



APOGÉE

SERVICE DOCUMENT

Politecnico di Milano
Facoltà del Design
Product Service System Design MSc

APOGÉE
Service Document

TURINETTO, Marco

BRONZE, José Miguel Batista da Mata Couto Bronze
780863

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***MARKET
RESEARCH***



SINGAPORE still holds the title of APAC's luxury hub, with an annual luxury goods market worth 2.5 billion euros.

HNWI WORLD POPULATION

Globalization has rendered the task of understanding HNWI's geographical, psychological and demographical behaviors very hard in the last few years. Change of official residence, shifts in tourism trends and national pride are just a few of the several phenomena that constitute strong game changers in the prediction of the next move for this very particular population.

However, it is still possible to find reliable patterns and the current economic global situation, though still crumbling, is very

helpful to comprehend HNWI's ambitions and desires.

In 2013, HNWI's wealth represented 40 per cent of the world's GDP and significant growths in some areas have balanced out retraction and decline of elsewhere's increase.




Political turmoils have influenced growth patterns (in Brazil and in the Eurozone, especially) but HNWI's still outperform global economical running. Here follows a study of the current

situation for HNWI's population and its forecasts for the next few years. This approach focuses on global behaviors and on local developments for emerging luxury markets - Eastern and Central Europe, Latin America, Asia-Pacific, Africa and the Middle East.

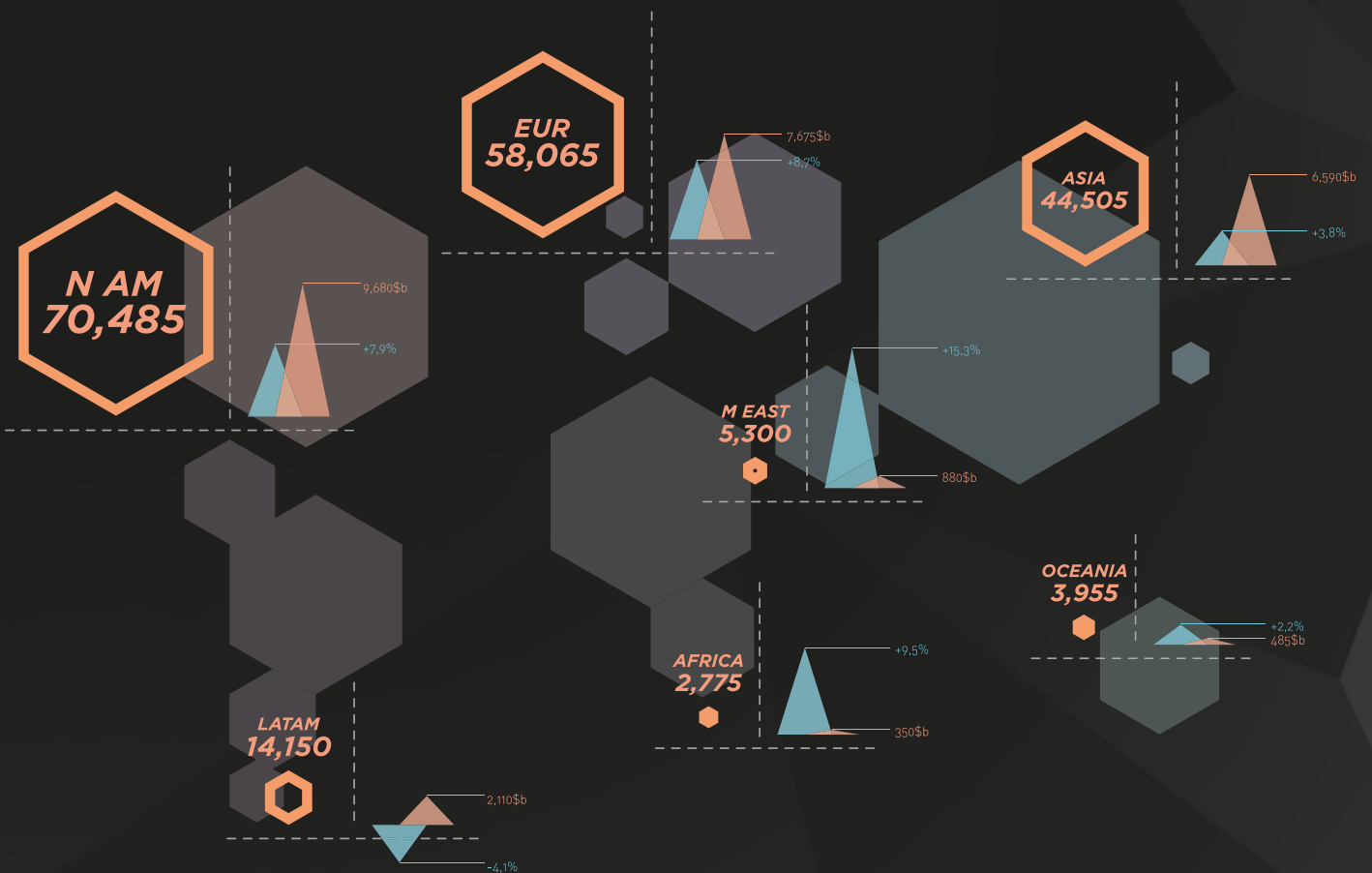
Hummingbird Revolution at the Lagos Fashion Week,

Nigeria is expected to outperform South Africa as Africa's nation with the most HNWI's. Luxury brands are planning on tapping this new market to counter customers' necessity to travel in order to have access to luxury goods.



-  2013 HNWI population by area
-  2012-2013 YoY HNWI population growth rate by area
-  2013 total HNWI population's wealth

source UBS & Wealth-X World Ultra Wealth Report 2013



HNWI WORLD POPULATION

Five-year forecast

REGION	AVERAGE ANNUAL POPULATION CHANGE %	AVERAGE ANNUAL WEALTH CHANGE %
NORTH AMERICA	3,9%	5,0%
EUROPE	2,3%	3,7%
LATIN AMERICA	5,9%	8,5%
MIDDLE EAST	4,6%	5,8%
OCEANIA	5,6%	3,0%
AFRICA	6,5%	5,1%
WORLD	4,0%	5,4%

Ten-year forecast

REGION	NUMBER OF BILLIONAIRES BY REGION 2012-2022 GROWTH %	HNWI POPULATION BY REGION 2012-2022 GROWTH %
AFRICA	117%	69%
ASIA	119%	88%
EUROPE	57%	31%
LATIN AMERICA	108%	88%
MIDDLE EAST	45%	58%
NORTH AMERICA	96%	32%
AUSTRALASIA	10%	35%
WORLD	85%	50%

source UBS & Wealth-X World Ultra Wealth Report 2013

2022 Forecast

COUNTRY	NUMBER OF BILLIONAIRES BY COUNTRY 2012-2022 GROWTH %
UNITED STATES	103%
CHINA	214%
GERMANY	101%
UK	85%
INDIA	84%
BRAZIL	157%
RUSSIA	24%
HONG KONG	39%
INDONESIA	190%
SWITZERLAND	19%

CITY	NUMBER OF HNWIs BY CITY 2012-2022 GROWTH %
NEW YORK	36%
LONDON	36%
TOKYO	24%
SAN FRANCISCO	45%
LOS ANGELES	34%
BEIJING	130%
MUMBAI	137%
HONG KONG	49%
SÃO PAULO	143%
RIO DE JANEIRO	146%

source Knight Frank The Wealth Report 2013

Galleries LaFayette.

A flagship of the luxurious Parisien lifestyle that has expanded to emerging markets like China, Indonesia, Morocco and Dubai



HNWI WORLD POPULATION | LATIN AMERICA

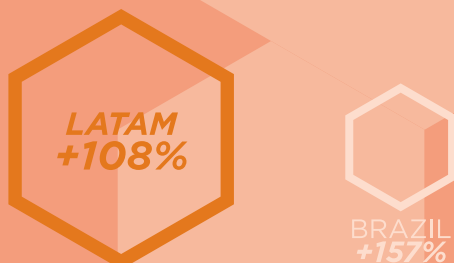
HNWI population change YoY 2012-2013

source UBS & Wealth-X World Ultra Wealth Report 2013

REGION	2013 HNWI POPULATION	2012-2013 YoY POPULATION CHANGE %
BRAZIL	4015	-13,5%
MEXICO	3365	3,9%
ARGENTINA	1110	6,7%
COLOMBIA	635	-8,0%
CHILE	515	-6,4%
PERU	470	-16,8%
VENEZUELA	435	3,6%
ECUADOR	265	6,0%
DOMINICAN R.	250	4,2%
GUATEMALA	245	4,3%
HONDURAS	215	4,9%
BOLIVIA	205	5,1%
NICARAGUA	200	5,3%
PARAGUAY	175	6,1%
EL SALVADOR	150	3,4%
URUGUAY	120	4,3%
PANAMA	115	9,5%
PUERTO RICO	105	5,0%
COSTA RICA	100	17,6%
CUBA	45	0%
REST OF LATAM	1415	-7,5%
TOTAL LATAM	14150	-4,1%

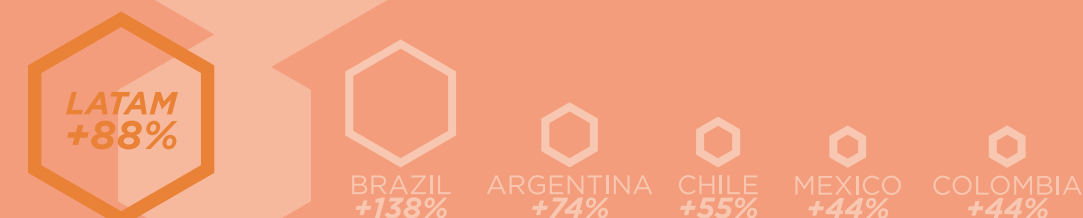
Increase in billionaire population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



Increase in HNWI population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



HNWI WORLD POPULATION | LATIN AMERICA

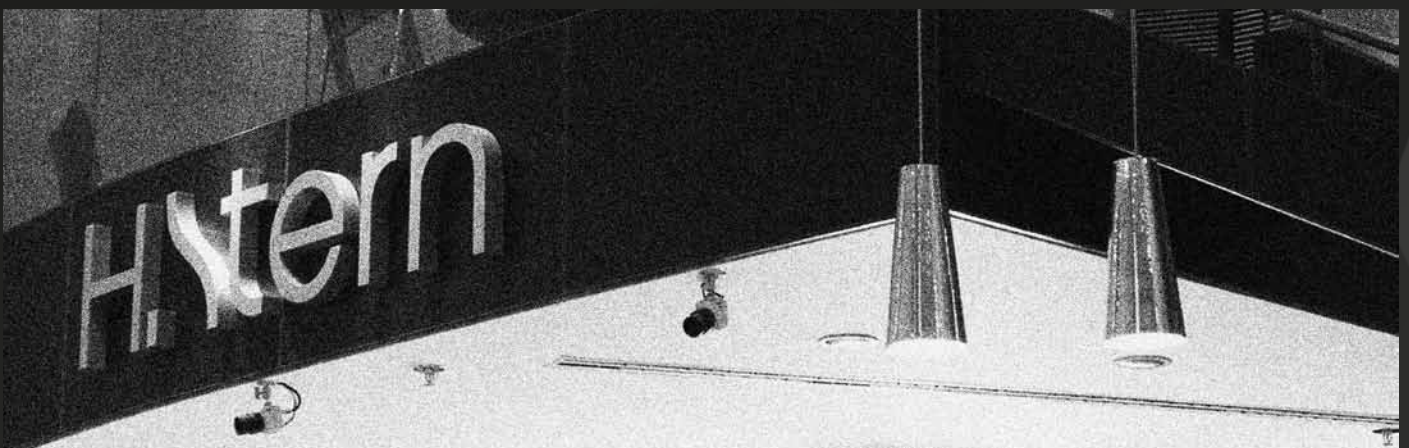
Brazil is currently one of the trendiest places on earth. By hosting upcoming world-scale events, - 2014 FIFA World Cup and 2016 Olympic Games - both tourists and luxury brands are attracted to a nation that lets both domestic and international commerce flourish.

