ICOrating

TRADINGENE Rating Review (www.tradingene.io)

ICO dates (16.05.2018 - 22.06.2018)

Web: icorating.com

Email: info@icorating.com

Twitter: [@IcoRating](http://twitter.com/IcoRating)

1. Rating

We have rated the Tradingene project as "Stable+".

Tradingene is a blockchain-based auction platform that enables the creation of and investment in algorithms designed for trading cryptocurrency and the most popular assets. Investors will be able to employ algorithmic strategies as retail solutions for their trading. Creators of algorithms will receive a management fee ("success fee") in the event that their strategies are successful. The project has a range of other useful services both for algorithm creators (web platform, tools) and investors (signal subscription, analysis, educational materials, etc.).

In general, the product being developed has an opportunity for success in the market, especially in the growing cryptocurrency industry. Its main advantage is that investors can connect trading algorithms without having to transfer any money to third-party accounts. Moreover, creators will receive success fees fixed by smart contracts.

The team is professional and has extensive experience in investment and trading. They have the necessary knowledge and understanding of algorithmic trading.

We should also note that the platform's success depends on a large number of risks. Some of them are systemic and cannot be leveled out by the team alone. The concept proposed by the platform, algorithmic trading in investors' accounts, might not be in high demand in the market as it is intended for open-minded users, which narrows down the target audience. A lot of risks are associated with the platform's success in the traditional financial markets; major limitations and technical challenges could stand in the way of the efficient development of services.

All in all, taking into account the professional team and potentially high demand in the cryptocurrency market, as well as the risks peculiar to the platform, we have rated the Tradingene project as "Stable+".

2. General Information about the Project and ICO

Tradingene is a blockchain-based platform that enables the creation of and investment in algorithms designed for trading cryptocurrency and the most popular assets.

The platform enables developers to create and test trading algorithms in a proprietary web interface. Upon development and checking (verifying) the algorithm in accordance with certain parameters, a strategy is put up for an auction where investors will be able to select the most suitable algorithm or portfolio. All transactions are executed via their own accounts, i.e. without the involvement of any "managers". If investors receive profit, they pay a so-called "success fee" to the "manager", i.e. the algorithm developer, and a service fee to the platform.

Essentially, the project is intended to provide convenient interaction between investors and managers. The algorithmic systems and auctions are key features enabling filtering out "bad" trading algorithms and ensuring a transparent rating system.
The platform aims to become a convenient marketplace where investors may choose profitable cryptocurrency trading strategies and include them in their portfolios, in order to earn from the volatile cryptocurrency market.

The platform provides trading algorithm creators with both a development and a backtesting environment. Creators can also raise money for developing their strategies. They will be motivated to create more profitable strategies by a fee determined by how successful their algorithms are.

The interaction is regulated by smart contracts and records on blockchain. It enables minimizing the risks from potential unfair practices by the counterparty. The smart contract will specify the most important parameters (success fee, the quantity of funds the algorithm can trade, investment horizon, etc.) and guarantee the stipulated terms are fulfilled.

The ICO is required for the further development and scaling of the project, as well as emission of a utility token. This will be used for mutual payments within the platform and provide some perks both for investors and trading algorithm developers.

[Website](#)
[Whitepaper](#)
[Twitter](#)
[Telegram](#)
[Facebook](#)

ICO

The PRIVATE PRE-SALE lasts from March 20th to May 11th. Details are discussed privately.

ICO start date: 16/05/2018
ICO end date: 22/06/2018
Token name: TNG
Soft cap: 4,000,000 USD
Hard cap: 12,000,000 USD
ICO price: 1 TNG = 1 USD
Minimum Buying Transaction: $100 or 0,01 BTC
Maximum Buying Transaction: -
Accepted currencies: ETH, BTC, LTC, BCH, WAVES
Unsold tokens will be burned.
Tokens will be transferred to investors upon completion of the ICO.

