# CoTrader Whitepaper

Democratizing the $85 trillion global investment funds industry with blockchain. For the first time in history, investors maintain complete control over their assets, and have transparent proof of fund performance onchain.

Bernstein, Steinbock
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## Executive Summary

OVERVIEW: CoTrader solves the complexity problem of investment management, and aims to become the world's largest investment funds marketplace by democratizing the $85 trillion global funds industry. For the first time in history, investors, now powered by CoTrader's blockchain platform, can have their investments managed with complete transparency, control of assets, and proof of a fund's past returns-on-investments (ROI). CoTrader's MVP already supports cryptos, and is **live** on the Ethereum testnet.cotrader.com and **on mainnet** at **mainnet.cotrader.com**

PROBLEM: Many cryptos and ICOs have had 1000x returns in 2 years or less, with even more cryptos earning 10 to 100x returns in just weeks. The problem is that investing in cryptos and ICOs can be very complicated and time consuming. Most people lack the time and resources to do it properly, and instead may even lose money in bull markets on bad projects with emotional or hasty trading. Investors are overwhelmed by the 1000s of cryptos and ongoing ICO projects. Even spending 24 hours per day wouldn't be enough time for seasoned investors with deep technical, investing and other skills to properly assess the entire crypto market.

SOLUTION: CoTrader solves the complexity problems of investing. CoTrader supports cryptos and aims to support all assets such as stocks, options and other derivatives. CoTrader is building the world's first truly decentralized platform that enables users to invest in and manage funds onchain, that doesn't require any trust. These funds, known as Smart Funds.

SMART FUNDS are managed by fund managers who trade the fund assets on decentralized exchanges (DEXs). Successful fund managers receive a percentage of the profits they have

made for their investors. Investors remain in control of their money and are able to deposit and withraw from any fund at any time.

Since investments and trades are done onchain using DEXs, smart contracts ensure each user that only they can pull out their funds and that fund managers can only take an agreed upon performance fee from the earnings, but paid for by the protocol itself, for simpler regulation compliance reasons. Fund managers' earnings are also verifiable and proven on the blockchain. These DEXs can contain tokenized Bitcoins and other non ERC20 tokens, so that liquidity and variety of assets isn't limited to just traditional DEXs.

NETWORK EFFECTS: Both influencers and high performance fund managers will be highly attracted to the CoTrader platform and incentivized to do their best for their CoTraders (platform users who invest in fund managers), because top fund managers can multiply their gains enormously. For example, a top fund manager managing 1000 times her own money, and charging a 10% performance fee from what she earns her cotrader, would multiply her own gains by 100x (10% of 1000x). If the same fund manager would earn 2x in a good month on their own, with CoTrader, she would earn 200x (100x times the 2x she would have made). CoTraders will likely only use the best fund managers per sector.

Fund managers will be able to trade using CoTrader's Super-DEX infrastructure, which pools together multiple DEXs including Bancor, Kyber, 0x, AirSwap, CoTrader's own DEX, and other future DEXs for maximum liquidity and power. Other platforms can utilizing and extend CoTrader's infrastructure.

FANTASY FUNDS (FF): FF are contests where each participant puts e.g. $1, says which coins they think will perform best that day/week, and if they're in the top 3, they share the winning pot. If it's 1000 users, the pot will be a minimum of $1000, given to winner in the same value in COT tokens. User acquisition may be incentivized with large (e.g. $3) daily bounties to acquire users. Those that play will get extra tokens (e.g. $3) when they also buy CoTrader tokens. Referrals will pay 0.1 ETH in tokens. This should create massive user acquisition and network effects. Winners will build up a winning history that will carry over to their Smart Funds history. In the future, Fantasy Funds can be automatically converted into CoTrader Smart Funds that others can invest in the best consistent winners. Like with other skill activities, Observers, or "FF team managers", can create FF contestant virtual teams and put unlimited money on them, and earn form the managers pool as their FF teams outperform others. Fantasy funds will merge with smart funds.

