NeoInvest

Empowering asset managers to build, automate and Deploy data–driven investment strategies.
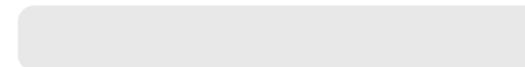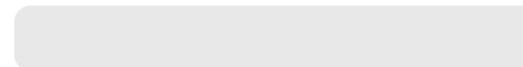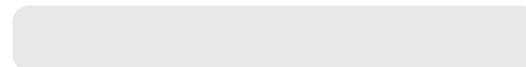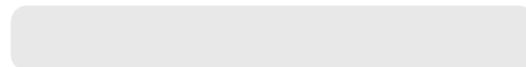
Labellisé par Finance Innovation

HEC PARIS

STATION F

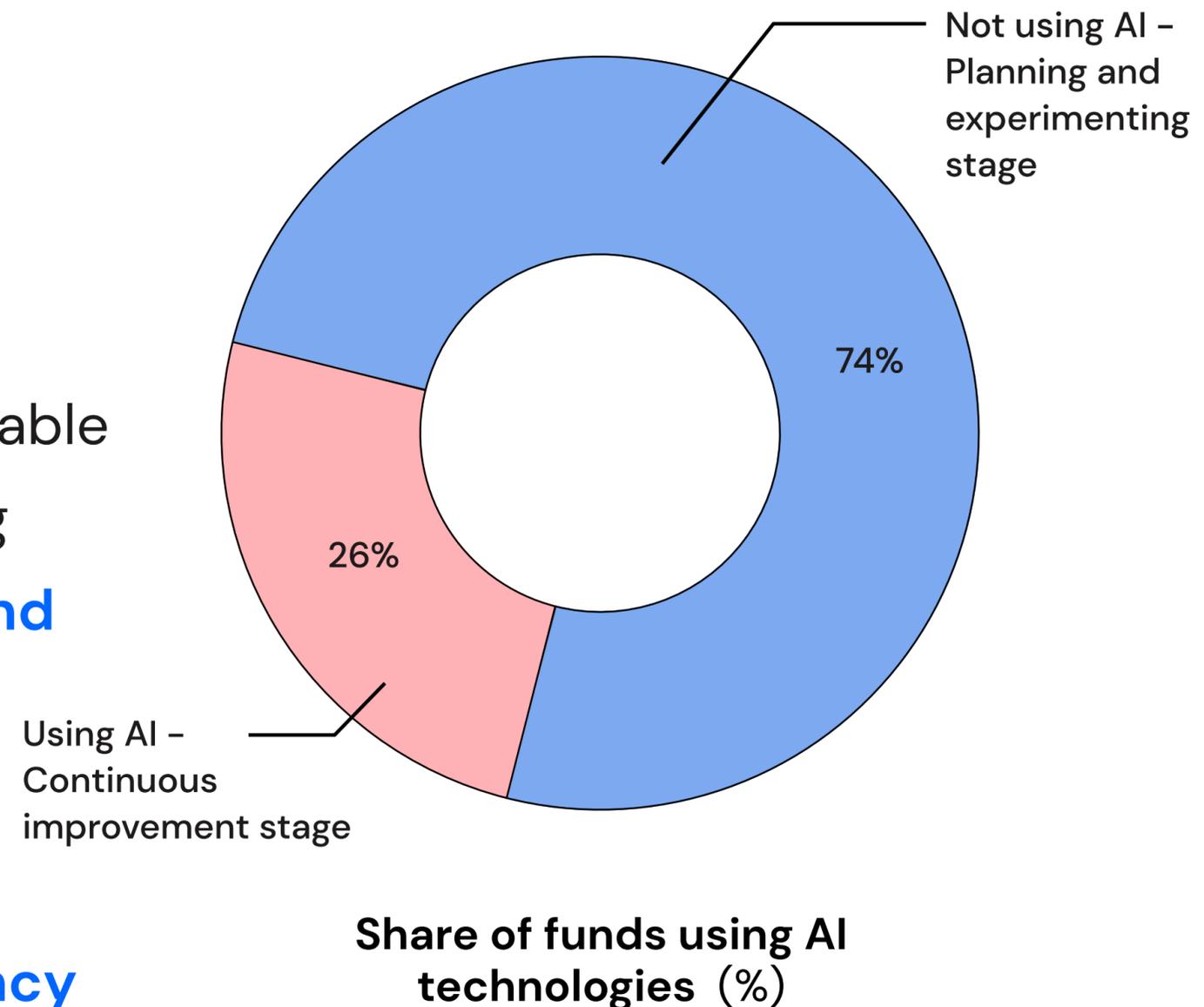| PRODUCT	MARKET & BUSINESS PLAN	COMPETITION	TEAM & ROADMAP

CONTEXT

Machine Learning in finance

Marchine Learning (ML) is **a subset of Artificial intelligence** (AI). ML models are able to **identify signals** and capture underlying relationships in data in a way that is **beyond the ability of humans**.