Total tokens to be issued: 12,000,000 TNG:
- 70% - ICO investors
- 19% - Team
- 10% - Advisors and partners
- 1% - Bounty

Use of funds depending on quantity of funds raised:

Cap	IT (including personnel)	Marketing PR & Community Management	Personnel (except IT)	G&A	Rent	Legal & compliance
$4M	52	23	10	5	7	3
$8M	50	21	11	6	9	3
$12M	48	19	11	6	9	7

ICO bonuses depend on the total number of tokens sold at the moment:

4 million + 20%	4+ million + 15%	6+ million + 10%	8+ million + 5%	10+ million 0%

3. Description of the Services and Scope of the Project

The project's services are designed for two user groups: Investors and algorithm creators. Tradingene enables investors to choose an algorithm that meets their parameters to earn additional income from the market. They can also subscribe for signals. Algorithm creators can attract funds in order to manage them and receive fees in the event of profit in the investor's account. If profit is high, the fee can also be substantial.

The founders state that the basic reason for developing the platform is that currently there is no platform able to provide users with a web interface for algorithm creation, testing and analysis. A history database, available for backtesting and various algorithm analyses is a useful feature towards this.

The project will enable retail investors to invest in tried and tested algorithms as well as adjust them to their own return expectation and degree of risk required. Unlike the majority of traditional services, the platform provides a proprietary rating system and auction for investors. It enables an "algorithm vortex" to be created, to help filter out low-efficiency strategies.

Investors can authorize their funds to be "managed" by algorithms without having to transfer them to third parties. Trading will be carried out via their accounts. Fund management terms will be recorded in smart contracts, which will also regulate transfer of algorithm creators' success fees.

Users will also be able to subscribe for signals and other important events. The platform also envisages providing educational activities for trading and investment.

Let us have a closer look at the services.

Services for algorithm creators:

The Tradingene platform foresees two access modes: Free (limited functionality) and for a fee (additional features).

The following features are available for free:
- A basic set of modeling tools for the Lua and Python languages (sufficient for comfortable and fully-fledged development).
- Access to historical data.
- Online training based on the company's proprietary materials and courses.
- Stipends and incentive programs.

The following features are available for an additional fee:

- Unlimited access to algorithmic modeling tools.
- Access to non-market data.
- Implementation of complex calculations.
- Advanced analytical options.
- Webinars.
- Participation in auctions (a deposit for putting a strategy up for an auction).

Creators can develop (in Lua and Python) and test their own trading ideas in the platform's web interface. They will have access to historical data for backtesting (as detailed as one minute's worth). Additionally, algorithm developers will be able to optimize their strategy parameters, track their risk and return potential and generate yield curves. Transactions and strategy parameters will be charted, and they can also be downloaded for purposes of offline development and analysis, etc.

In general, the product looks like an "all-in-one" solution. The platform enables developing algorithms, performing analysis and accessing data virtually in one window. It also enables users to put up strategies for auction and receive additional income if successful.

However, strategy developers usually write in an environment and language of their choice, not just in Lua and Python.

The web service is required for placing strategies in the marketplace and attracting more investors.

The platform plans testing using their own data so as to guarantee an algorithm's quality and ensure that developers cannot interfere with the algorithm's work. The main benefit for algorithm creators is the marketplace itself and an opportunity to attract funding for their trading strategies. They can also achieve a credible track record with investors' real accounts. There are plenty of platforms designed for the development and testing of trading strategies that might be difficult to compete with; some have been developed over a long time and have proven effective.


Services for investors

Many cryptocurrency investors are beginning to understand that such assets should not just be stored in accounts but should also "work" similarly to normal money. However, there are not many investment options to choose from when it comes to crypto funds, private managers, ICO tokens or other altcoins. All of these variants are associated with a counterparty risk, i.e. investors' funds could simply be stolen. Sometimes, smart contracts are employed to regulate the process, but more often than not, everything is built on trust.

At the same time, algorithmic trading is becoming more and more popular. It helps eliminate risks connected with human emotions and carefully follow an underlying trading strategy.

With the Tradingene platform, any person or company can invest in trading algorithms without having to transfer funds to third parties. As envisaged by the team, investors will be able to trade on familiar exchange or brokerage accounts, which is definitely a great advantage.