Though it is the largest luxury consumer in Latin America and the most powerful booster of the luxury market in the area, it has failed to help uplift LATAM's HNWI population.

However, Mexico is on a different path. Assuming both Brazil's and Mexico's growth trends continue as they have been for the last year or so, Mexico will have the largest (in 2014) and wealthier (in 2017) HNWI population in Latin America.

Moreover, a growth in traditional luxury consumption has been noted in this country fueled by "youngsters" and their newly found sense of lifestyle.

H.Stern, a Brazilian jewellery brand that, after an European incursion, has expanded its presence towards China, Israel, Russia and South Korea.



HNWI WORLD POPULATION | EUROPE

HNWI population change YoY 2012-2013

source UBS & Wealth-X World Ultra Wealth Report 2013

REGION	2013 HNWI POPULATION	2012-2013 YoY POPULATION CHANGE %
GERMANY	17820	13%
UNITED KINGDOM	10910	3,8%
SWITZERLAND	6330	13,1%
FRANCE	4490	9,5%
ITALY	2075	7%
SPAIN	1625	6,9%
NORWAY	1450	5,8%
NETHERLANDS	1290	7,1%
RUSSIA	1180	3,1%
TURKEY	900	8,4%
PORTUGAL	870	10,8%
BELGIUM	810	8%
POLAND	800	3,2%
GREECE	505	11%
UKRAINE	440	-8,3%
HUNGARY	400	9,6%
ROMANIA	140	12%
BELARUS	120	4,3%
GEORGIA	115	9,5%
SERBIA	120	11,1%
TOTAL EUROPE	58065	8,7%

Increase in billionaire population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



Increase in HNWI population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



HNWI WORLD POPULATION | EUROPE

In Europe, - and especially in Mediterranean countries - the luxury market has been sustained by tourism. China, Japan and Russia still come to Europe and spend their money in the places (countries and cities) they truly associate with an ideal of luxurious lifestyle portrayed by their favorite brands.

A lot of money has been made in Europe with its economical crisis. Greece is second fastest growing HNWI population of the old

continent and Spain and Italy can be found within the 10 largest HNWI populations of Europe.

Europe is still a well established place for big fortunes. Monaco, St. Tropez or Portofino continue to be the Meccas of passion investments and London is expected to be in the top two cities for HNWI for years to come - as is New York.

Fressgass, - meaning "grazing street" - is an upscale shopping street in Frankfurt's financial district. It is a mainly pedestrian area dedicated to the luxurious lifestyle of Germany's top financial workers.



HNWI WORLD POPULATION | AFRICA

HNWI population change YoY 2012-2013

source UBS & Wealth-X World Ultra Wealth Report 2013

REGION	2013 HNWI POPULATION	2012-2013 YoY POPULATION CHANGE %
SOUTH AFRICA	775	-1,3%
NIGERIA	600	31,9%
EGYPT	510	4,1%
KENYA	155	24%
TANZANIA	115	9,5%
ANGOLA	110	10%
LIBYA	65	8,3%
TUNISIA	65	-7,1%
ETHIOPIA	55	10%
ALGERIA	35	0%
MOROCCO	35	0%
REST OF AFRICA	255	13,3%
TOTAL AFRICA	2775	9,5%

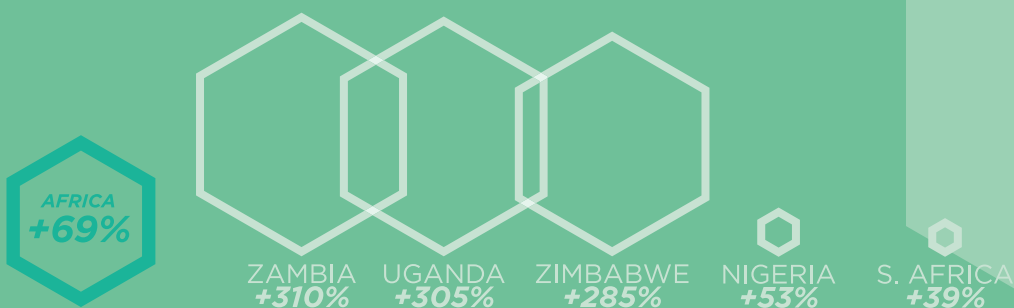
Increase in billionaire population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



Increase in HNWI population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



HNWI WORLD POPULATION | AFRICA

In the last few years, luxury consumption has been confined to Morocco - mostly due to its strong tourism - and to South Africa - a slightly more mature luxury market. However, new trends are emerging in Africa regarding spending great fortunes in luxury items.

Nigeria is expected to surpass South Africa as the largest HNWI population of Africa somewhere in next few years and Angola - Nigeria's closest rival in oil producing - has plenty of dollars to spend.

Where as wealthy angolans usually travel to Portugal to purchase their desired luxury items, many others - from Mozambique, DRC, Tanzania, Ghana and Uganda - travel to Dubai, South Africa or Spain.

Africa is the fastest growing economy in the world and luxury brands are aware of that.

Continuously increasing demand for items like champagne - Nigeria is the world's 17th largest market for champagne - luxury bags or even

luxury cars will unavoidably lead big brands to establish themselves in these new wealth hubs or, at least, improve their digital touchpoints so luxury spending doesn't stagnate or decrease.

Bay of Luanda, Angola.

This city was elected the most expensive city in the world in 2011 and it hosts seriously booming oil and mining sectors.



HNWI WORLD POPULATION | MIDDLE EAST

HNWI population change YoY 2012-2013

source UBS & Wealth-X World Ultra Wealth Report 2013

REGION	2013 HNWI POPULATION	2012-2013 YoY POPULATION CHANGE %
SAUDI ARABIA	1360	17,2%
UAE	1050	20,7%
KUWAIT	845	15%
ISRAEL	360	20%
QATAR	345	13,1%
SYRIA	205	-4,7%
IRAQ	175	9,4%
LEBANON	155	14,8%
OMAN	150	7,1%
BAHRAIN	105	10,5%
REST OF M. EAST	550	14,6%
TOTAL OF M. EAST	5300	23,9%

Increase in billionaire population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



Increase in HNWI population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



HNWI WORLD POPULATION | MIDDLE EAST

Middle East's luxury market is almost fully fueled by domestic consumption. It privileges both tradition local luxury and global luxury brands.

The end of the Arab Spring and high oil prices have led HNWI populations to grow in the last 12 months in the Middle East.

This export-led economies were the fastest wealth creators in the world and, as such, the fastest growing HNWI populations.

Dubai, UAE, is still the largest luxury market in the Middle East. Its airport - a world-scale international hub - allows big spenders from african countries that are not directly served by luxury brands to splurge in this luxury *mecca*.



HNWI WORLD POPULATION | ASIA

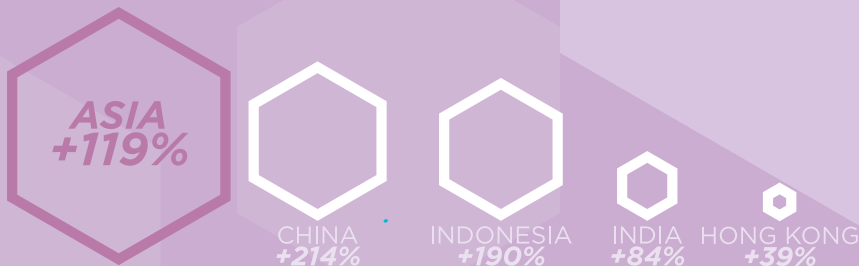
HNWI population change YoY 2012-2013

source UBS & Wealth-X World Ultra Wealth Report 2013

REGION	2013 HNWI POPULATION	2012-2013 YoY POPULATION CHANGE %
JAPAN	14270	11,2%
CHINA	10675	-5,1%
INDIA	7850	1,6%
HONG KONG	3180	1,4%
SOUTH KOREA	1390	0,4%
SINGAPORE	1355	3,8%
TAIWAN	1245	5,1%
INDONESIA	865	10,2%
MALAYSIA	840	7,7%
THAILAND	720	15,2%
PHILIPPINES	660	13,8%
PAKISTAN	415	33,9%
VIETNAM	195	14,7%
KAZAKHSTAN	130	-7,1%
BANGLADESH	90	5,9%
UZBEKISTAN	85	6,3%
SRI LANKA	75	25%
AZERBEIJAN	65	8,3%
TAJIKISTAN	45	12,5%
MONGOLIA	35	-12,5%
REST OF ASIA	320	-1,5%
TOTAL ASIA	44505	3,8%

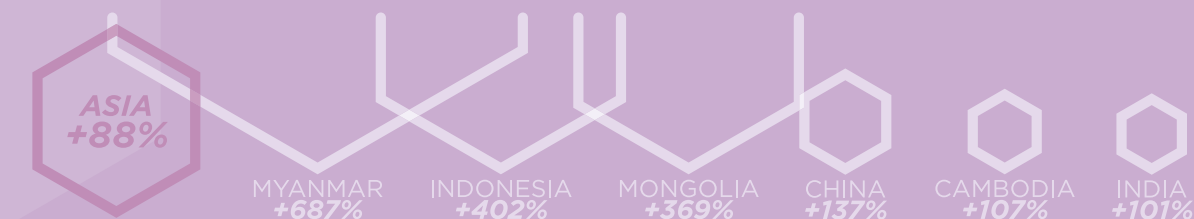
Increase in billionaire population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



Increase in HNWI population ('12-'22) by area and country

source Knight Frank The Wealth Report 2013



HNWI WORLD POPULATION | ASIA

Hong Kong and Macau have benefited from shifts in international tourism trends now targeting them as major destinations. Singapore is still a major luxury focus city. Second tier markets are becoming more relevant. They both attract domestic and international - mostly Chinese - purchases.

Malayan and Indonesian consumers are becoming aware of luxury and are pressing big brands towards a more direct approach.

Japanese consumers are becoming increasingly interested in personalized products.

Chinese are accessing luxury through the internet which has caused a double-digit growth in e-commerce and digital platforms.

Top-luxury items are the most sought after in China.

(cit. Worldwide Luxury Markets Monitor 2013 - Bain & Company)

China's measures to combat corruption by suppressing luxury consumption has led many of its HNWI's to diversify their assets to Hong Kong.

However, Asia's HNWI population

has been maintained by considerable growths in Japan - the world's 3rd largest HNWI population -, Indonesia and Hong Kong.

Comme Des Garçons's F/W 09/10 Paris runway show. This Japanese brand has become an international phenomenon and has conquered the west by becoming the flagship brand of iconic stores like Colette in Paris.



