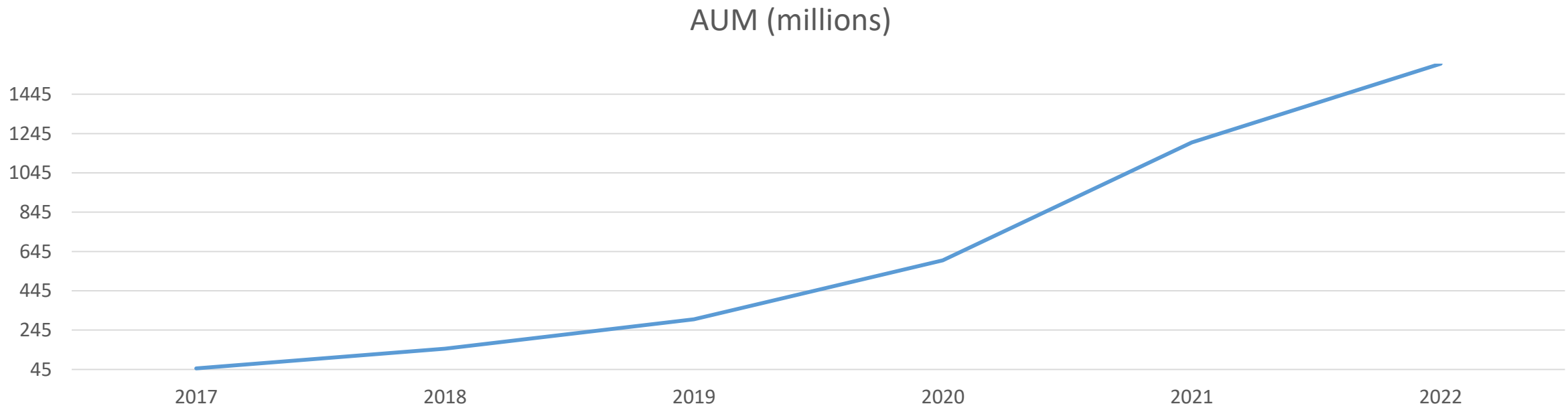
Our offices in business pole – Sophia Antipolis



Public financing support (expected soon)

Assets Under Management - AUM

- The Assets Under Management AUM activities will return a 2% fees of the managed funds :
 - In 2017, 50 millions € will be managed by IndiceA up to 1 200 M€ in 2021.
 - Each AM subsidiary will be a JV with regional partner. Those divisions will return dividends and pay for the use of the technology.



Financial data

	2017		2018		2019		2020		2021		2022
Investments	27		46		72		96		126		117
Loans Reimbursement											
Loans Reimbursement											
Other											
Working Capital	0		113		108		50		333		633
TOTAL FINANCIAL NEEDS	27		159		180		146		459		750
EQUITY	1 500		0		0		0		0		0
Beginning Cash Balance											
Cash Flow	-441		102		232		1 434		4 023		10 007
Other public subsidies											
Loan											
Other											
TOTAL RESSOURCES	1 060		102		232		1 434		4 023		10 007
Yearly Cash	1 033	0	-57	0	52		1 288		3 564		9 256
Cumulative Yearly Cash			976		1 027		2 316		5 879		15 136

Cost estimation : mainly highly qualified staff

For IndiceA Sophia

Summary recruitments

	2017	2018	2019	2020	2021	2022	Total
CEO	1	0	0	0	0	0	1
CTO / Nvx Xt	1	0	0	0	0	0	1
Sales	1	1	3	1	3	0	9
Research Seniors	1	1	1	1	1	0	5
Reserach Juniors	1	2	1	2	2	0	8
Admin	1	1					2
TOTAL New Recruitments	6	5	5	4	6	0	26
TOTAL STAFF	6	11	16	20	26	26	

For one AM unit

450 k€ a year in average all cost included

What's next ?