These are the main features available for investors:

- Auction of algorithms tested by the platform. The selected algorithms can be connected to an investor's account to facilitate automated trading.
- Subscription to a regular newsletter which includes market analysis. Investors will be able to choose forecasts for specific financial instruments, request forecasts generated by machine learning systems and market infographics. Additionally, investors can also receive signals and alerts from algorithms without direct connection to their account.
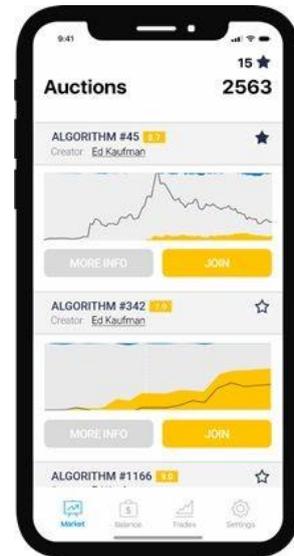
Investors will be able to easily choose strategies based on risks, return, assets and other parameters via their desktops or mobile phones. Strategies are connected with the help of exchange API keys and a smart contract that will record all necessary terms related to the amount of funds managed, success fees, investment horizon, etc. The platform will arrange and rate the strategies based on various parameters, which will provide flexibility for investors when choosing a strategy or even a portfolio of strategies they wish to connect.

In the future it is envisaged to provide subscription for trading signals, news, trading strategy alerts via messengers and other services.

General

The platform foresees an auction system that will enable adding algorithms people will invest in. After all tests and checks have been carried out, creators will be able to transfer a deposit (this will be returned only in the event that the strategy proves profitable over a minimum timespan). Investors will participate in a closed auction where they will offer their terms and conditions to the developer of the desired algorithm (bids include the amount required for participation in automated trading and fee percentage; all data are recorded on the blockchain in real-time). The platform

estimates the bids and determines the auction winners. The algorithm developer and auction winner can then execute a smart contract for free. Contract terms and conditions are recorded on the blockchain and cannot be amended or deleted. Upon completion of the auction, the bids are made available (anonymously) for other participants so as to eliminate any doubts regarding transparency. It is not quite clear why the auction system envisages only one investor per one algorithm; it would be beneficial for developers if several investors could connect to one strategy. Investors could choose from a list of rated strategies; some good examples include PAMM accounts and trade copying implemented by some brokers for traditional markets. We think this is an unnecessary limitation.

All fees, deposits and payments between investors, developers and the platform are made in TNG tokens. However, the prices are thoughtfully set in USD in order to avoid unstable prices due to possible token volatility.

The team expect to have 2000 algorithms and 300 developers, but it is impossible to assess this information because there is no MVP or at least a verified track record for one strategy.

Algorithmic trading has been around in the traditional investment industry for a while. However, various legal and technical limitations prevent easily selecting a strategy and investing in it. Moreover, trust between an investor and manager has always been one of the most serious obstacles in the development of this market. The cryptocurrency market's peculiarities help to resolve a lot of these issues. Smart contracts and the fact that investors' own accounts will be used for trading will ensure that managers will not steal funds. And the managers may be sure that they will get paid if their strategies are successful, as these conditions are recorded on the blockchain. We find this solution promising, especially as cryptocurrency trading instruments are continuing to advance. The interaction technologies of crypto exchanges are also developing due to API speed improvement and a larger number of transactions per unit of time.

However, entering traditional markets will require a much more elaborated approach in comparison to the one currently offered by the team. The team have not taken into account various regulatory and technical problems that will certainly arise:

- We find the technical solution questionable. In our opinion, the project will require oracles and further development.
- We doubt that the proposed scheme will attract investors. We think the project will need to acquire licenses. The team claim they will do this only after they have raised US$12 million.
- The market environment is highly competitive. In the cryptocurrency market the project could gain competitive advantage by quickly occupying a niche. However, there are many competitors in the traditional market segment, and

information available at the moment does not provide any unique selling propositions.

All in all however, the product makes a wholesome impression. The demand (investors and their funds) and supply (strategy developers) pattern is clear. The solution has been thought out pretty well and it looks promising. However, many intricacies of the platform's operation have not been elaborated. Technical aspects have not been described in sufficient detail. Apart from that, the project does not have an MVP, notwithstanding all the achievements and accomplishments described on the company's site. And the large number of minor services that the team is aiming to implement seems a bit excessive.