PASSION INVESTMENTS

Changing popularity of investments of passion *source Knight Frank The Wealth Report 2013*

TYPE	2012-2013 YoY GROWTH RATE %
FINE ART	+13%
WATCHES	+14%
CLASSIC CARS	+11%
JEWELERY	+11%
FINE WINE	+8%
SPORTS TEAMS	+8%
COINS/OTHERS	+1%
STAMPS	-3%
FURNITURE	-1%

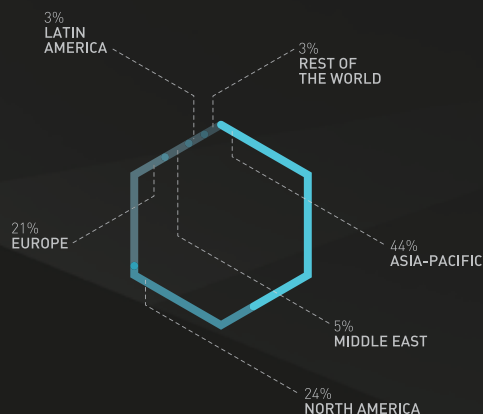
Knight Frank Luxury Investment Index
Q2 2013

*source Kight Frank Weath Report Update -
September 2013*

TYPE	ASSET PERFORMANCE 5 YEARS	ASSET PERFORMANCE 10 YEARS
FURNITURE	-15%	-19%
WATCHES	33%	83%
CHIN. CERAMICS	43%	83%
JEWELERY	51%	146%
WINE	3%	182%
ART	12%	183%
COINS	83%	225%
STAMPS	60%	255%
CARS	115%	430%
KFLII	40%	174%

Luxury Spending
Share of leading luxury brand outlets
(excluding concessions)

source Knight Frank The Wealth Report 2013



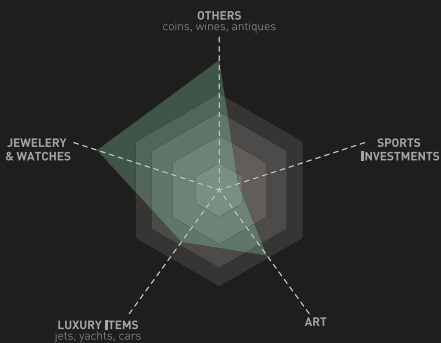
PASSION INVESTMENTS

Passion Investments allocations by HNWIs
Q1 2013

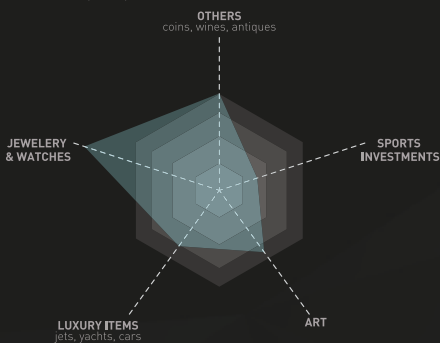
source Global Research - HNW Insights 2013
- Capgemini, RBC Wealth Management and
Scorpio Partnership

ASIA-PACIFIC

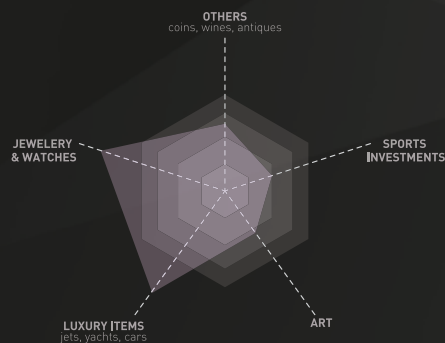
NORTH AMERICA



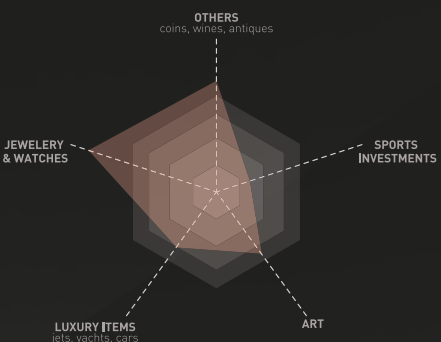
APAC (except Japan)



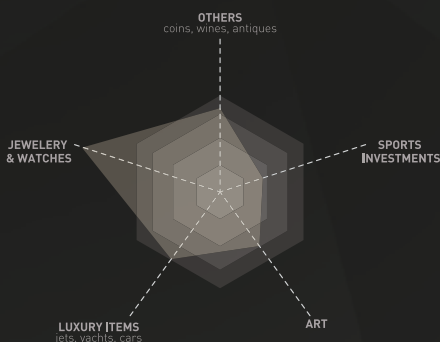
JAPAN



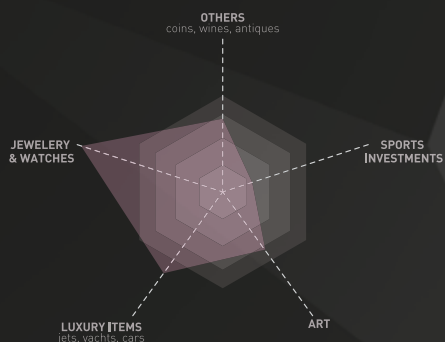
EUROPE



LATIN AMERICA



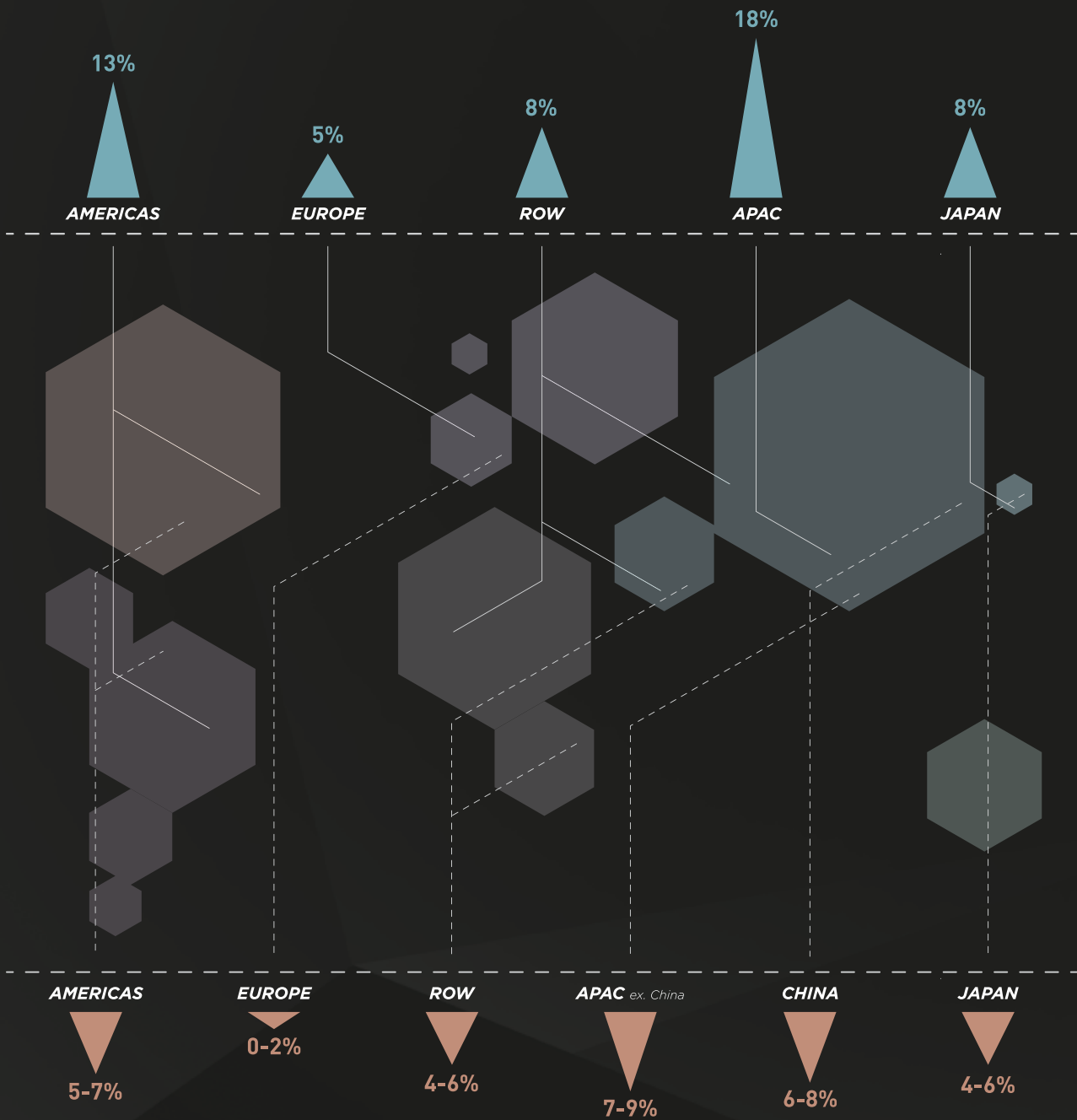
MIDDLE EAST AND AFRICA



LUXURY MARKET PERFORMANCE

above - Worldwide Luxury Goods Market '11-'12 growth by area (€b)
below - 2013 expected growth rate by region (€b)

source Worldwide Luxury Goods Market Monitor, 2013 Spring Update, Bain&Company



LUXURY MARKET PERFORMANCE

According to Bain&Company's 2013 Worldwide Luxury Markets Monitor, luxury consumption has been mainly led by keywords like "status", "sense of belonging" and "uniqueness". Clients appreciate their relationship with a brand and want to feel in a "tailored 360° experience".

Shifts in tourism trends have changed international purchase behaviors. European markets' sales have decreased due to a newly found preference for destinations like Hong Kong or Macau on behalf of tourists from Russia, China or India.

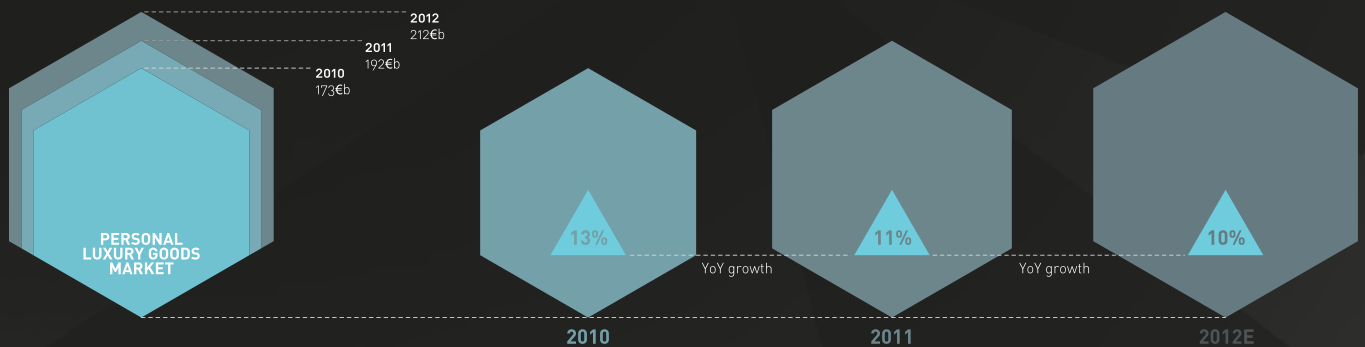
APAC has been strongly boosted by the chinese market, though SEA has shown significant strength as well. LATAM keeps its momentum despite strong falls in Brazil's HNWI population and Argentina's luxury demand.

Watches - the most coveted collectible luxury item - have not been able to meet the current demand which serves to show that the absolute high-end sector of luxury is as strong as ever.

Moreover, due to rapidly emerging fortunes in countries that are not directly served by global brands yet, digital shopping platforms - i.e. e-commerce - are listed as a strong market trend for 2013 and for years to come.