Fund raising

1,5 millions
(50% already
secured)

To carry out the
development of
each phase

Recruitment

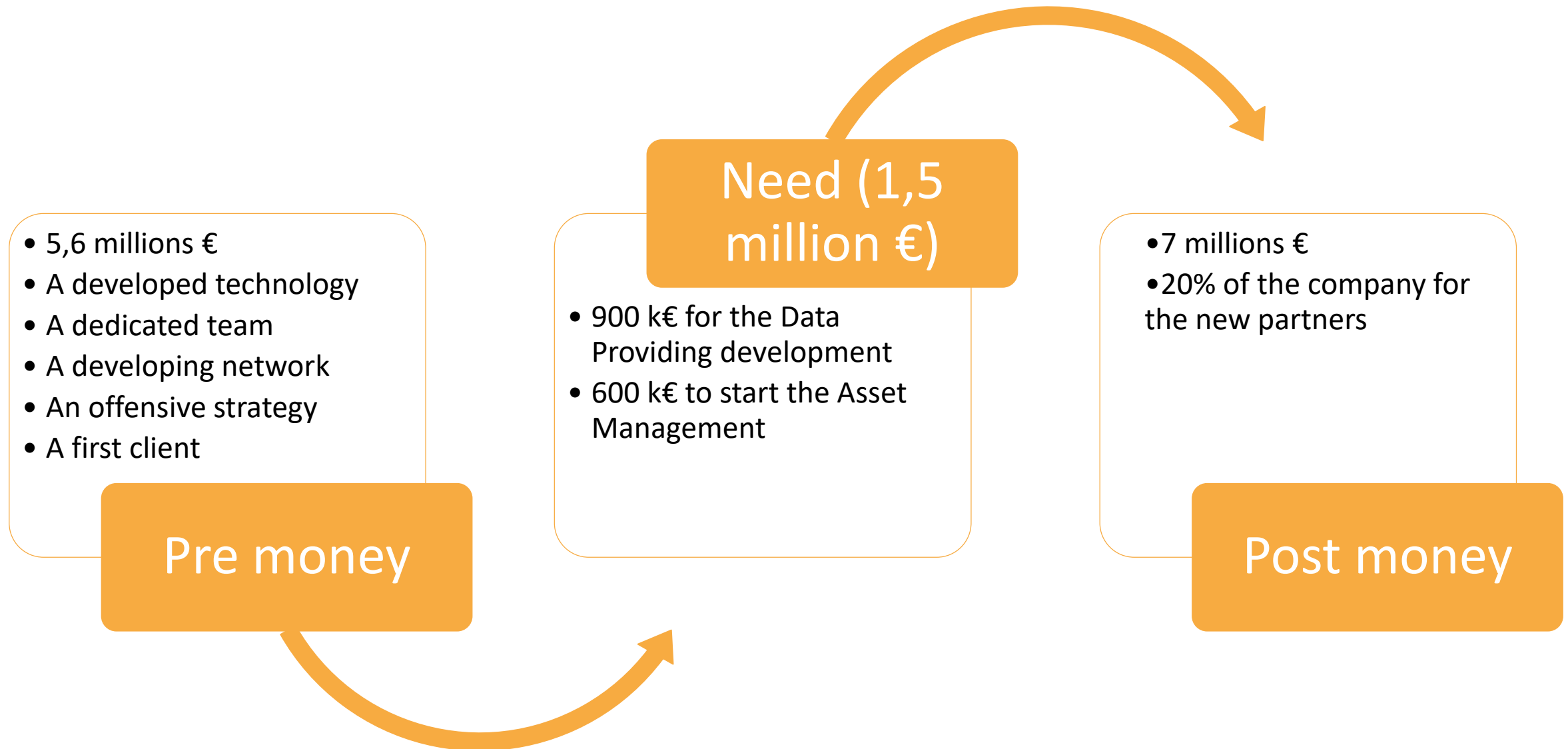
Technical

Commercial

Business Development

Gather clients

Manage client
portfolio



IndiceA

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