4. Market Review

Market analysis

Trading in stock and other exchanges has been around for centuries. All this time, traders have been facing problems associated with overwhelming emotions. These emotions are greed and fear. Because of them, many traders end up breaking their own rules and strategies, holding unprofitable positions till the end. Ultimately, they fail and leave the market.

Algorithmic trading envisages a set of fully formalized rules for opening, managing and closing trades. It can be applied on exchanges, OTC markets and to crypto market trading. Algorithmic trading enables eliminating "human error" and, unlike manual trading, has the following advantages:

- Continuity – a human cannot monitor the markets and place trades 24/7 whereas this is possible for an algorithm.
- Speed – an algorithm executes trades and reacts to market information faster than a person.
- Flexibility – an algorithm can adapt to the market and quickly "adjust" to a new market phase.
- Algorithms are easier to analyze using statistical data. The return/risk relation and drawdowns can be determined more effectively.
- Precision – an algorithm will perform a strategy regardless of the trader's emotions or mood.

The global algorithmic trading market is expected to grow to $18,160 million by 2025. The compound annual growth rate is projected to be 8,7% between 2017 and 2025.

Adoption of automated trading by a large number of investment companies will also accelerate the pace of growth. Various international markets aim to ensure global fund diversification and risk sharing. Algorithmic trading is intended to propel these processes.

The report "Algorithmic Trading Market 2025 Global Analysis and Forecasts" is focused on the segmentation of this market based on functions and applications. The order management segment had the largest share of the algorithmic trading market in 2016. The Asia-Pacific region is expected to show the fastest growth rates over the forecast period. North America is one of the major players in the market that will contribute highest revenue globally due to technological developments and

considerable application of algorithmic trading in different end-user segments (provision of solutions for investment companies' clients). Rapidly growing economies in the Asia-Pacific (APAC) region, which demonstrate significant growth in the construction sector, will pave the way for further adoption and promotion of algorithmic trading solutions. The APAC region is expected to become the market leader with the highest CAGR over the forecast period.

Regarding the crypto industry, Tradingene's potential market will depend on cryptocurrency market capitalization and the development and success of crypto and hedge funds.

In general, the company's potential market is quite big. It includes a part of the traditional investment and banking industry ($ 9,2 billion in 2018) and a share in the cryptocurrency market (valued at $300 billion in April 2018). With a proper development and marketing strategy, the project is likely to gain 0.05-0.1% of the cryptocurrency market and 0.1-0.2% of the traditional investment industry; this amounts to approximately $160 million over several years.

Competitors

The growth of the algorithmic trading market will inevitably result in intense competition; it is already quite high.
Competitors can be broken down into two groups: Platforms that attract funds by offering various trade copying systems and companies that enable their users to develop and test trading algorithms.

These competing solutions envisage strategy development:

- **Wealthlab** is recognized as one of the most efficient technical analysis tools available today. It is a fully-fledged product for trading strategy development and testing. There are several available solutions. The Developer version is designed for the creation and optimization of trading strategies. The PRO solution enables trading with Fidelity Investment (an American broker). The software is owned by Fidelity Investment, and is a really strong competitor that has been in the market for a long time. It can be connected to almost any exchange or terminal.
- **TSLAB** is a solution similar to Wealth lab. This platform also facilitates strategy development and testing. Its key feature is that the software enables users without any programming skills to create proprietary strategies. The platform has devised connectors for several crypto exchanges which facilitate cryptocurrency trading. It also has "containers", i.e. scripts that can hide trading techniques to protect the author's rights.
- **TradeStation** is a technical analysis tool. It is a development of the legendary Omega Research ProSuite 2000i, and is a fully-featured platform solution for strategy development, testing and optimization.
- **Metatrader** is a platform designed for trading in different markets. It also enables the creation, testing and launching of proprietary trading solutions. The platform is well-known worldwide. It has its own programming language, ready libraries and robot marketplace.
- There are plenty of other platforms for strategy testing and trading.

The following solutions enable attraction of funds:

- **Alpari group** is a leading company that provides trading services on various exchanges and Forex in Russia. Their PAMM account market deserves specific attention; it is a marketplace for trading strategies where anyone can select a strategy and invest in it. Users pay a success fee in the event that a strategy has proven profitable. Users can also filter strategies and view their parameters.