Worldwide Personal Luxury Goods Market Trend

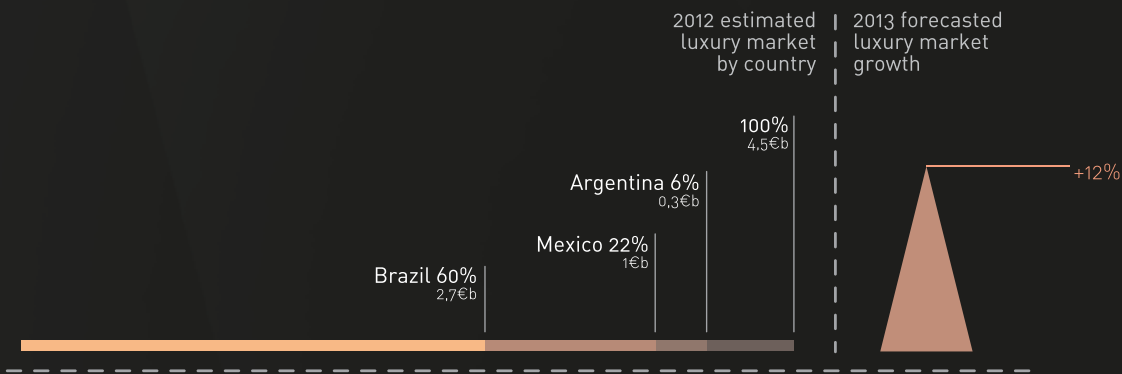
source Worldwide Luxury Goods Market Monitor, 2013 Spring Update, Bain&Company



LUXURY MARKET PERFORMANCE | BY AREA

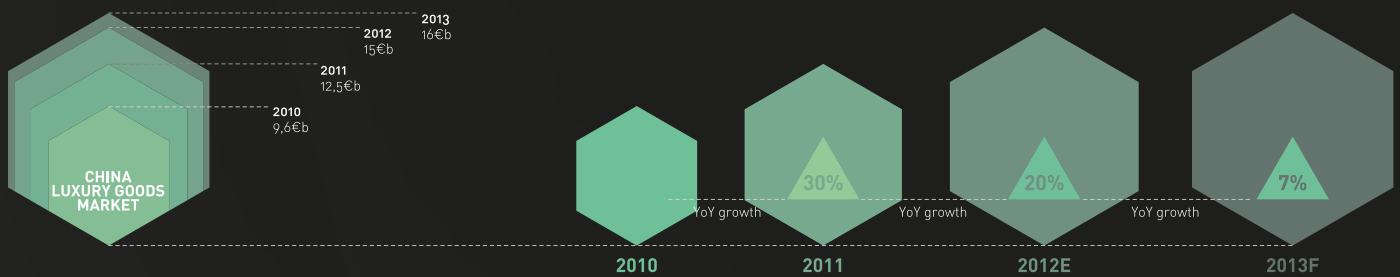
LATIN AMERICA

source Worldwide Luxury Goods Market Monitor, 2013 Spring Update, Bain&Company



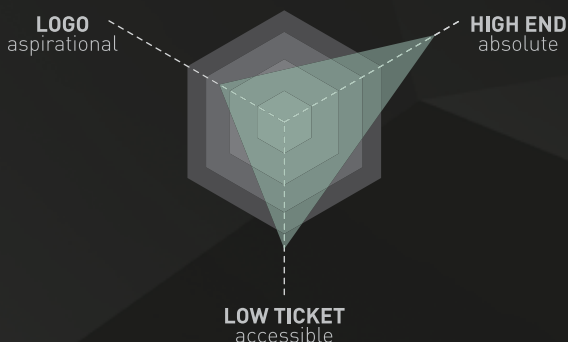
CHINA

source Worldwide Luxury Goods Market Monitor, 2013 Spring Update, Bain&Company



2013 China Personal Luxury Goods Market by segment trend

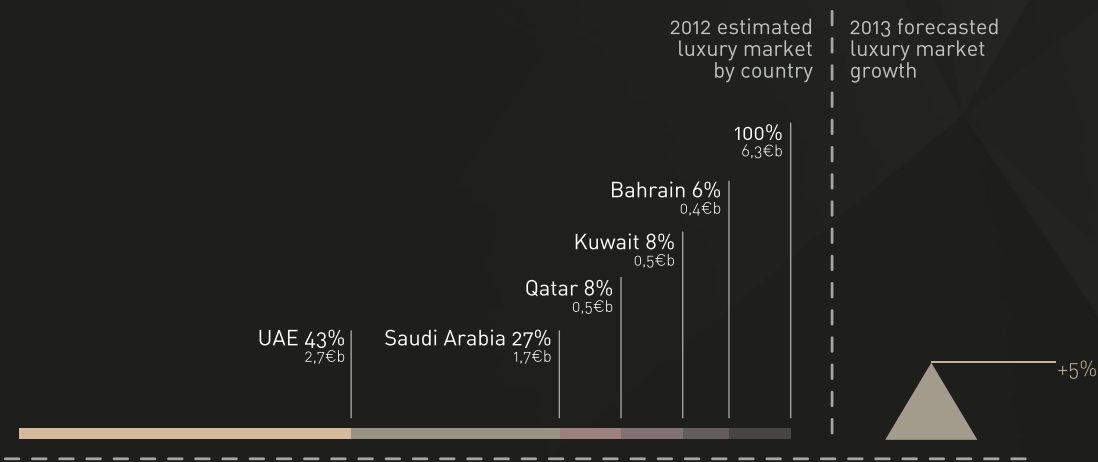
source Worldwide Luxury Goods Market Monitor, 2013 Spring Update, Bain&Company



LUXURY MARKET PERFORMANCE | BY AREA

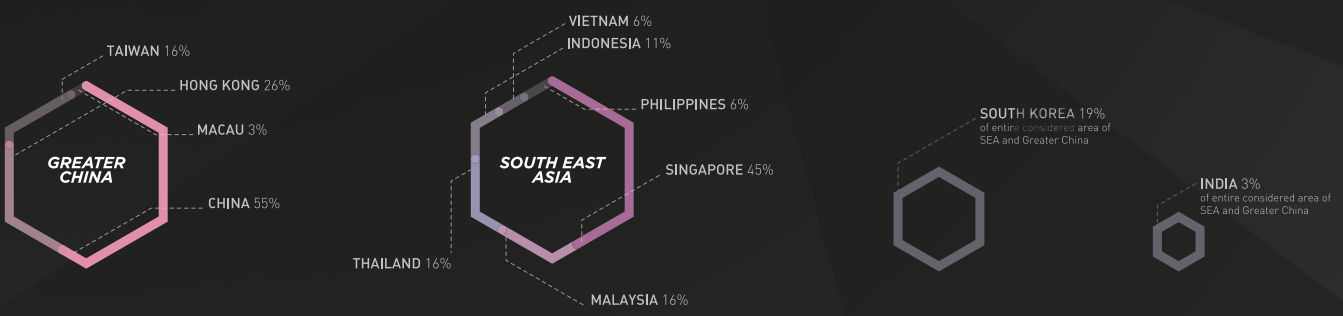
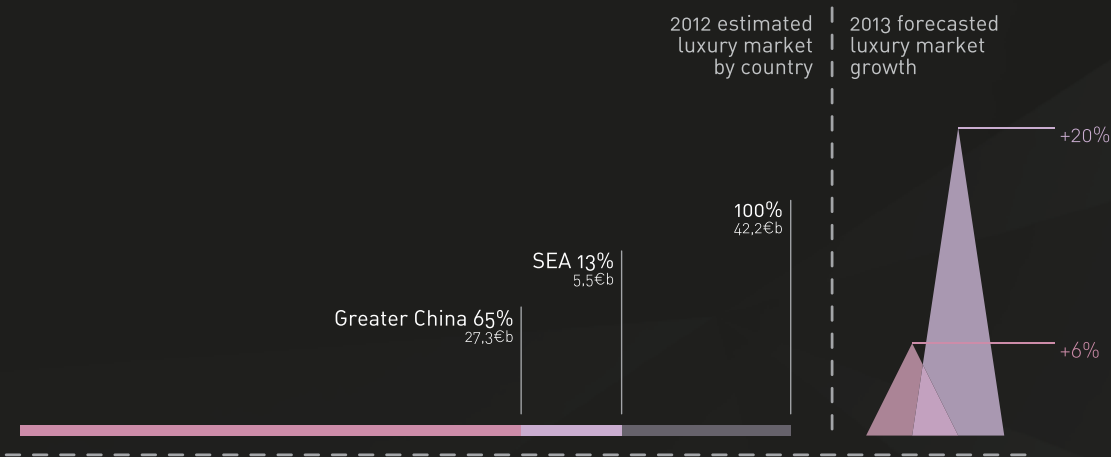
MIDDLE EAST

source Worldwide Luxury Goods Market Monitor, 2013 Spring Update, Bain&Company



ASIA-PACIFIC

source Worldwide Luxury Goods Market Monitor, 2013 Spring Update, Bain&Company

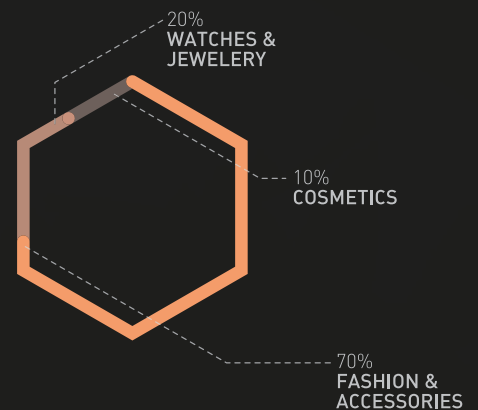


LUXURY MARKET PERFORMANCE | LARGEST COMPANIES

2013 FT Global 500 top luxury companies
left - % of companies in each sub-sector

source FT Global 500 March 2013

COMPANY	2013 FT GLOBAL 500 RANK POSITION	MARKET VALUE (\$m)
L'OREAL	62	96,027.1
LVMH	68	87,287.6
RICHEMONT	210	41,069
HERMES INT.	233	36,716.2
FAST RETAILING	256	33,767.1
SWATCH GROUP	301	30,599.7
CHRISTIAN DIOR	308	30,195.7
KERING	335	27,757.1
PRADA GROUP	367	26,041.1
LUXOTTICA	406	23,810.8



Luxury companies' - clustered by currency -
share value appreciation over the last 3 years.

stocks exchanged in Euros

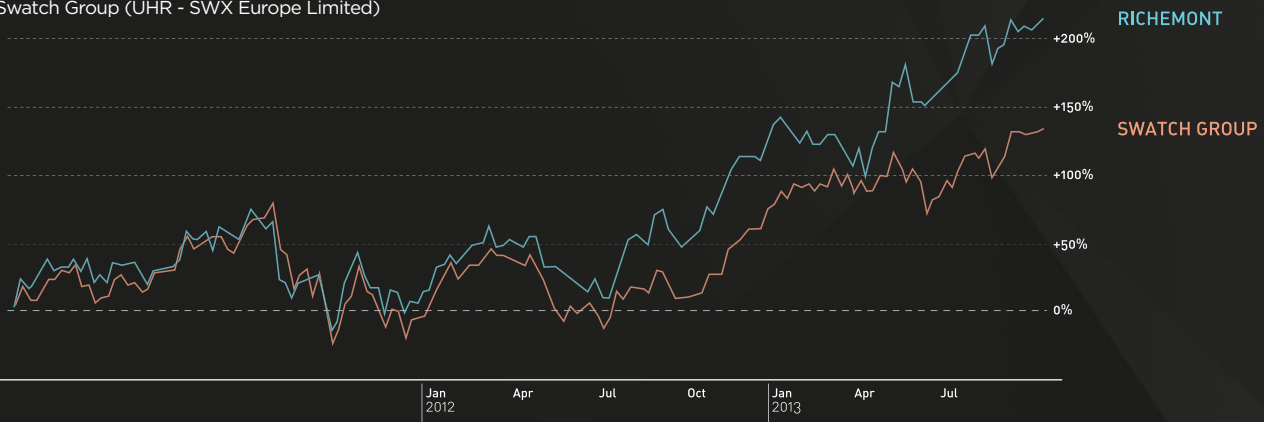
L'Oreal (OR - Paris Stock Exchange)
LVMH (MC - Paris Stock Exchange)
Hermès Int. (RMS - Paris Stock Exchange)
Christian Dior (CDI - Paris Stock Exchange)
Kering (KER - Paris Stock Exchange)
Luxottica (LUX - Milan Stock Exchange)

source www.financialtimes.com
consulted on October the 30th 2013



LUXURY MARKET PERFORMANCE | LARGEST COMPANIES

stocks exchanged in Swiss Francs
 Richemont (CFR - SWX Europe Limited)
 Swatch Group (UHR - SWX Europe Limited)



stocks exchanged in Hong Kong Dollars
 Prada Group (1913 - Hong Kong Stock Exchange Limited)