The deployment of **Machine Learning in finance** improves asset managers **efficiency** and enhances the **quality of financial services and product**.

Not using AI – Planning and experimenting stage

74%

26%

Using AI – Continuous improvement stage

Share of funds using AI technologies (%)

Source: ARTIFICIAL INTELLIGENCE, MACHINE LEARNING AND BIG DATA IN FINANCE, OECD 2021

Technology: The game changer

AI/ML funds are **outperforming** conventional funds by more than **150%** over the last 10 years.

Consequently, funds are massively experimenting and developing AI/ML solutions to **improve** their investment **performance**.
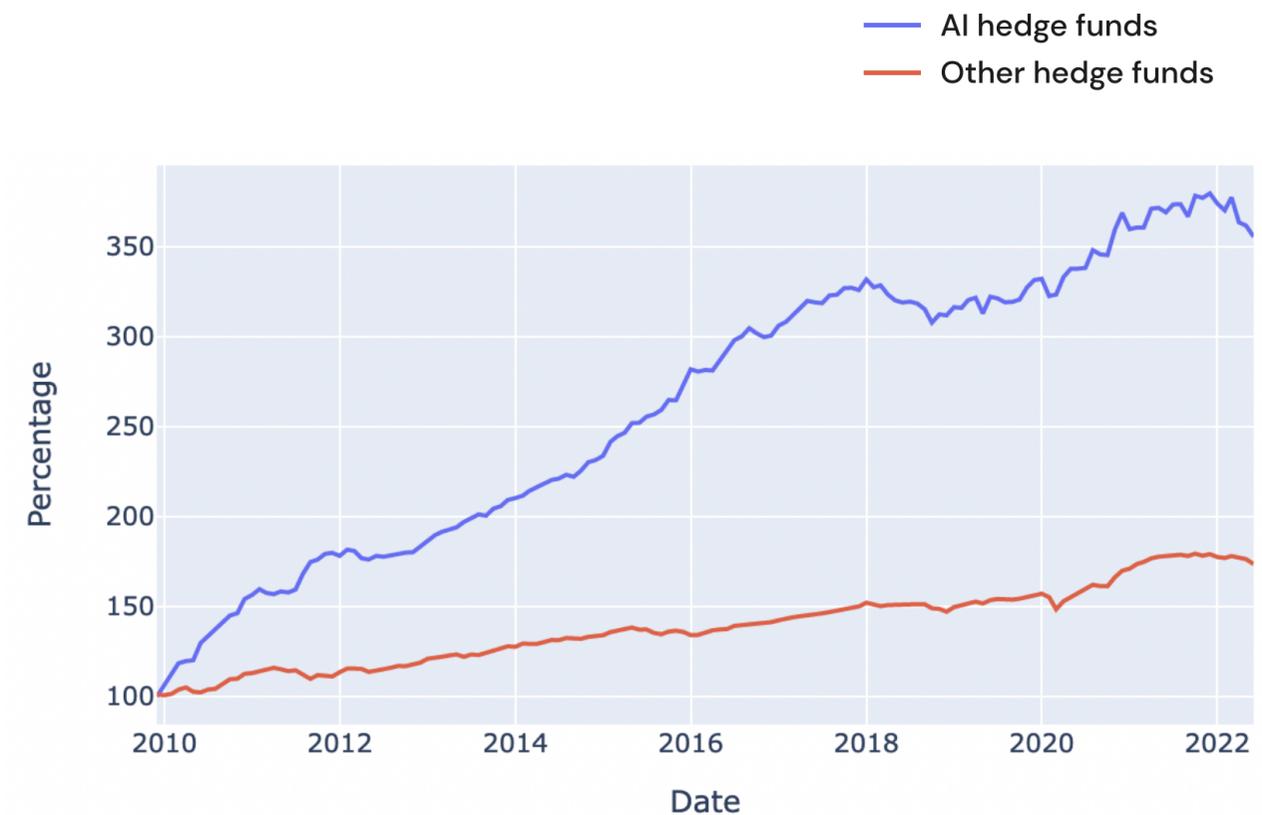
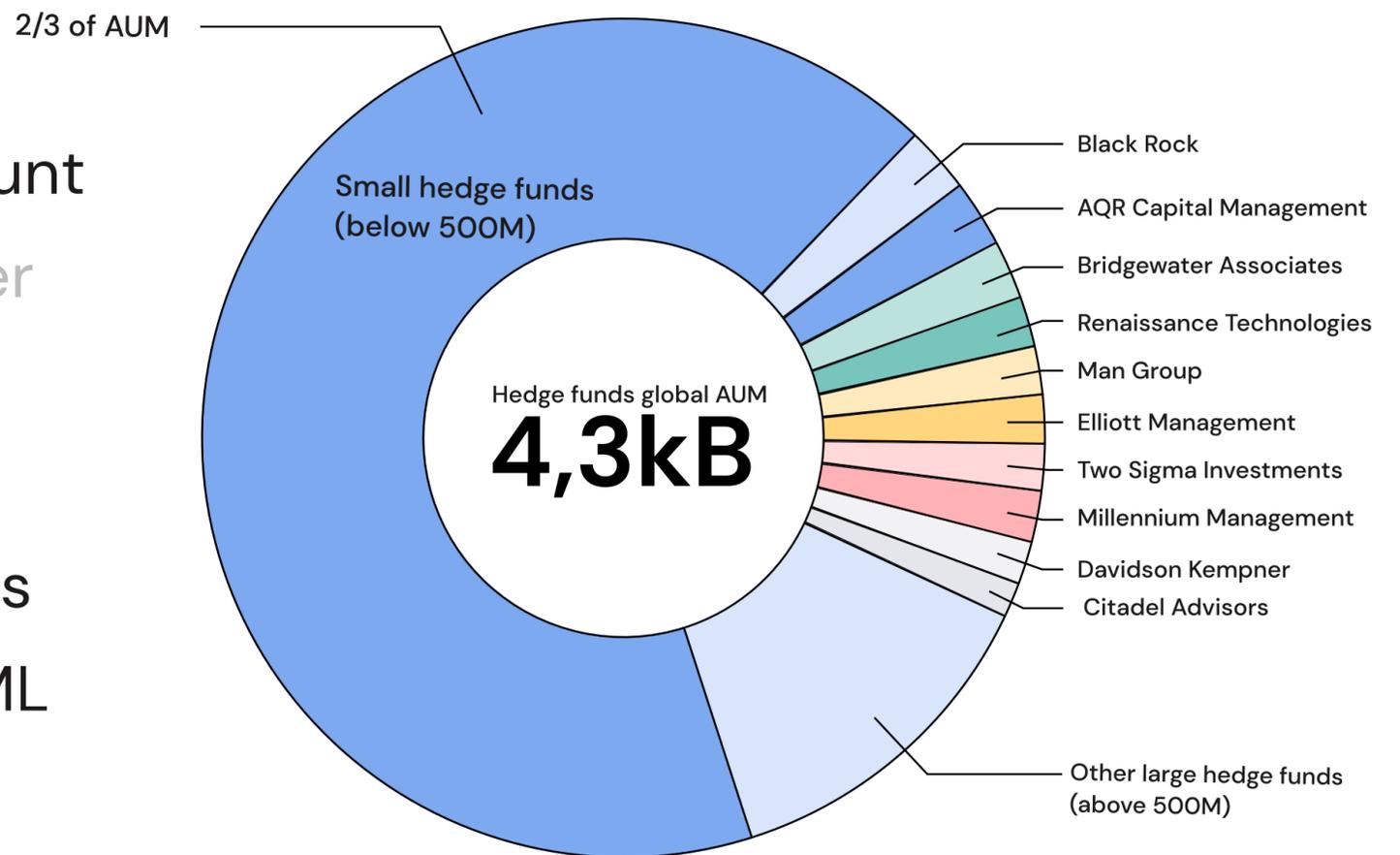**AI vs Conventional hedge fund performance** (%)

