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IveyOne Technologies, Incorporated

Business Plan Executive Summary

January 31, 2003

This Business Plan has been prepared by the management of IveyOne Technologies, Incorporated (“IveyOne” or the “Company”) to provide an overview of the business plans of the Company. The Company intends to pursue financing as outlined herein. This Business Plan is provided primarily for the 2003 edition of the CIBC World Markets Ivey Business Plan Competition (“BPC”), and adheres to the rules and regulations as outlined in the BPC guidelines.

Management Team (Participants):

Sarah Cullen
Kevin Dribnenki
Kamal Gautam
Jamil Murji

Executive Summary

The past two decades have seen explosive growth in the hedge fund industry in North America – a trend that looks to continue in the foreseeable future as investors search for ever higher returns. IveyOne Technologies, Incorporated (hereafter “IveyOne”) is a software firm that intends to capitalize on this growth by focussing on the development and implementation of position reconciliations software for hedge funds. IveyOne is seeking \$2.8MM to support development of its primary software product (dubbed AutoComp) in cooperation with three partner hedge funds, execution of a sales and marketing plan and generation of sales beyond the initial partners. The company is projected to earn a profit in the third year of operations.

According to market research, the hedge fund industry – IveyOne’s primary target market – is characterized by small to medium-sized firms with up to 100 employees and anywhere from \$10MM to \$3BB under management. Firms of this size lack the resources to purchase or create fully integrated front- and back-office systems for trade execution and settlement. One step of the trade cycle that has proven to be particularly problematic is that of reconciling internal positions data with the figures reported by the brokers employed by the funds. Most often, this process of reconciliation is performed manually through visual comparisons. This method, however, is subject to human error, resulting in missed discrepancies that can cost the firm anywhere from a few hundred to hundreds of thousands of dollars, if they are not caught in time. There are three major issues that complicate the process of positions reconciliation for hedge funds and small investment managers.

1. The multitude of data formats used by different brokers creates a challenge in translating the incoming data into a format that the hedge fund can use.

2. As a hedge fund increases its portfolio size and complexity, the increasing labour requirements to manually track and reconcile the daily activity increase overhead and put pressure on the firm's ability to grow or change its investment strategies.
3. Brokers use a number of physical communication protocols to transmit data to their clients, creating the need for custom programming when a firm attempts to automate the receipt of these positions reports.

These problems present an opportunity for a firm to create a software product that can find discrepancies by comparing broker statements directly to the firm's internal data and providing the firm's reconciliation department with a summary report. Seeing a lack of commercial offerings of such products, IveyOne proposes to develop and sell AutoComp, a solution that will fully automate the process of scheduling, receiving, parsing, and recording positions data from the brokers, comparing the positions to the data in the firm's holdings database, and generating a summary report for each broker to alert the firm's reconciliation department to any discrepancies. Designed with the small to medium-sized hedge fund in mind, AutoComp will allow the customer to tailor the reconciliation process for rules specific to the broker or firm, and will provide a means to easily modify existing processes or add new brokers.

Initial sales of AutoComp will be achieved through business development and partnerships with a small number of hedge funds prior to the development of the product. Following the completion of the first formal release, IveyOne will market AutoComp to hedge funds in the Greater Toronto Area and throughout the Northeast USA. As the company grows, the market will be expanded to include all of North America.

IveyOne's management team includes Kamal Gautam, Kevin Dribnenki, Sarah Cullen and Jamil Murji. Together, this group of executives have between them extensive and complementary experience. Kamal and Kevin's combined background in software design and development,

securities reconciliation and trade errors processing provide a solid foundation for the software and consulting business. Jamil and Sarah will provide the corporation with expertise in software project management, financial accounting, and service organization operations.

This business plan presents an opportunity for a software solution that has the potential to achieve significant sales revenues and build a financially viable business in only three years. An investment of \$2.8MM required to seize this opportunity will create a business that will appeal to large software firms interested in expanding their product lines and offer an attractive exit strategy to IveyOne's investors. The management team is committed to the venture and has the capabilities and experience to lead IveyOne to success.