INVESTIVA
EXECUTIVE SUMMARY

Predictiva Ltd.

Leicester, United Kingdom

Executive Summary

Predictiva was born on the back of academic research conducted by Predictiva's founders on utilising advanced Artificial Intelligence (AI) models to predict critical performance and financial factors. Our studies showed that AI could achieve substantial benefits when analysing and predicting financial and economic trends.

Predictiva is an AI Fintech company with a unique business model. Under the expert leadership of a creative thinking and innovative team, we are strategically structured to cater to a distinct market need through our advanced Artificial Intelligence models in the financial trading sector.

Our main product, Investiva, is a fully autonomous trading platform that uses Deep Reinforcement Learning (DRL) algorithms to learn over time and gain experience without making emotion-driven trades. The platform would significantly increase the profitability of asset managers and provide greater work-life balance to financial traders.

We have had significant interest from customers in UK, EU, Canada, and the Middle East. Predictiva is one of the Tech Nation Rising Stars regional winners and was featured as one of the best 50 data-driven startups in Europe by TNW. We have also partnered with leading UK universities such as the University of Edinburgh and Herriot-Watt University in multiple academic-industry research projects.

Mission Statement

Our mission is to improve the profitability of financial trading of equity stocks while improving the work-life balance of financial traders.

Vision

Predictiva's vision is to expand into a multi-unit global organisation. We aim to build a continually growing client base who are very loyal and can consistently market us through personal trust.

Goals

Only 1% of all day traders can predictably achieve net profits (Barber et al., 2017). The average day trader underperforms the market index by 1.5% annually, while active day traders underperform the index by 6.5% annually (Barber and Odean, 2002). Additionally, traders in the financial markets experience great emotional stress due to market fluctuations, leading to more than 80% of all day traders quitting within the first two years of trading (Barber et al., 2017).

Predictiva has the twin goals of increasing profitability and improving the work-life balance of financial traders. Our platform, Investiva, is predicted to increase profitability in the financial-trading sector by 80% and improve work-life balance by 90% by reducing overtime working hours.

The stress and conditions that financial traders work under can significantly impact their physical and mental health (BBC, 2021). Research repeatedly shows that day traders are most disproportionately impacted by losses while trading, with a peak at males over 30 representing 80% of traders (Zippia, 2019). Between July and October 2020, Predictiva conducted market research with investment and equity managers from leading investment organisations in the UK & the Middle East (Goldman Sachs, JP Morgan, Morgan Stanley, CitiBank Ireland, Banque De Caire, Qube, and Appold). The participants confirmed that the current manual trading processes and profitability levels could be significantly improved with AI automation.

Market Size

IIFA's report (2020) estimates there are a total of 3,179 regulated funds in the UK, which manage £2.2T worth of assets.

The global and UK annual addressable/serviceable markets are £15.1B/£5.9B and £2.3B/£1.8B, respectively, with a CAGR of 11.1% (IIFA, 2020).

Unique Value

Many companies are still behind in updating their technology platforms (FinancialExecutives, 2021). This creates an urgent need for a financial trading platform that autonomously manages trades to increase profitability in the financial trading sector and decrease the number of hours worked by traders.

Many investment managers use manual trading that is heavily reliant on the experience and intuition of human traders. They use limited AI algorithms to complement the human traders' insights but do not utilise fully autonomous platforms.

Other analysis platforms offer AI analysis tools with no autonomous solutions. They still require human intervention and decision making.

On the other hand, trading platforms offer some automatic trading features by copying other human traders' deals or using rule-based algorithms. This approach reproduces previous trends and mistakes made by traders in the past.

Unlike these solutions, Investiva uses sophisticated AI algorithms to autonomously trade, reducing the need for human intervention and emotion-based decisions. We use DRL algorithms that perform better in dynamic markets for a fully autonomous trading experience. We do not copy human traders; instead, we use deep learning for technical analysis and features selection.