AI/ML adoption barrier

Globally, the **largest hedge funds** account for over **1/3 of global AUM** (Assets Under Management).

These companies have dedicated teams to build investment strategies with AI/ML techniques.

But **small hedge funds** (2/3 of global AUM) don't have the **capacity** and **ressources** to maintain a dedicated AI/ML team.

Asset Under management (AUM) distribution between hedge funds (%)($)

- 2/3 of AUM
- Small hedge funds (below 500M)
- Hedge funds global AUM **4,3kB**
- Black Rock
- AQR Capital Management
- Bridgewater Associates
- Renaissance Technologies
- Man Group
- Elliott Management
- Two Sigma Investments
- Millennium Management
- Davidson Kempner
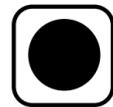- Citadel Advisors
- Other large hedge funds (above 500M)

Problem

How to provide asset managers with institutional grade **AI/ML** technologies to **build** and **deploy advanced investment strategies**?

Industry challenges

Personnalize investment solutions for the "masses"
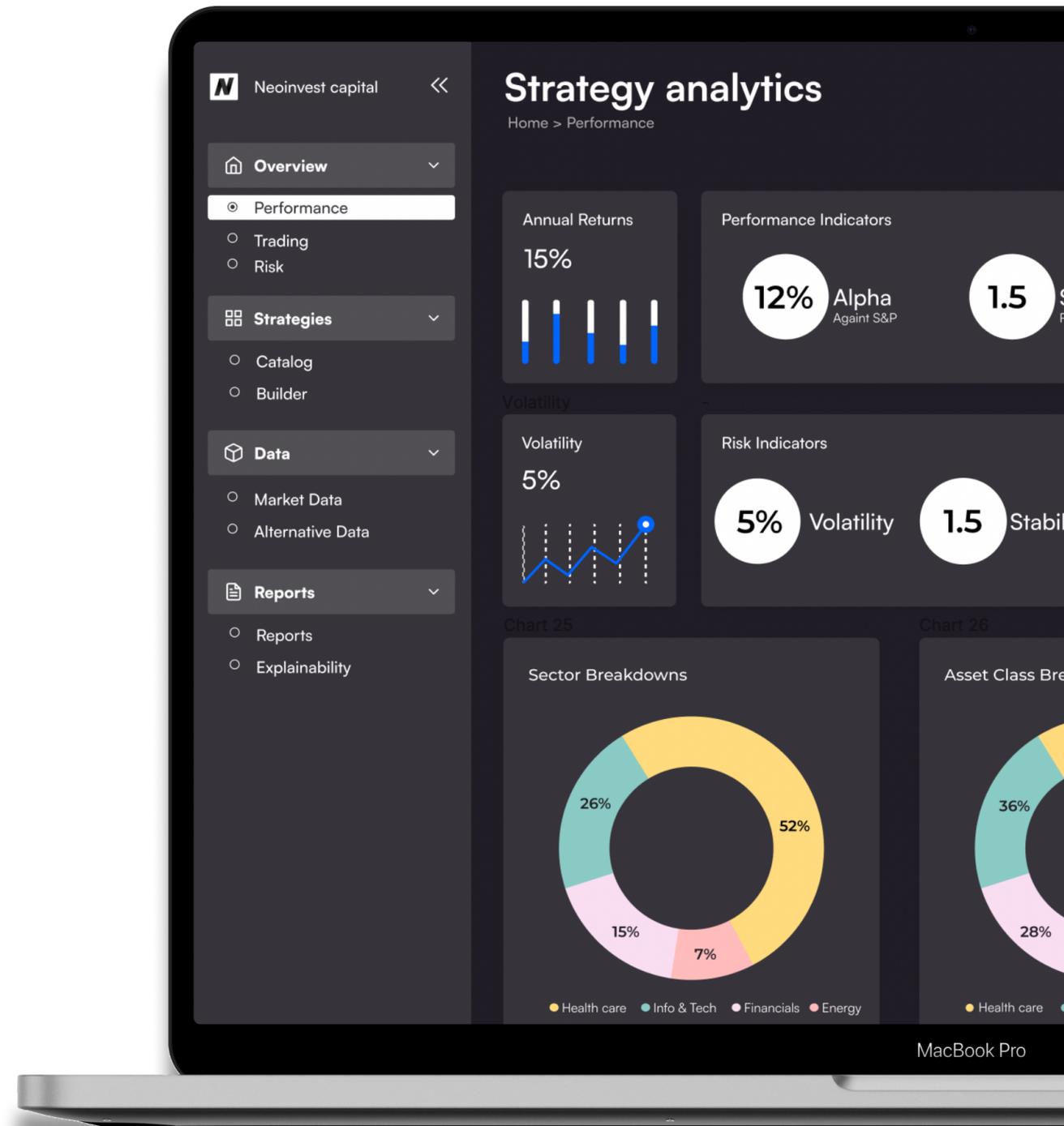
Build trust in advanced **decision-making** models

Increase Asset Under Management

Advanced models: AI/ML and quantitative models

Neoinvest's solution

- **Build** investment strategies using AI/ ML in days instead of months

- **Validate** and **monitor** AI/ML strategies using a robust governance framework to continually train and test models