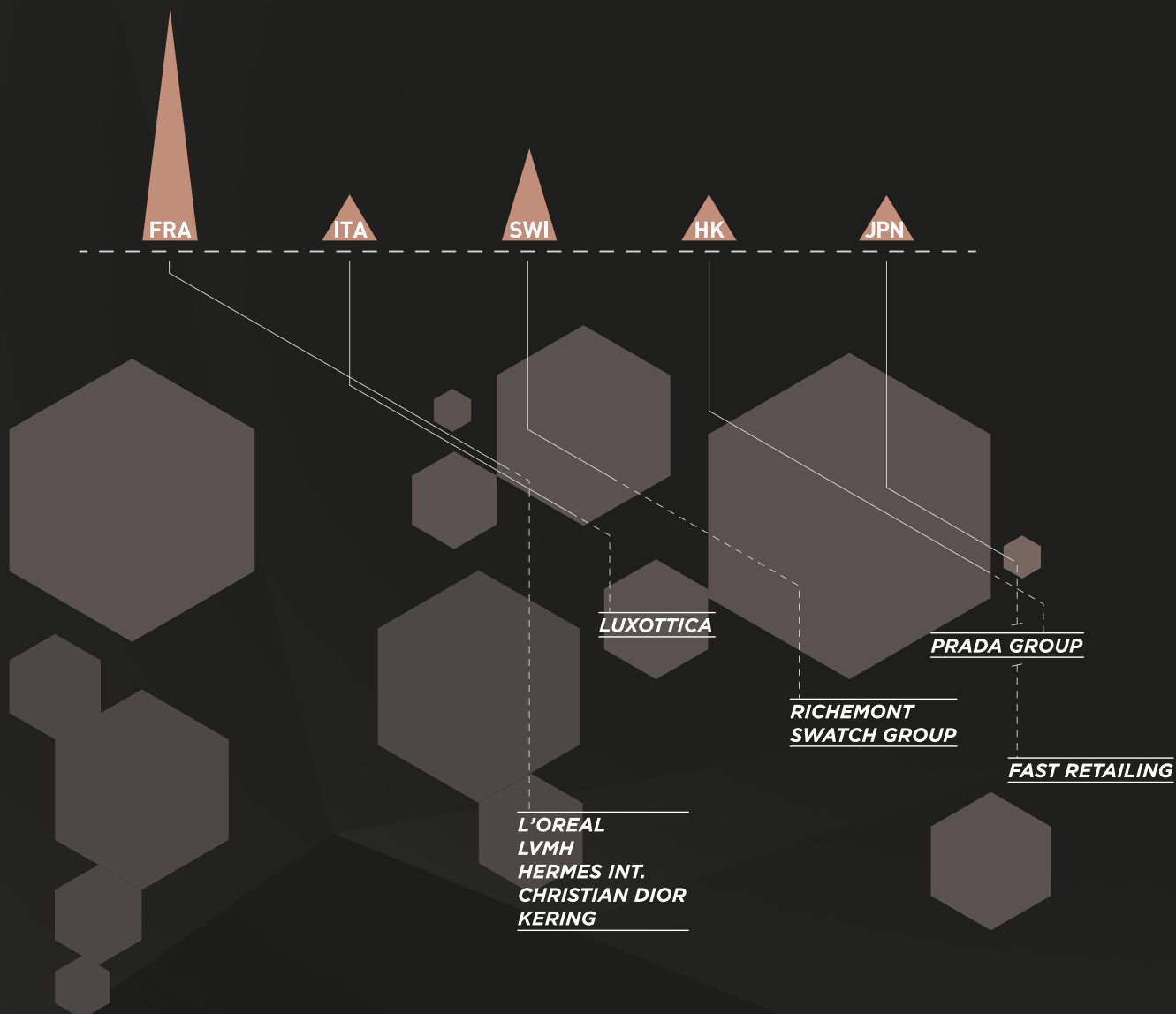
stocks exchanged in Japanese Yens
 Fast Retailing (9983 - Tokyo Stock Exchange)



LUXURY MARKET PERFORMANCE | LARGEST COMPANIES

2013 FT Global 500 top luxury companies
by country

source FT Global 500 March 2013



LUXURY MARKET PERFORMANCE | LARGEST COMPANIES

2013 FT Global 500 top luxury companies characteristics in millions (currency unit) except if otherwise stated (and except for share value)

COMPANY	CURRENCY	TOTAL EQUITY	TOTAL ASSETS	MARKET CAPITAL	52-WEEK RANGE	
					MIN. LOW	MAX. HIGH
LÓREAL	EUR	20,921	29,531	77.89 bn	95.80	137.85
LVMH	EUR	24,294	49,998	71.23 bn	117.80	150.05
RICHEMONT	CFH	10,216	14,497	48.40 bn	60.15	96.15
HERMES INT.	EUR	2,344	3,406	26.67 bn	210.10	283.20
FAST RETAILING	JPY	560,567	885,800	3.50 tr	16,620	44,400
SWATCH GROUP	CFH	8,554	10,430	30,010.78 m	66.65	104.40
CHRISTIAN DIOR	EUR	10,964	55,555	25.44 bn	107.80	148.10
KERING	EUR	11,414	25,257	21.27 bn	128.42	185.15
PRADA GROUP	HKD	2,320	3,385	189.35 bn	61	84.75
LUXOTTICA	EUR	3,981	8,442	18.47 bn	28.92	42.97

Dividends per share

COMPANY	DIV. YIELD (5 YEARS AVERAGE)	DIV. GROWTH RATE (5 YEARS)	PAYOUTS RATIO (TTM)	'11-'12 YOY GROWTH RATE
LÓREAL	2.21%	10.76%	47.35%	15%
LVMH	2.33%	12.63%	27.05%	11.54%
RICHEMONT	0.90%	1.12%	41.90%	81.63%
HERMES INT.	1.02%	20.11%	13.24%	25%
FAST RETAILING	1.40%	17.41%	48.48%	11.54%
SWATCH GROUP	1.75%	9.69%	22.81%	-
CHRISTIAN DIOR	2.06%	-	-	-
KERING	3.95%	1.08%	-	7.14%
PRADA GROUP	0.05%	-	-	80%
LUXOTTICA	1.95%	3.43%	46.63%	18.37%

Earnings per share

COMPANY	EPS GROWTH (5 YEARS)	'11-'12 YOY GROWTH RATE
LÓREAL	1.57	16.12%
LVMH	10.07	9.48%
RICHEMONT	16.02	30.42%
HERMES INT.	21.23	24.84%
FAST RETAILING	15.71	26.06%
SWATCH GROUP	10.56	-
CHRISTIAN DIOR	-	-
KERING	6.84	36.89%
PRADA GROUP	-	44.86%
LUXOTTICA	1.54	18.15%

to all above
source www.financialtimes.com
www.reuters.com
consulted on October, 30th 2013

PORSCHE

Panamera S hybrid

D S GO 3122

APOGÉE

THE SERVICE



Even global car brands with a strong heritage of power are engaging in new types of innovation. Alike Tesla, the **PORSCHE PANAMERA HYBRID** states it is ok for traditional european car brands to operate according to new standards and values.

APOGÉE'S | OFFERING

Apogée is a service with a two-sided offer. Firstly, it serves its financial ts - service members - with two different financial products, each with unlike financial remunerations and point attributions. Secondly, Apogée's platform allows clients to redeem those points in a myriad of exclusive products designed by partner-brands for this service.

Along with this offering dynamics, Apogée aims at advising its members on how to better apply their assets. As a functional financial and emotional instrument, Apogée consults its clients regarding the financial and emotional rewards they are able to obtain from this service.

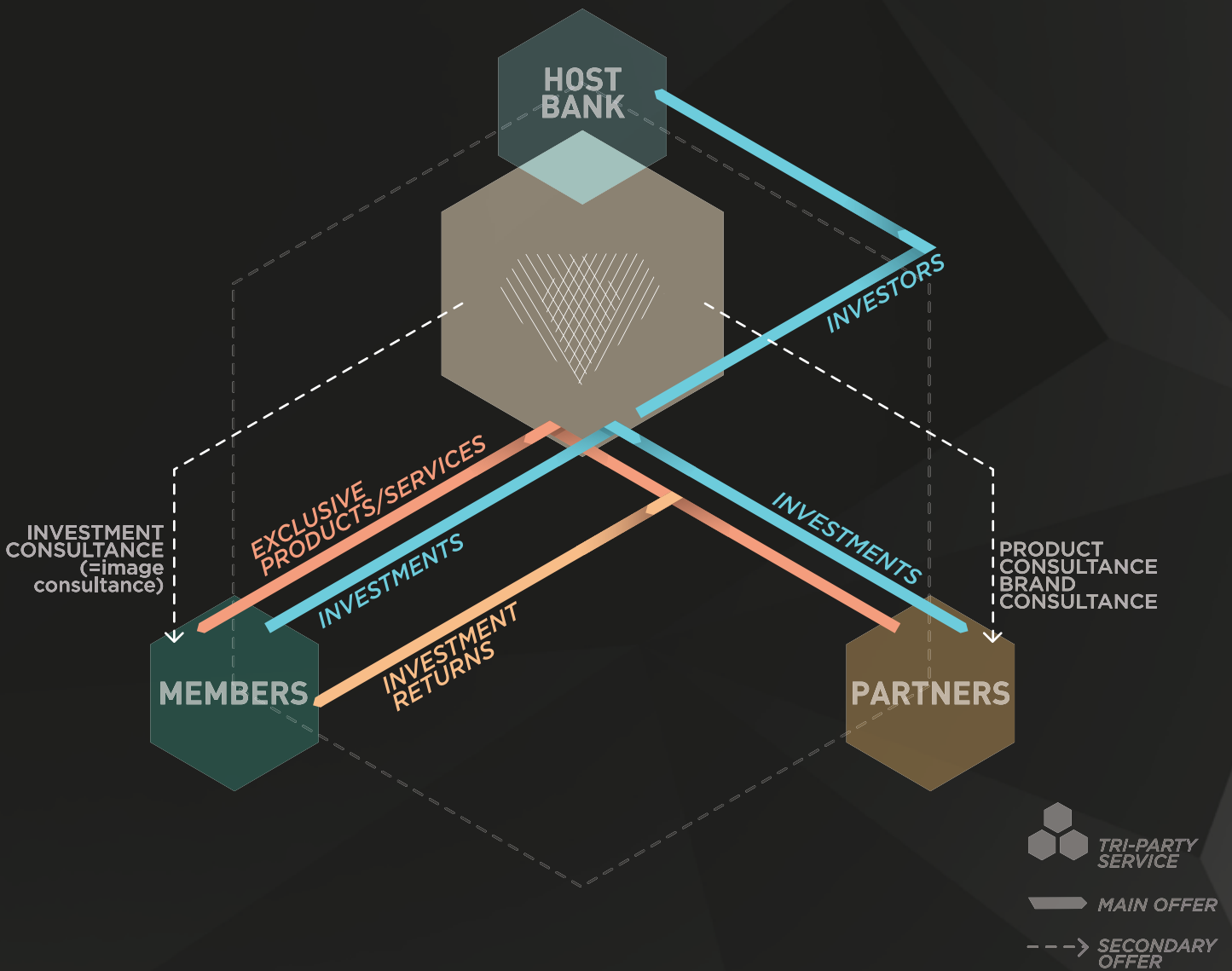
On the other hand, partner-brands might also be considered a recipient of Apogée's offer.

Apogée helps brands collect investors by letting them access the host bank's client base and, by doing so, reduce costs.

Since Apogée is a symbiosis between the service itself and the brands it is partnered with, it is of the service's interest to advice allied companies about how to design products for our targeted audience - HNWIs from emerging economies.



Apogée's offering map



APOGÉE'S FINANCIAL STRUCTURE AND FUNCTIONING

Apogée starts its status hierarchization in its offer.

The service offers two different ways of investing, both carrying unlike levels of risk.

With Apogée - as with any other financial instrument - the higher the risk, the higher the chances of greater remuneration.

Apogée awards clients that are willing to take higher risks with larger profits and, above all, with more points to redeem towards uber-exclusive luxury products.

Apogée is so much more than a simple game played in the luxury market. It is a financial instrument that privileges good investments and allows its clients to enjoy profits from a booming market sector and that is designed to give its members an added value to their investments - Apogée exclusive products and a social status building tool.

Apogée offers its clients the chance to invest through the following two methods:

. a deposit account, indexed to a brand chosen by the member with

capital guarantees but with fewer credits attributed and lower interest rates and remunerations;

. an open-end hybrid boutique fund that allows Apogée members to invest directly in stock, equity or bonds of their preferred companies. In this case, with higher risks, profits are made directly according to the chosen company's share appreciation and points are awarded in a fixed number at the time of the investment and according to the investment's performance after a defined period.