TOKEN ECONOMICS: CoTrader tokens are needed to hide trading strategy, as tokens will interact with our unique privacy-preserving smart-contract algorithms. All platform profits may be used to buy back CoTrader COT tokens.

ROADMAP FEATURES

All Assets
The CoTrader protocol can support all tradable assets, starting with cryptos, in major centralized exchanges, from Binance to Ameritrade, with a safe decentralized access point, i.e., a smart escrow exchange point. The smart escrow would only release funds to a broker on centralized exchanges after the broker sends the cryptos to the buyer. This smart escrow can also be used to support any tradable non-tokenized asset such as stocks, options, and other derivatives. In effect, CoTrader can tokenize entire exchanges in this way.

In the future as more assets are tokenized by other crypto projects, these tokenized assets could be tradable on CoTrader. This includes tokenized stocks, financial instruments, real-estate and more.

Some projects are already tokenizing other cryptos like Bitcoin on, for example, Ethereum. Unlike off-chain assets such as dollars in Tether, it's easier to prove that the correct number of Bitcoins are bought and sold each and every Ethereum trade. Meanwhile, cross-blockchain atomic swaps technology, developed by other projects, is another avenue for broad asset support.

ICOs
CoTrader is set to be the world's first "ICO futures" marketplace, that doesn't require trust in IOUs, driven by smart-contracts. Fund managers will be empowered to enter ICOs as part of their portfolios to take advantage of early group-buy discounts that many ICOs offer. This is possible because CoTrader Smart Funds that are, by smart-contract, to receive future unlocked ICO tokens are themselves tradable. CoTrader's own DEX supports trading these Smart Fund shares since each fund has its own tradable tokens. This means that if a fund manager takes investors into an ICO position and some investors want to liquidate their shares that include the future ICO tokens, they can trade away their token shares within the fund.

Privacy
CoTrader's patent-pending privacy preserving smart funds algorithms can hide trades and fund managers' trading strategies while still publicly proving the returns of their anonymous funds on the blockchain. CoTrader's protocol is agnostic about the underlying mechanism used such as various zero-knowledge-proofs (ZKP) as long as these support privacy-preserving smart-contracts.

OPPORTUNITY: CoTrader can become the world's largest investment funds and trading marketplace. CoTrader token voters can set and adjust platform fees to gain e.g. 20% from fund managers earnings, and small fees such as 0.1% per trade for some services. To get some idea of the market size for relevant industries, consider that global fund management is an $85 trillion industry, and, by some estimates, total global asset trading amount to more than a quadrillion dollars per year. Crypto trading alone amounts to over $10 billion dollars per day. These industries are growing rapidly.

MISSION: Through the CoTrader platform we are democratizing funds and reinventing how they can be used for a digital world. Our goal is to help people maximize returns in minimal time and realize greater financial freedom together. We do this through connecting investors from both sides of the expertise spectrum and providing them tools to quickly and easily make powerful financial decisions to better their lives.

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# Fantasy Funds

Before explaining the more complicated onchain Smart Funds, let's begin with the games we'll be using to onboard users in a compelling way using contests starting in mid October, before the ICO.

Fantasy Funds (FF) are contests where each contestant puts e.g. $1, says which cryptos and stocks they thinks will perform best that day/week, and if they're in the top 3, they share the winning pot. If it's 1000 users, the pot will be $1000, given to the user in the same market value in COT tokens. Observers, or "FF team managers", can create FF contestant virtual teams and put unlimited money on them, and earn form the managers pool as their FF teams outperform others. Fantasy funds planned to merge with Smart Funds.

1st place gets 50%
2nd place gets 15%
third place get 5%
CoTrader takes 10%
Buy back COT tokens with 10%
If contestants tie, they split the pot.

Using the CoTrader token in Fantasy Funds earns winners an extra 10% as the platform won't take this fee to buy back tokens. The platform will already be in possession of these tokens from the payment.

There will be both daily and weekly contests.

At the end of the day or week, the winner will get, in this case, a $1000 prize, minus fees.