- **Deploy** investment strategies and **automate** models retraining seamlessly

Leverage Neoinvest with its **API** and/or **platform**

Neoinvest's Framework

RESEARCH

BUILD

Neo

TRAIN

VALIDATE

TRAIN

VALIDATE

Invest

DEPLOY

MONITOR
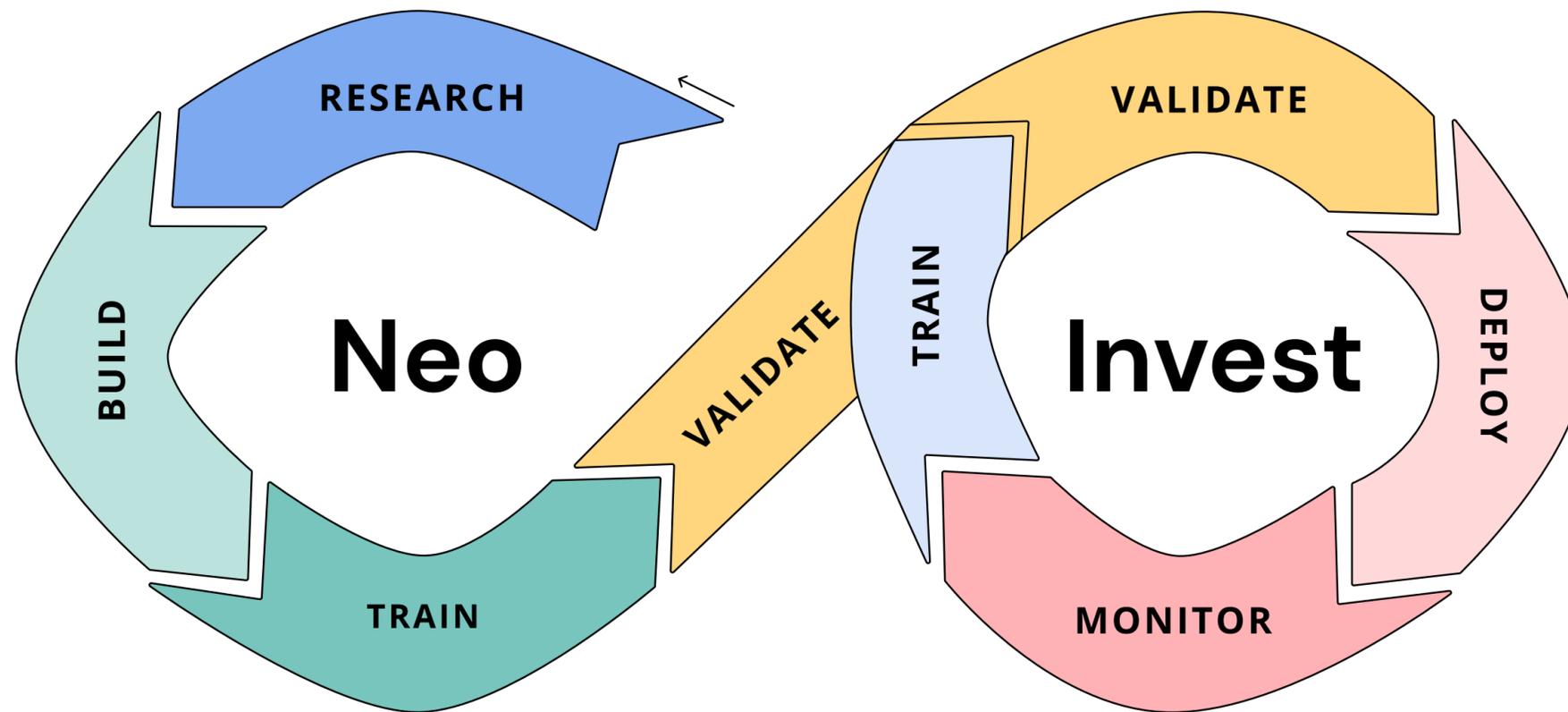
What's unique?

Asset managers can deploy **advanced investment strategies** using Neoinvest's **low-code** and **no-code** modules **without ressource investments**
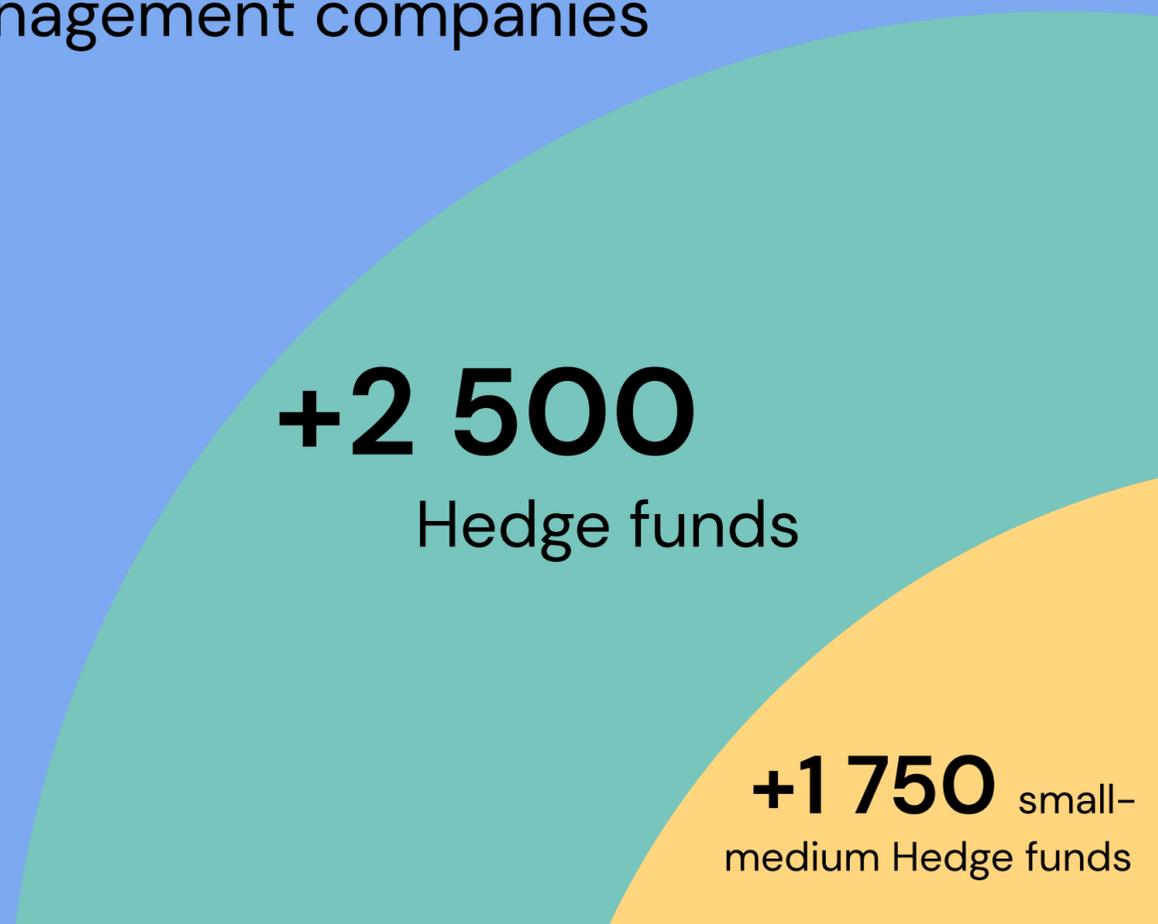
Market size & segment