- **Finam** offers trade copying with the help of its Comon service. This enables the automatic copying of trades by various managers in any market. However, Comon does not envisage charging a success fee, only a management fee.
- **Etoro** is a service that enables the automated copying of successful traders. The platform is being developed internationally and it offers cryptocurrencies as trading assets.

In reality, there are not many companies that offer efficient fund attraction services. We think the Tradingene team are absolutely right when they mention the possibility of conveniently "managing" investors' funds without having to transfer them to third parties, as their competitive strength. Nevertheless, there are several similar products in the market that could be rivals in the event that they are further developed.

5. Team

Information on the key team members, their positions and experience.

CEO and Co-founder

Daniel has extensive experience in the financial industry and in management. He has worked for some of the largest investment companies such as Alfa Capital, Renaissance-capital, Troika dialog, etc. He was a Member of the Board of Directors at Quadra and Rusal. Daniel is a Co-Founder of the Simoleon Long-Term Value cryptocurrency investment fund.

Daniel L. Wolfe

Business Development & Co-founder

Roman has more than 20 years of experience in investment and management. He is a Member of the Board of Directors and partner at Knight Frank, where he has worked since 2004.

Roman Burtsev

COO & Co-founder

Sergey has more than ten years' experience in market trading. He has worked as a trader for large banks (RosEvroBank) and several private funds. He has extensive experience and background in algorithmic trading.

Sergey Kuzmin

Head of Market Research & Trading

Ruslan has more than six years' experience in managing funds on futures exchanges. He also has CFTe and FRM certificates. Ruslan is the winner of the Bronwen Wood Memorial Prize. Throughout his career, Ruslan has gained experience in risk management in financial markets, trading and asset management.

Ruslan Mikhailov

CTO

Oleg has more than 20 years of experience in software development. He worked for Parallels for eight years. Oleg has more than seven years of experience working with payment systems and financial instruments.

Oleg Bashmurov

CAO

Ilona has more than fourteen years' experience in structuring and managing projects. She formerly worked for Knight Frank together with Roman Burtsev, the project co-founder.

Ilona Ovsepyan

We think that the team has a sufficient number of skilled professionals. Its members have experience that will enable them to develop an investment market solution and understand the advantages and shortcomings of products currently available in the market. However, we think that the team has not paid significant attention to blockchain technology. There are no specialists able to implement complex blockchain solutions.

Apart from members listed above, there are other specialists on the team, including managers and programmers. However, their experience is not detailed, as is the case with some of the main team members.

Key project advisors

Investment Advisor

Tim has extensive experience in investments and asset management. Formerly President of Troika Dialogue, USA. He is CNBC's investment program lead.

Tim Seymour

Blockchain advisor

Sasha is the Co-founder and CEO of the Waves Platform. He is one of the principal pioneers of the blockchain industry. In April 2016 he founded the Waves Platform (a blockchain-based platform for digital asset emission and trading). Its ICO raised 30,000 BTC in June 2016.

Sasha Ivanov

Strategy Advisor

Boris Kim has been the Director of Qiwi since 2013 and its Chairman since June 2014. He co-founded E-port, where he held the CEO position from November 2004 to September 2007.

Boris Kim

Marketing advisor

Jill has extensive industry experience, but more importantly she is the co-founder of a lobbying organization, DATA, a leading blockchain lobbyist in the USA. She is also the SVP at Sparkchain.

Jill Richmond

The project's advisors are experienced professionals, and industry stars in some cases. They have diverse backgrounds and high levels of expertise. The participation of such high-profile specialists demonstrates the serious intentions of the team. It also shows that industry leaders think highly of the project.

6. Token Analysis

The project plans to deploy its own TNG token as an internal cryptocurrency. Participants will use it to access platform services and execute payments. TNG is therefore a utility token; as the team states, the TNG token will be an integral aspect of the platform that will facilitate some of its main functions.