Patrizio Bertelli and Miuccia Prada, CEO and Chairperson, respectively, of Prada Group. By investing in conglomerates, Apogée's members will be able to redeem their points towards any brand of the group they've invested in.



APOGÉE | INDEXED DEPOSIT ACCOUNT

PRODUCT STATUS	entry level product, standard Apogée product
CLASSIFICATION	indexed deposit account
PRODUCT CHARACTERISTICS	<p>Non-callable indexed deposit account for a period to be defined by the banking institution and with annual remunerations on the deposited amount.</p> <p>A fixed remuneration for each of the years of the deposit.</p> <p>When maturity is reached, a fixed remuneration is payed-off depending on the financial performance of the indexing company. Fixed remuneration rates should be defined both for cases of appreciation or depreciation of the chosen company throughout the duration of the deposit.</p>
REMUNERATION GUARANTEE	This deposit guarantees an annual fixed rate of remuneration and a set of guidelines for its final pay off.
RISK FACTORS	<p>Market Risk Though remuneration is guaranteed at the end, it still depends on the market's behavior throughout the duration of the deposit</p> <p>Liquidity Risk This is a non-callable fund. Invested amounts cannot be redeemed early by a client.</p>
UNDERLYING OR ASSOCIATED INSTRUMENTS OR VARIABLES	<p>As referred before, this deposit is indexed to the financial performance of a chosen luxury brand.</p> <p>Examples of luxury brands and their latest performances are shown in the previous chapter.</p>
RECOMMENDED CLIENT PROFILE	<p>Apogée members that do not expect to have liquidity issues during this deposit. Members with a lower risk tolerance.</p> <p>As an entry level product, an indexed deposit account allows new members to enjoy from potentially higher return rates than the ones found in regular deposits.</p>
ACCESS CONDITIONS	Minimum amount defined and required by the operating bank.
MODALITY	Non-callable deposit account
TERM	To be defined by operating bank.

APOGÉE | OPEN-END HYBRID BOUTIQUE INVESTMENT FUND

PRODUCT STATUS

high-tier product

OPEN-END

Due to Apogée's full dependence on a digital platform to operate, members must be able to issue or redeem their participation at any time.

HYBRID

Given a luxury brand's possible unwillingness to give up creative power through share purchase, a fund that aims at investing in brands of this sector should be open to invest both in stock and in bonds.

BOUTIQUE

This fund is focused on the luxury market. It has a portfolio of companies strictly chosen according to their globally recognized brand values and financial performances.

INVESTMENT POLICY

Apogée's investment fund aims at investing in global luxury brands with high market capital and considerable total assets.

The main goal of the fund is to provide its participants with the chance to invest in stocks or bonds indexed to their favorite luxury brands.

MARKETS

Apogée's investment fund will invest its assets in luxury brands or conglomerates that are listed in any stock exchange.

RISK FACTORS

Market Risk

This fund's performance is susceptible to the companies it becomes indexed to. This companies' economical performance - amongst other factors - will dictate the fund's growth.

Currency Risk

Luxury brands are listed all around the globe. Currency appreciation or depreciation might represent an issue.

Country Risk

Listed companies' financial performance depend on their respective stock exchanges' countries' stability.

ASSET APPRECIATION

The fund's value is calculated on business days and it is determined by dividing the fund's global liquid value for the number of its participation units/shares.

PARTICIPATION UNITS

Shares are subscribed via Apogée's digital platform according to the current day's fund's value.

APOGÉE | OPEN-END HYBRID BOUTIQUE INVESTMENT FUND

RECOMMENDED CLIENT PROFILE

This fund is destined to investors with strong tolerance to risk and to market oscillations.

Members taking part in the fund should be looking for long term capital growth.

APOGÉE'S POINT ATTRIBUTION

As mentioned before, there are different rates of point attribution for different Apogée financial products.

Along with Apogée's Indexed Deposit Account, a member will receive a number of points that is directly proportional to the amount he deposited. Those are the points he will receive for the whole operation.

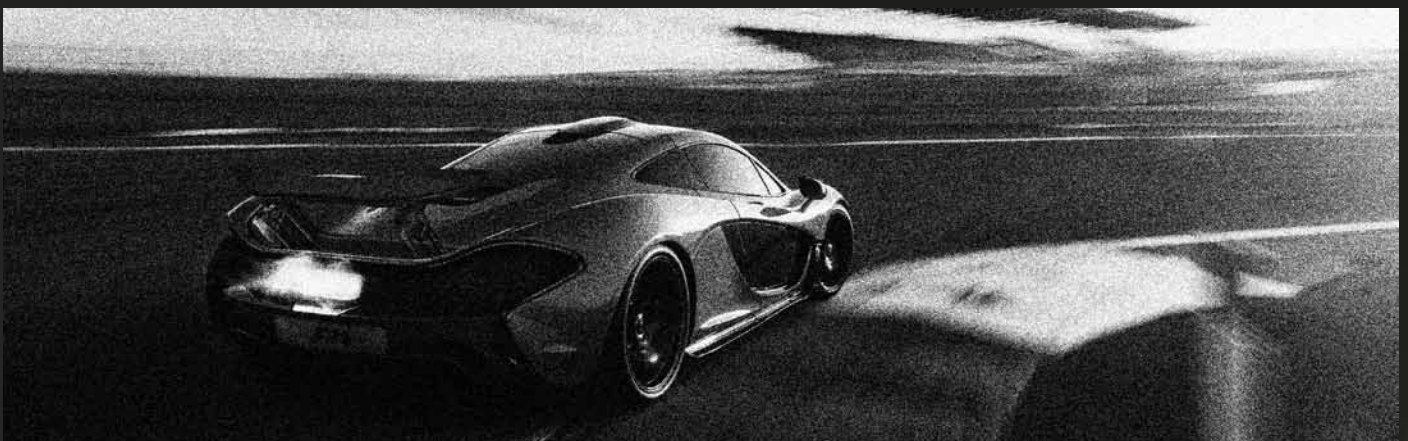
With Apogée's Investment Fund, clients receive - at the time of the investment - a number of points that is proportional to the amount

invested (with a more generous money-points conversion rate, though). However, clients can receive bonus points according to their investment's performance.

An annual point attribution will be processed until the end of the investment. At this stage, the member will receive another tranche of Apogée points.

If the investment has a poor performance, the member won't receive any extra points but will maintain the ones received at the moment of the investment.

China's growing demand for MacLaren's P1 model is expected to be responsible for 10% of the car's total production by 2014.



APOGÉE'S POINT ATTRIBUTION

INDEXED DEPOSIT ACCOUNT

Fixed point attribution at the time of investment.
Attributed points are proportional to the amount invested.

These points will constitute the full amount of points attributed the whole operation.

OPEN-END HYBRID BOUTIQUE INVESTMENT FUND

Fixed + Variable point attribution.

Fixed amount of points - proportional to the amount invested - attributed at the time of investment.

Variable amount of points periodically attributed throughout the duration of the investment and proportional to its performance.

Final point tranche attribution at the moment of final remuneration payment (also proportional to the investment's performance).

**
due to higher risks, money-point conversion rates in the investment fund are more generous

STAKEHOLDERS



APOGÉE staff

Tasks explained in the next pages.



PARTNER-BRANDS

Partner brands are to design exclusive products for Apogée's clients. These products should aim at an up-market segmentation. They should be conceived according to HNWIs' needs and whims.

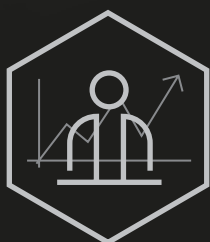
Apogée's standards for these products or services are nothing lower than top-of-the-range.



APOGÉE's clients

Segmentation, main characteristics and specifications explained in the Strategic Document.

STAKEHOLDERS | APOGÉE'S STAFF



FINANCIAL CONSULTANT

A key player in Apogée's financial performance and, therefore in the financial satisfaction of Apogée's members.

A consultant is meant to advice clients on how to invest their assets aiming at larger profits according to each client's requirements.



ASSET MANAGER

Asset managers are responsible for safeguarding the value of clients' assets. Their main goal is to efficiently and effectively run, improve, obtain or discard tangible or intangible properties.



BRAND CONSULTANT

Brand consultants at Apogée both advice partner-brands about how to develop new products for HNWIs and clients about the best brands that will meet their emotional and social constraints.



SOFTWARE MANAGER

In charge of keeping the service's core function working. Software managers guarantee that the mobile platform on which the whole service relies is fully functional at all times.

WHERE

Due to its strong novelty factor, Apogée should be launched in a roll-out operation according to a forecasted cultural acceptance of this kind of creative projects.

Both Monaco and Switzerland are a suitable starting point. The financial sectors of both countries are directly and closely connected to a very global client base.

Furthermore, BRICs - Brazil, Russia, India and China - are four of the most suitable nations to adopt a more social-status-oriented financial product,

both because of their great number of fortunes and their economic and cultural dynamics.

Lastly, the Middle East is home to a very dense HNW population whose trends - in the last decade - have literally defined Apogée's core concept.

At a second stage, Apogée should expand to specific European markets - Germany, UK, France, Spain, Italy, Ukraine, Portugal, Greece, Belgium, Norway, Poland, Romania, Hungary and Serbia - and to North America. This is also the time to grow in order

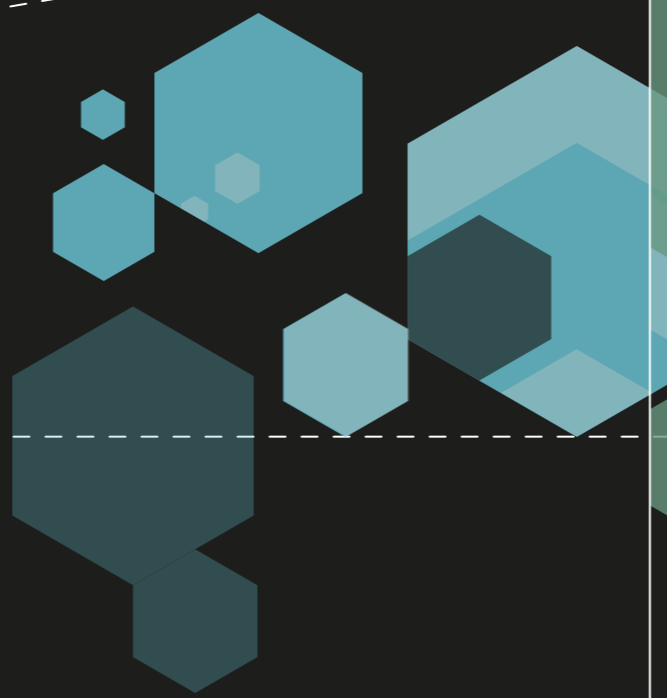
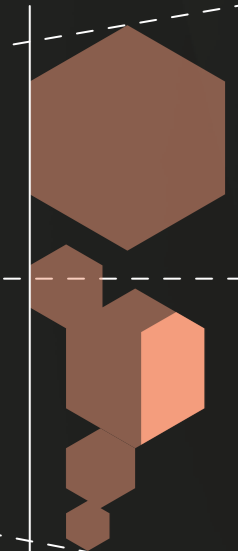
to exploit the full potential of Asia Pacific (including Japan) and Latin America - with some reservations regarding small economies south of Mexico and Argentina.

Finally, at a third and last stage, Apogée is to broaden its activity to Sub-Saharan Africa and Egypt. Nations like Angola, Kenya, Nigeria, Mozambique are starting to attract global luxury brands and are becoming strong threats to South Africa when competing for the most developed African economy place.