Neoinvest is targeting licensed asset management companies worldwide. (US, EU, APAC and EMEA is estimated to count more than 24 471 licensed companies)
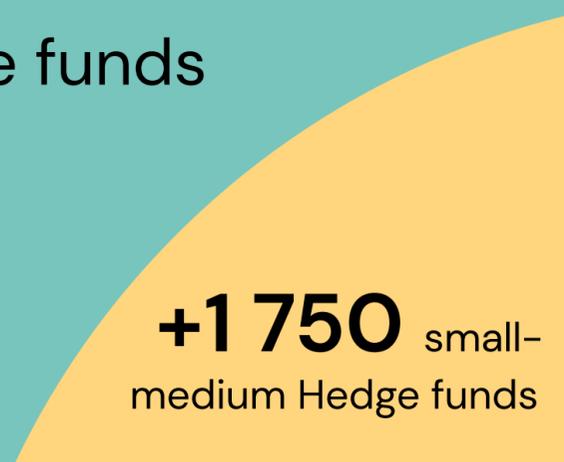
Based on our market study **small–medium hedge funds** are the most likely to pay for our technology
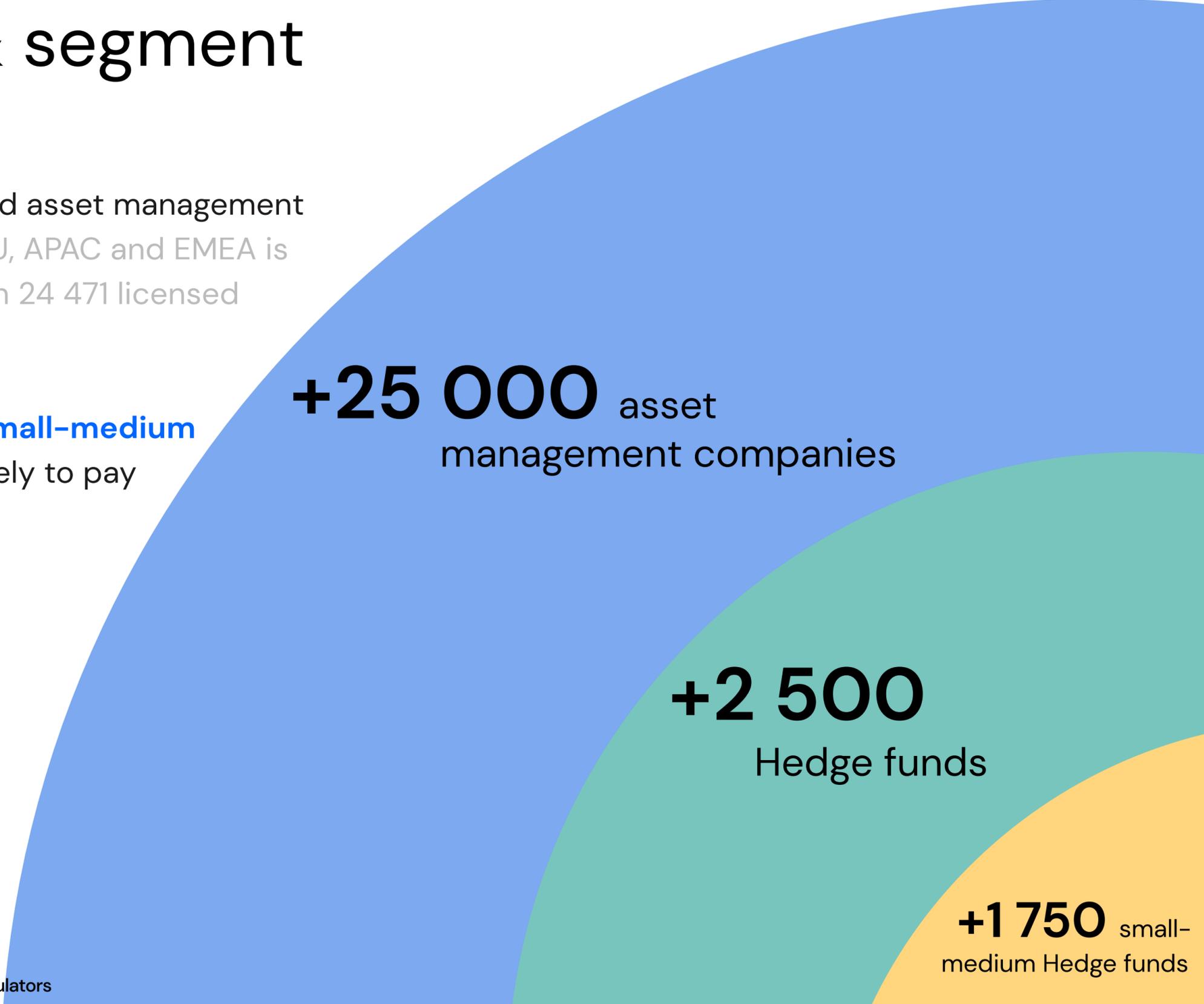
+25 000 asset management companies

