HSBC

News Release

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HSBC launches first equity index products powered by AI and Big Data

HSBC worked with EquBot and IBM Watson to introduce the AiPEX family of artificially intelligent equity indices

NEW YORK – HSBC today announced the launch of the AI Powered US Equity Index (AiPEX) family, the market's first to use artificial intelligence (AI) as a method for equity investing. The AiPEX family of indices was developed by EquBot and leverages the AI capabilities of EquBot and IBM Watson™ to turn Big Data into investment insight.

AiPEX harnesses the power of IBM Watson and EquBot's AI to ingest and learn from the vast amounts of publicly available and continuously generated data points. Data points could include a company announcement, a tweet, a satellite image of a store parking lot, or even the tone of language a CEO uses during an earnings presentation.

Applying what has been learned through Big Data and AI, AiPEX uses a rules-based process to objectively evaluate each of the 1,000 largest U.S. publicly traded companies and selects those whose stock prices are poised for growth, according to the AI. AiPEX rebalances its portfolio monthly, and to manage short-term volatility, AiPEX reallocates among chosen equity and cash on a daily basis. AiPEX selects companies with stock prices that may be poised for growth according to an objective selection process that is similar to a fundamental equity research approach, only thousands of times faster and broader in scope.

"In today's markets, investors need strategies that can keep up with the growing amount of data being generated each day," said Dave Odenath, Head of Quantitative Investment Solutions, Americas at HSBC Global Banking and Markets. "We are now able to offer clients solutions that not only keep up, but thrive in an increasingly complex world of data. AiPEX with Watson simulates a team of thousands of analysts and traders working around the clock to learn from millions of pieces of information and identify potential investment opportunities."

HSBC is the exclusive licensor of AiPEX, and is offering a variety of investment solutions based on the indices to its clients globally. Athene USA, a leading provider of retirement savings products, now offers AiPEX in its suite of fixed indexed annuities.

"The AiPEX index is the first of its kind to bring artificial intelligence technology to crediting strategies within fixed indexed annuities, offering 100 percent equity exposure," said Grant Kvalheim, CEO and President of Athene USA. "By partnering with HSBC to bring this groundbreaking index to our product platform, Athene builds on its reputation as a leading provider of unique, value-driven retirement solutions for the retail market."

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Note to editors:

About HSBC
HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US$2,918bn at 31 March 2020, HSBC is one of the world's largest banking and financial services organizations.

About AI Powered US Equity Indices
Additional information is available at http://aipex.gbm.hsbc.com.

Athene USA
Athene USA is a subsidiary of Athene Holding Ltd, a leading retirement services company that had total assets of $146.9 billion as of December 31, 2019. Athene USA is an Iowa-domiciled corporation that serves as the U.S. holding company for Athene's annuity operations in the United States. Headquartered in West Des Moines, Iowa, Athene USA serves customers in all 50 states, and through its predecessor companies, has been serving American consumers for more than 100 years. Athene Annuity and Life Company, a subsidiary of Athene USA, is the issuing company for fixed indexed annuities.

About EquBot
EquBot offers compelling global financial technology solutions powered by artificial intelligence (AI) and machine learning (ML). The EquBot investment technology platform works around the clock to process market big data and unstructured electronic signals to formulate innovative and actionable investment insights. The use of multiple instances of AI at the core of EquBot's proprietary algorithms position the firm as an industry leader in data consumption while simultaneously growing its global knowledge and investment value base. EquBot's unique technology structure allows for efficient construction of custom investment solutions. EquBot seeks to use its investment technology platform to take leadership in bringing affordable AI investment products to market for investors of all backgrounds. EquBot is a participant in the "With Watson" program and a graduate of the IBM Global Entrepreneur Program. EquBot is headquartered in San Francisco. Additional information is available at www.equbot.com.

About IBM Watson
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