
Athene to use artificial intelligence-driven indexes in FIAs

By Editorial Staff Thu, May 28, 2020

'AiPEX with Watson simulates a team of thousands of analysts and traders working around the clock,' according to a release this week.

HSBC has launched [AiPEX](#), a family of equity indexes that uses artificial intelligence (AI) to pick stocks. The indexes are used in annuities underwritten by Athene Life & Annuity, which sold about \$1 billion worth of FIAs in first-quarter 2020, according to a LIMRA Secure Retirement Institute [chart](#).

“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,” an HSBC release said. HSBC is the exclusive licensor of AiPEX, and is offering a variety of investment solutions based on the indices to its clients globally.

AiPEX automatically consumes and analyzes a steady flow of publicly available “data points,” ranging from company announcements to tweets, satellite images of a store parking lot, or “even the tone of language a CEO uses during an earnings presentation,” according to the release.

“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 [the AI believes] are poised for growth,” the release said. The selection process “is similar to fundamental equity research approach, only thousands of times faster and broader in scope.”

AiPEX rebalances its portfolio monthly, and manages short-term volatility, by reallocating among chosen equity and cash on a daily basis.

“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,” said Dave Odenath, head of Quantitative Investment Solutions, Americas, at HSBC Global Banking and Markets.