GEOGRAPHICAL
EXPANSION





MONACO
SWITZERLAND
BRAZIL
RUSSIA
INDIA
CHINA
MIDDLE EAST
ASIA-PACIFIC
LATAM
N. AMERICA
EUROPE
selected countries

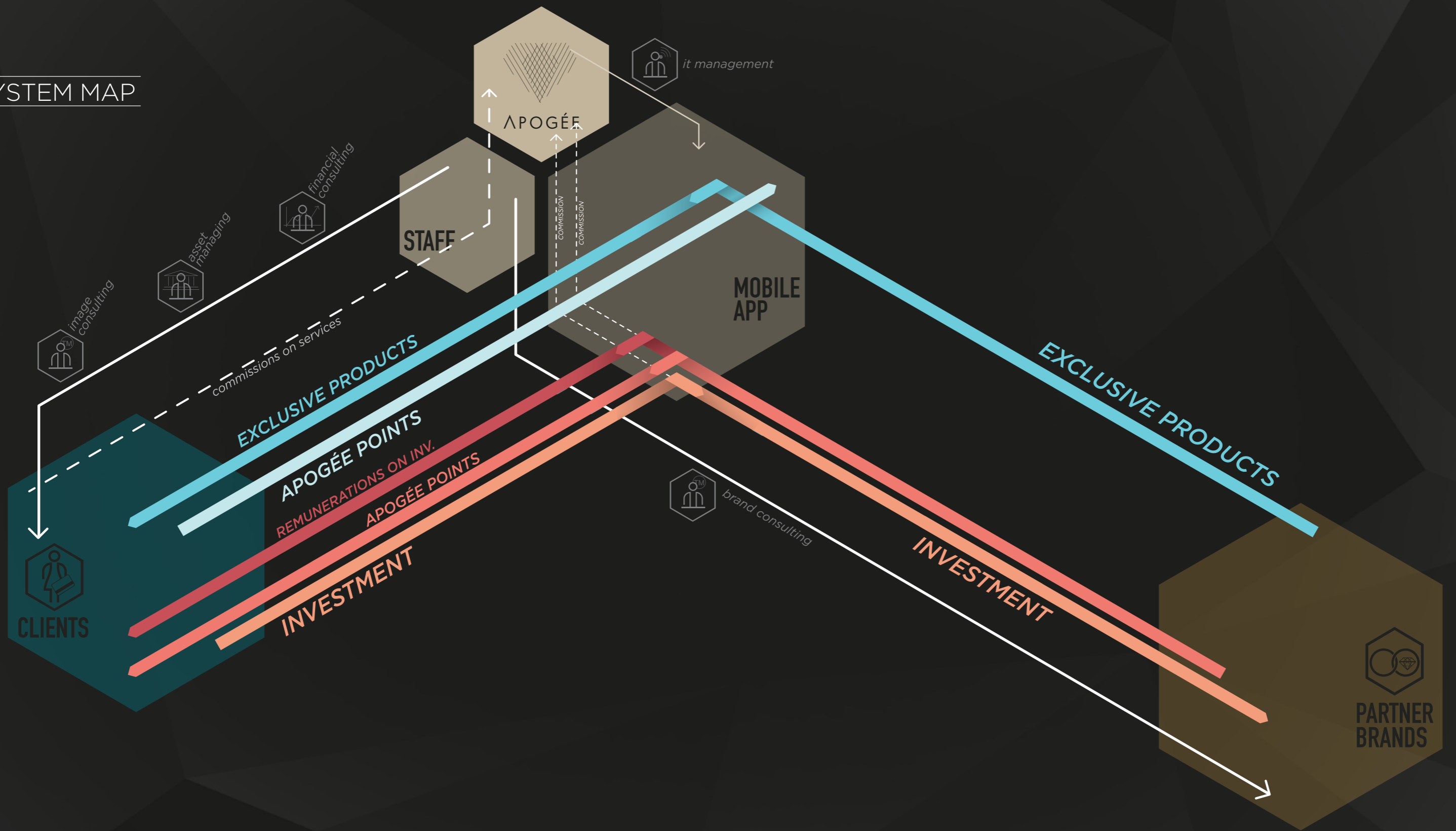
MONACO
SWITZERLAND
BRAZIL
RUSSIA
INDIA
CHINA
MIDDLE EAST
ASIA-PACIFIC
LATAM
N. AMERICA
EUROPE
selected countries
SUB-SAHARAN AFRICA



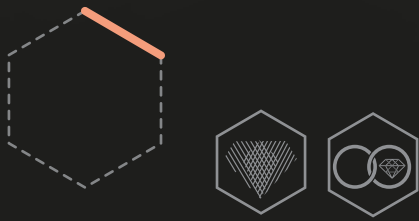
MONACO
SWITZERLAND
BRAZIL
RUSSIA
INDIA
CHINA
MIDDLE EAST

SYSTEM MAP

-  Client Investment Operation and respective remunerations
-  Purchase of Apogée's exclusive products with points
-  Purchase of Apogée's exclusive products with points
-  Secondary operations

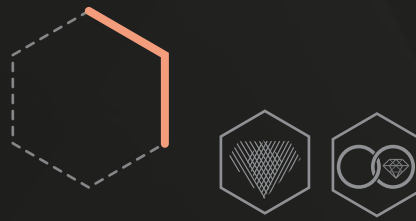


KEY ACTIVITIES | SERVICE SETTING



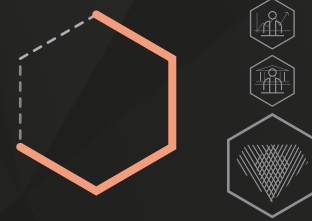
COLLECT PARTNERS- DEVELOP COOPERATION PROTOCOLS

Apogée depends on an infrastructure composed by a service provider, its clients and business partners. In this early stage, Apogée is to collect luxury companies that are willing to work together with the service. Apogée sales staff members should explain prospective business partners how they can benefit from new investment flows created by Apogée for them. In return they must only design products that meet our clients' ultra-luxurious requirements - which might also help these companies to target a segment of the population they've found hard to satisfy, so far.



APOGÉE PRODUCT DESIGN

Together with Apogée's expertise on HNWI's necessities and desires, partner-brands are to design the exclusive products that will be offered through our service's mobile platform. These products must be conceived according to top of the line product standards. They are meant to satisfy the needs and whims of the very wealthy that will be pleased with nothing but uniqueness, exclusivity and absolute rarity.



CREATION OF THE INVESTMENT FUND

Being a core element of the service, Apogée's investment fund - its high-tier product - must be prepared before it is presented to its customers. Firstly, the fund's structure must be defined. Its tax and legal strategies are to be chosen according to its host bank's preferences. Then, all the tasks must be delegated: define if the fund's management is going to be performed internally or by hired managers (or both). Moreover, the fund's team should be completed with an auditor, a legal counsel and a custodian for their respective expertise in securities law, investment fund industry and in safeguarding the fund's assets. Furthermore, the fund must be tailored to what Apogée aims at offering to its clients: the possibility to invest at any given time and place in their favorite luxury companies. Small and large investments and long, medium or short-term investments should be differentiated by pricing.

KEY ACTIVITIES | SERVICE SETTING



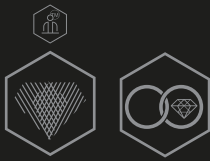
RAISE AWARENESS AMONGST APOGÉE'S PROSPECTIVE CLIENTS

Clientele awareness should be obtained by a direct-contact strategy. Either in person or via direct lines, the host bank, at this stage, must profile its clients and inform the ones that fit Apogée's target outlines about the offered service.

Since it is a more creative and innovative solution, Apogée could boast more efficient operations with lower costs.

Apogée's mobile application should serve as an advertising touchpoint as well as informative booklets or digital newsletters via direct online contact.

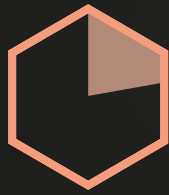
KEY ACTIVITIES | SERVICE PERFORMANCE



BRAND CONSULTING

Since Apogée helps its partner-brands to enter in the HNWLs market in a more efficient way, it can counsel them on how to better design the products or services they provide to Apogée's clients.

Dealing with the ultra-wealthy both in an objective and emotional way are Apogée's expertise areas and that should be holistically noticed across the whole service.



FINANCIAL CONSULTING

Apogée is meant to be a useful and functional financial product. As such, its clients are advised on how to better invest their assets through Apogée's services. Our financial consultants are to counsel clients on how to cleverly apply their resources and always keeping in mind each client's social-status goals regarding their operations with Apogée.



IMAGE CONSULTING

Image consulting should be performed together with financial consulting.

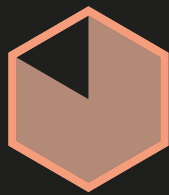
In Apogée, we worry about both the financial and social goals of each client. By resourcing to our image consulting service, clients are helped to reach the public image they are trying to build for themselves through our service.

KEY ACTIVITIES | SERVICE PERFORMANCE



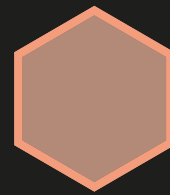
INVESTMENT

In this key activity, Apogée's clients invest in their favorite luxury brand - given it is amongst the provided brands by Apogée's mobile app - and, in return, receive Apogée points that can be spent on exclusive products. There are several different ways of investing with varying financial, status and point remunerations.



PURCHASE WITH APOGÉE POINTS

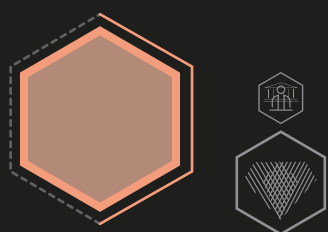
Clients use their Apogée mobile account to consult which products are available to them - according to the number of credits they've gained from investing and their status - and use it to purchase whatever products or services they might need or want.



PRODUCT DELIVERY

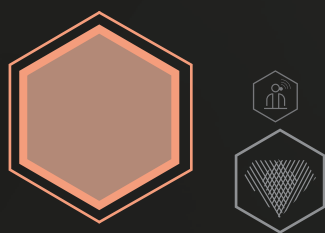
If a customer has purchased a service, he will receive an official invitation or voucher either by mail or via the mobile app in the moment of purchase. If a customer has bought a product, he will receive it in the manner the brands sees most suitable (mail, carrier, personal delivery...).

KEY ACTIVITIES | SERVICE MAINTENANCE



ASSET MANAGEMENT

Asset management comprises the necessary tasks to safeguard the integrity of Apogée's investment fund. The fund's custodian entity is required to hold and protect the clients' assets within Apogée's investment fund.



SOFTWARE MAINTENANCE

Apogée's mobile app is the fundamental linking point between any entity of its trifacta (bank, client and companies). It is crucial that it is fully running at any given time: it must always be ready to provide its full offer to our clients. Thus, its maintenance being key to Apogée's correct functioning.

BUSINESS MODEL

Apogée, as a banking service that innovates by developing relationships other than the usual customer-bank contact, has the necessity of an **unbundled business model** (Hagel and Singer).

Many tasks can be found all across the service, each requiring different resources and human or non-human mechanisms that will ultimately build a fully functioning and operational system. Each of those movements are wrongly perceived as key-activities; instead, these should be considered as key-businesses, for every single one of

them has its own economical cosmos. According to Hagel and Singer's model, an unbundled company is formed by three different sub-businesses:

. Product Innovation - in which companies create attractive and pertinent products and design the optimal way to bring them to the market place. It is normally outside of the core boundaries of its host company and is ruled by creativity and urgency of completion in an early market stage. In Apogée's case, product innovation

has been performed in the conception of this thesis and, thus, should not be considered as part of the company's business plan.

. Customer Relationship Management - interaction costs (Butler) that have become inherent to any enterprise that focuses on exchanging goods or services. It aims at finding customers and has a very poor investment-gain ratio; it is unavoidable notwithstanding. It is controlled by the judicious scope of the targeted public and by four crucial sequential tasks: attract, create, hold

Apogée's mobile app is its core asset when linking all stakeholders and enabling the full operation of the service.



BUSINESS MODEL

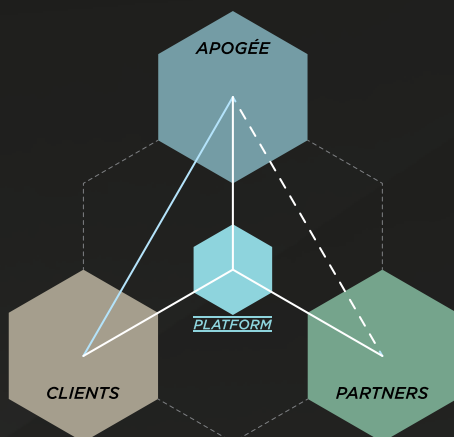
and nurture client/partner relationships.
 . Infrastructure Management - to build and manage the necessary means for an operational service. It is mainly focused on effectiveness and efficiency as it aims at pleasing the largest possible amount of people with minimum resources.