There are five basic platform use modes envisaged by the project:

1. Algorithm creators will be able to put up their algorithms for auction, so that other participants may connect to them. It is envisaged that creators will have to possess a fixed amount of tokens in order for them to have their strategies verified and put up for auction. This sum will be frozen in their accounts, and unfrozen in the following cases:
   - The algorithm has not been verified in accordance with platform parameters (successful out-of-sample testing being one of these parameters)
   - The algorithm has proven profitable in a minimum investment horizon. The horizon would be jointly determined by the algorithm and platform.

The sum will not be returned if, upon verification, the strategy resulted in losses in a minimum investment horizon.

2. Algorithm creators will have access to an advanced modeling package (subscribers will be able to use additional services, an unlimited number of algorithmic modeling tools and machine learning).

An advanced modeling package is certainly an important feature in this solution. The package is paid for in tokens that a developer (theoretically) could earn in the form of a success fee for their strategy. Thus, a special ecosystem for interaction between the platform and algorithm creators is set up.

3. Investors will be able to take part in an auction and connect an algorithm to their accounts, as well as calculate a success fee.

For a certain amount of tokens, investors can participate in a strategy auction. If a bid does not win, the sum is not returned. Investors can take part in closed auctions, making bids for algorithms that interest them (bids include the size of the proposed

investment and the terms of the success fee, all of which are entered onto the blockchain in real-time).

When the algorithm has been connected and the fee needs to be calculated, the amount of tokens required for the success fee will be frozen in the user account. The amount is not fixed; an investor will have to monitor its level as collateral.

4. Subscribers will be able to subscribe to a closed Telegram channel.
5. VIP status and bonuses are granted to participants who invested $30,000 during the ICO. The VIP status provides a large number of discounts and advantages when using the platform. Investors need to have a minimum deposit in tokens that amounts to $30,000. To make use of the privileges, e.g. when the token price drops on exchanges, investors will have to buy more tokens to top up the deposit.

Amount	Advanced modeling package discount	Collateral discount	Auction entry fee discount	Platform success fee discount	Analytical digest subscription discount
> $100	10%	0%	0%	0%	5%
> $1,000	15%	15%	0%	5%	10%
> $5,000	20%	20%	0%	10%	15%
> $15,000	35%	35%	50%	25%	50%
> $30,000	50%	50%	100%	50%	100%

All the prices for platform services are set in fiat currency. All fees are calculated based on the current token rate. The token emission is limited, however, the team reserves the right not to sell all of the token supply during the ICO but reserve a part of it for further sale in the market. The project also reserves the right to spend some of the funds raised during the ICO on buying back a portion of the tokens from the market.

The project economy and growth potential depend on the amount of "managed" funds and the algorithms' success. One of the major tasks for the platform is to ensure that these parameters are at a high level.

When services, subscriptions and fees are being paid, de facto the platform is gradually buying back the tokens. It makes the free float smaller, and has a positive effect on the token rate in the long run. At the same time, algorithm creators will try and sell their tokens (success fees), which will, to some extent, reduce this effect. The platform might also sell the accumulated tokens as well.

In general, the token economic model looks coherent. The project aims to integrate all payments between the platform and participants into one ecosystem. However, in some cases the need for tokens is not very clear and they could be replaced with some other payment means, e.g. other cryptocurrency.

7. Analysis of Factors Affecting the Future Price of the Token

When analyzing the factors that might affect the token's future rate, we have to emphasize that the project is planning a large number of functions. The team need to implement them one by one, not simultaneously, so as not to spread themselves too thinly. The launch of a fully-fledged platform and the first auctions, which will enable investors to actually use the service, are of utmost importance for the project's development.

There are plenty of factors; the most important ones in our view are the following:

- **How successfully the project follows the proposed roadmap.** This could be both positive and negative. Major milestones will include launch and development of the web interface and mobile apps, their placement in the marketplace and the launch of the algorithm auction. It is also important that the team provides all necessary information on the project's progress to the community and investors at this stage.
- **Listing on major exchanges and token liquidity.** As the majority of services are quoted in tokens in their USD equivalent, it is important that the token is listed on prominent exchanges. They will provide for safe storage of user funds. Another important measure would be a market maker that would provide almost instant liquidity for small volumes, at least. This is required to facilitate an easy "entry" to the service without volatility and lengthy deals.
- **The team and advisors might put up their own tokens for sale on the market.** 29% of the total token emission is allocated to the team and advisors; this could have a potentially dramatic influence on the token rate. There is no vesting information available for these platform participants. However, due to a large amount allocated to the team and advisors, the risk that the rate will drop due to sales of tokens is high in the medium term.
- **Investors and advisors might sell their tokens during the pre-sale period**. As always, investors will want to take profit during the exchange listing process.
- **The platform might sell the tokens.** The platform accumulates a certain amount of tokens when receiving fees; this could result in a rapid rate drop when they are sold for the purposes of platform operation.
- **Investors may wish to keep their VIP status during the ICO.** This could positively affect the token rate, given there is a sufficient number of VIP investors who would want to keep their status and buy more tokens on the market, thus, levelling out their positions.

- **Downtrend or heightened cryptocurrency volatility.** The project will face not only the standard correlation between its token and the major cryptocurrencies but a "business correlation" as well. Due to the fact that there are not many instruments for opening short positions with cryptocurrencies, the success of most trading algorithms will depend on market dynamics.
- **Sufficiency of algorithms and their success.** The number and quality of bot strategies is of utmost importance for the project. If the range is poor and the strategies do not meet crypto investors' risk and return parameters, there will be hardly any demand for the token, and its price is very likely to go down.
- **Popularity and demand for the services.** Number of auctions. Token demand will depend largely on the popularity and the attitudes of the project's target audience.
- **Successful algorithm creators might sell their tokens.** It is important to bear in mind that the creators will receive their success fees and they will want to sell these tokens to cash in the reward.
- **The platform will accumulate tokens.** When the tokens are used to pay for platform services, subscription and fees, de facto they are gradually bought back by the platform. This decreases the free float, and positively affects the rate in the long-term perspective.

8. Risks

As with any other ICO project, the investment activities are associated with a wide range of risks. Apart from the most common ones, the project has the following specific risks:

- **Risks associated with major delays in platform releases.**
  The project is implementing a large number of services simultaneously (web development environment, auction system, backtesting, signals, etc.). There is a high risk that the team might not find the most effective and efficient way to implement them all, and will have to delay some of the releases of key solutions. We think that the first prototype release (interaction between algorithm creators and investors employing smart contracts) should be followed by a long checkout and debugging phase. Only after that can the fully-fledged scalable model enter the cryptocurrency market.
  Otherwise, there is a risk of releasing a half-ready product, which will result in major reputational risk. In this regard, the roadmap looks too optimistic.
- **Business risks associated with low demand for the product.** In reality, the web development service does not have sufficient competitive advantages. Algorithmic system developers can implement and test their solutions on the platforms of their choosing, whichever they find convenient. It is possible that investors, even with smart contracts, will not want their accounts to be accessed by anybody. The team state that their target audience is open-minded users. There may not be enough of those for the platform's ecosystem to perform well.
- **Legal risks**
  Despite the fact that the project does not accumulate funds, and that the team have carried out their own legal risk analysis leveling out some of the risks (which we think is a great advantage), developed markets might consider this type of service to be financial intermediation. This type of activity will inevitably require licensing, which could impede platform development.
- **Problems with entering the traditional investment stock and derivative market.**
  The founders hope their indubitably extensive experience in some markets will help them win over a large audience and scale their solution. However, due to current regulations and technologies, there is no quality service oriented solution for trade copying and algorithmic trading in investors' accounts that would successfully operate in the traditional investment industry as yet. Not all the solutions proposed are scalable and convenient. Unless retail software is

created, there is no way to propel adoption of trade copying; it will remain an exclusive solution for a small range of clients.

- **Cyber security and personal data storage risks**
  Storing exchange API keys and other sensitive investment data is associated with high risks of unauthorized account access. It does not even require cryptocurrency withdrawal; simple trading manipulations are sufficient (cryptocurrency sale, acceleration, selling at different prices, market manipulations, etc.). "Intermediation" risks also cannot be eliminated. The incident with the Binance crypto exchange in March 2018 would be a good example of such vulnerabilities.
- **Other risks.** These may arise due to intermediation activities in the financial and cryptocurrency markets. They revolve around legal and technological aspects, and cannot be foreseen in advance.