+2 500 Hedge funds

+1 750 small–medium Hedge funds

Source: IOSCO investment funds statistics suvervey, 2020 – Local regulators

Buisness model

Pay-as-you-go when you use
Neoinvest (monthly fee based on
cloud computing power and
automation level)

+

Neoinvest
performance fee

5%

Total
performance

~20%

Usual fund
performance fee
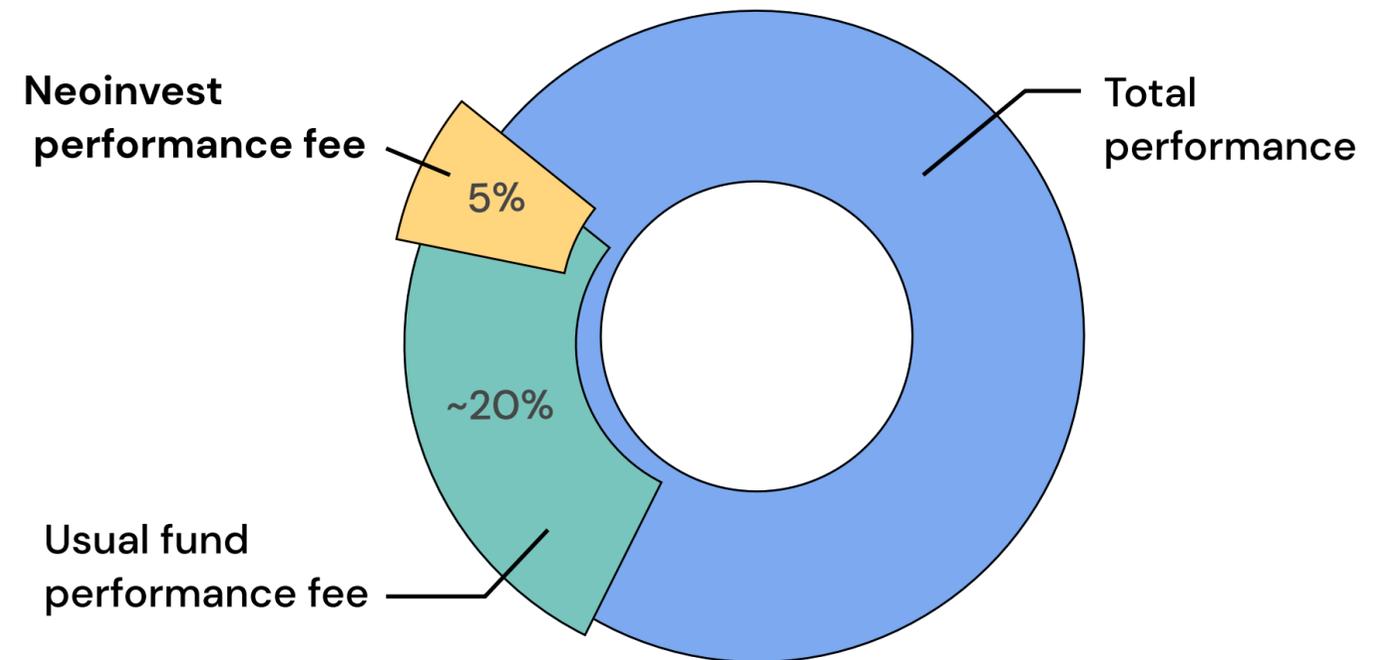
**Fee to leverage Neoinvest infrastructure
to build/deploy client's propriatary
strategies**

**Fee on performance created by
Neoinvest's proprietary strategies**

Market validation

Considering previous market segment and size assumptions, we estimate **Neoinvest yearly gross revenues** to reach **at least $5 billion**

Hedge funds global AUM
4 300 Billion

Small hedge funds global AUM
3 000 Billion

Hedge funds gross revenues base on 15 years annualised returns
150 Billion

Neoinvest estimated gross revenues
5 Billion

Market traction

⬤

Ongoing **POC** for an **advanced Machine Learning** solution.