In Apogée, customer relationship management can be found in two fronts: partner and customer communications, where as infrastructure management is solely found in the design and maintenance of Apogée's app - though it collects inputs

from both clients and partner-brands. Apogée's business plan is unbundled and formed as follows:

1. Customer Relationship Management;
2. Partner Relationship Management;
3. Infrastructure Management.

Apogée was designed to be provided by a banking institution and not an individual and independent company.



--- Partner Relationship Management
 — Customer Relationship Management
 — Infrastructure Management

BUSINESS MODEL CANVAS | CUSTOMER RELATIONSHIP MANAGEMENT



BUSINESS MODEL CANVAS | CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management includes both the attraction of new clients and the nurturing of existing accounts.

. Customer Segments

Niche market that is not segmented within the total targeted public.

. Value Proposition

Novelty - first in market;

Customization - Apogée is designed to be tailored to each client's requirements;

Brand/Social Status - there's a very tangible socio-emotional gain to get from Apogée;

Accessibility/Convenience - easy to use anywhere at any given time.

. Channels

Customer Relationship Management is included in the following three of the five channel stages (awareness, evaluation, purchase, delivery and after sales):

awareness - during marketing efforts -, evaluation - when staff members help

prospective clients to understand the benefits of our products and post-sales -

within back-office maintenance tasks and asset management operations.

. Customer Relationships

A mix of dedicated personal assistance with automatized service - with emphasis on the first.

. Revenue Streams

Intermediation commissions that depend on the volume of handled assets.

. Key Partners

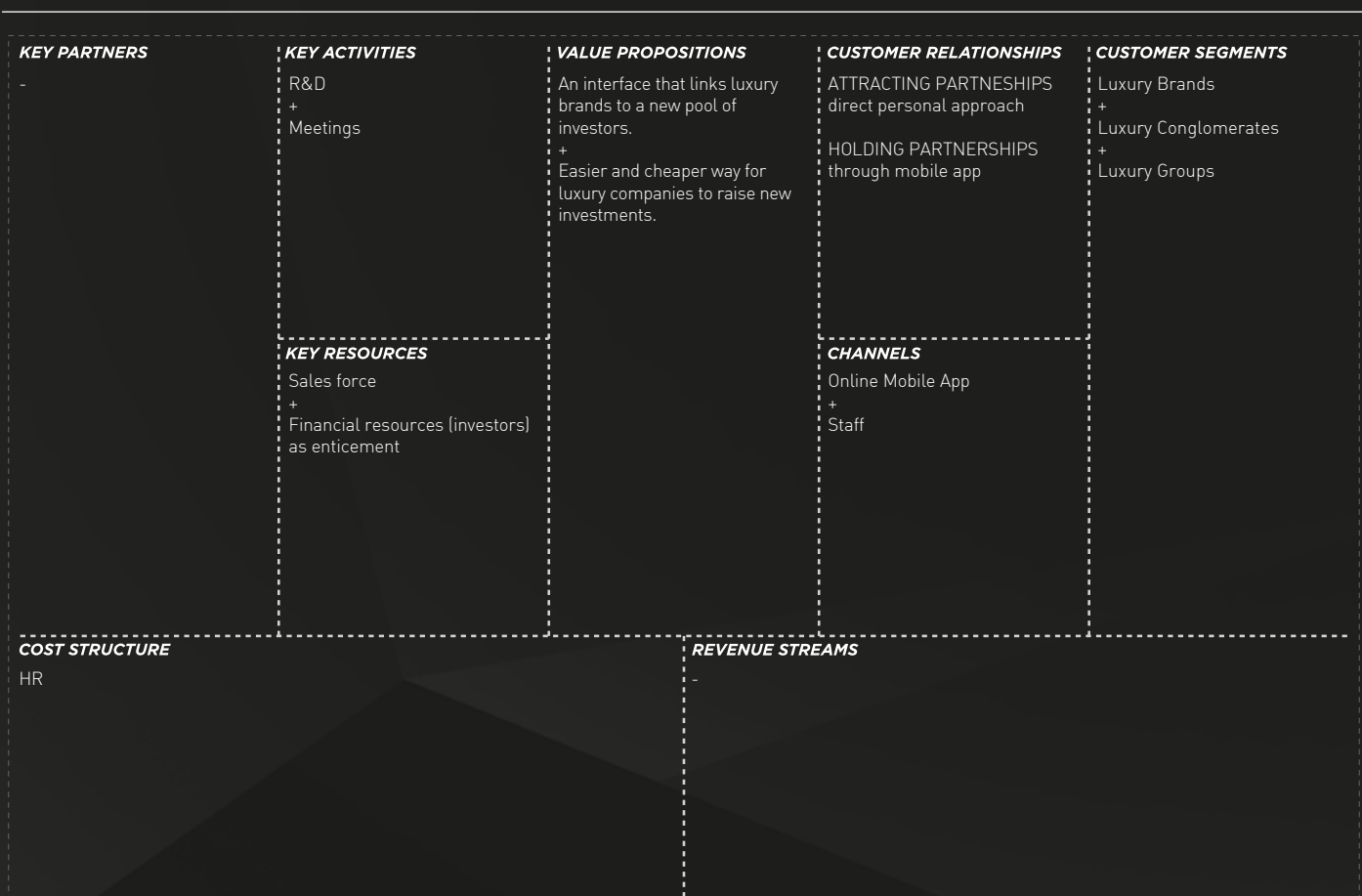
When attracting new customers, luxury brands - as our partners - contribute to a more robust image of the service by reducing the risk of uncertainty.

If managing already existing customer accounts, luxury brands are an integral part of Apogée.

. Cost Structure

Fixed costs with staff members.

BUSINESS MODEL CANVAS | PARTNER RELATIONSHIP MANAGEMENT



BUSINESS MODEL CANVAS | PARTNER RELATIONSHIP MANAGEMENT

Partner Relationship Management comprehends both the attraction of new partners and the joint work that must be done in order to obtain a fully functioning service.

. Customer Segments

Luxury brands, groups or conglomerates segmented by their market capital, share appreciation and overall financial performance.

. Value Proposition

Novelty - first in market;

Customization - Apogée is designed to fit any brand identity it co-brands with;

Convenience/Cost Reduction - Apogée helps luxury brands to reach a new pool of investment thus relieving them of the money and time consuming task of finding new investors;

“Getting the job done” - Apogée helps its partner brands to target a public that has been hard to satisfy so far: HNWIs. These are the most pertinent group of people for luxury brands given the current economical situation.

. Customer Relationships

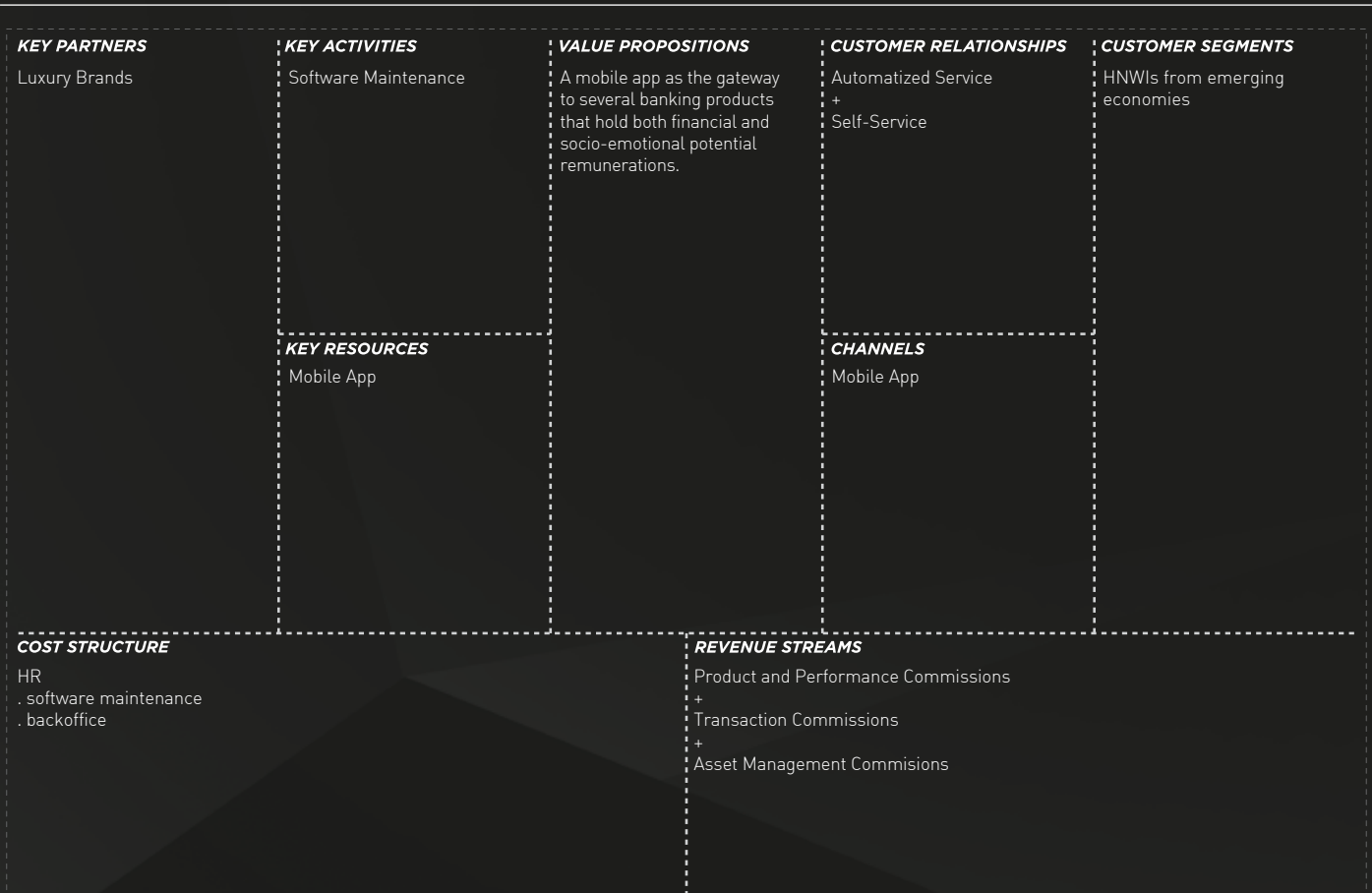
A mix of dedicated personal assistance with automatized service - with emphasis on the first.

Value Co-creation - value is created either by the simple alliance of brands or by the conception of products with the help of both Apogée's and the brand's expertise on the matter.

. Cost Structure

Fixed costs with staff members.

BUSINESS MODEL CANVAS | INFRASTRUCTURE MANAGEMENT



BUSINESS MODEL CANVAS | INFRASTRUCTURE MANAGEMENT

. Customer Segments

Niche market that is not segmented within the total targeted public.

. Value Proposition

Novelty - first in market;

Customization - Apogée is designed to be tailored to each client's requirements;

Brand/Social Status - there's a very tangible socio-emotional gain to get from

Apogée;

Accessibility/Convenience - easy to use anywhere at any given time;

Performance - financial products either with guaranteed capital or, if with higher risks associated - aimed at a growing market.

. Channels

Infrastructure Management is included in the following three of the five channel stages (awareness, evaluation, purchase, delivery and after sales): purchase - when using the mobile app -, delivery - within mobile app when product purchase certifications are given and outside when products are delivered to clients -, post-sales - consulting, asset management and network maintenance.

. Key Activities

It is a model based on a platform or networks thus its main activities mainly include client interface maintenance.

. Key Partners

If managing already existing customer accounts, luxury brands are an integral part of Apogée.

. Cost Structure

Fixed costs with staff members.