▲

Ongoing **POC** with family Office managing **+100 Million**.

◼

Managing **algo-trading** operations with **+2 Million**.

COMPETITION

Competition

Robust investment strategy

MACHINE LEARNING SOLUTIONS

BlackBox Machines™
artificial intelligence for algorithmic trading

PredictNow.ai

alis_
AI Driven Investments

NeoInvest

Lack of operation efficiency

Improve operations efficiency

BUILD ALPHA

Systemathics

ALGO-TRADING SOLUTIONS

tradologics
THE TRADING CLOUD

Fragile investment strategy

Team

Ayoub Ennassiri

Head of Technology
Machine Learning Engineer

+5 years experience building solutions for investment banks. +2 years expérience developing alternative investment strategies.
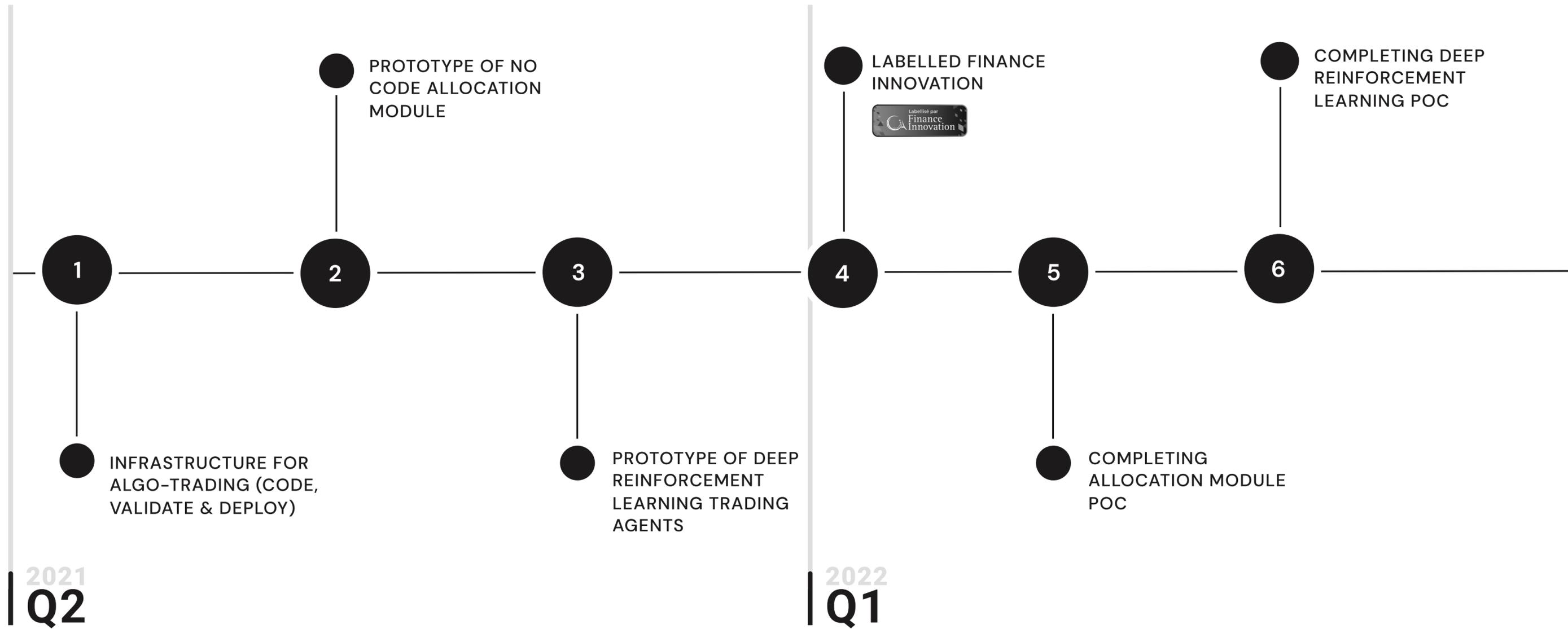
Nicolas Nahas

Head of Product
Finacial & quantitative Engineer

Founded an audience monetization company and spent +3 years as its managing director. Service provider in the field of blockchain.

ROADMAP

1 INFRASTRUCTURE FOR ALGO-TRADING (CODE, VALIDATE & DEPLOY)

2 PROTOTYPE OF NO CODE ALLOCATION MODULE

3 PROTOTYPE OF DEEP REINFORCEMENT LEARNING TRADING AGENTS

4 LABELLED FINANCE INNOVATION

5 COMPLETING ALLOCATION MODULE POC

6 COMPLETING DEEP REINFORCEMENT LEARNING POC

2021
Q2

2022
Q1

NeoInvest

Read more about us on Neoinvest.ai