Every day, people will choose their fantasy funds. The next day, there will be a 24 hour wait. At midnight, the winning fund is known and announced. On this wait day, meanwhile, another contest will be in choose mode. The two days, choose and wait, overlap so there is always a contest starting, and always a contest ending. The same applies for the weekly contests.

Fantasy funds merge into real funds as they contests move entirely onto blockchain powered smart funds, live now, and described below.

# Smart Funds

Smart funds make up the core of the CoTrader platform. A smart fund is an Ethereum smart contract that has a fund manager, investors, and shares that can be traded. Each investor that

invests in the fund is awarded a certain number of shares representing his total ownership of the fund. The fund manager is able to trade the assets invested into the fund with the aim of making himself and his investors a profit. The fund manager receives a performance fee for any profits he makes his investors.

Investors remain in control of their investments and have the ability to deposit and withdraw their money at will.

Smart funds implement the ERC20 token interface which means smart fund shares can be traded on exchanges in the same way as any other ERC20 token.

One can invest in a smart fund by depositing CoTrader (COT) token into the fund.

## Fund Creation

Anyone can create a smart fund on the CoTrader platform and deposit tokens into the fund. The creator can choose a name for the fund as well as set his performance fee which is the percentage of profits he will earn, typically around 20%.

## Performance Fees

Instead of paying performance fees from CoTraders, performance fees will be paid from the protocol's emission revenue in the selling of new tokens in the DAICO3 model explained below.

## Investing

Each smart fund consists of shares representing the percentage ownership of each member of the fund. When an investor invests in a smart fund, new shares are minted to represent his holding of the fund based on the total amount he invested and the current value of the fund's holdings.

When an investor withdraws from the fund, shares are burnt accordingly decreasing the total number of shares.

Mathematically, upon joining a fund with a total of $s_{current}$ shares and a value of $v_{current}$ COT (CoTrader Token), a user that deposits $v_{deposit}$ COT into the fund will be awarded $s_{deposit}$ shares:

$$s_{deposit}/s_{current} = v_{deposit}/v_{current}$$

$$s_{deposit} = v_{deposit} * s_{current}/v_{current}$$

For example, if an investor deposits 100 COT into a fund that has a value of 900 COT and a total of 1800 shares. The new investor will receive the following number of shares:

$$100 * 1800/900 = 200\,\text{shares}$$

The new fund value is now $900 + 100 = 1000\,\text{COT}$ and the fund now has a total of $1800 + 200 = 2000$ shares. So the new investor owns $200/2000 = 10\%$ of the fund and the old investors own $1800/2000 = 90\%$ of the fund. The value of the new investor's shares is $10\% * 1000 = 100\,\text{COT}$ and the value of the original investors' shares is $90\% * 1000 = 900\,\text{COT}$, as expected.

When an investor withdraws from a fund, he receives his portion of the fund minus the performance fee for any profit the fund manager has made for him. His shares are destroyed, decreasing the total number of shares in the fund.

For example, if an investor that owns 200 shares of a total of 2000 shares in the fund, and the fund has a value of 1000 COT, then $1000 * 200/2000 = 100\,\text{COT}$ worth of tokens will be withdrawn from the fund and sent to the investor's address (minus the fund manager performance fee which will be discussed further below). The investors shares will be burnt so the new fund will have a new total of 1800 shares.

Since Smart Funds are also ERC20 tokens they can be transferred between accounts like any other cryptos. When shares are transferred in this way, no new shares are issued, nor are any burnt.

## Fund Managers

Anyone is able to become a fund manager using the CoTrader registry smart contract. The only fee to do so is a minimal one time gas fee for the transaction (paid to the Ethereum miners).

For example, if a fund makes a profit of 2000 COT for his investors and has set a 20% performance fee, the performance fee will be 2000 * 20% = 400 COT. Of this 20% fee, 16% will go to the fund manager and 4% to the CoTrader platform. So the fund manager will earn 320 COT and CoTrader will receive 80 COT.

A fund manager typically starts trading with his own funds to build up ROI history. It may also please investors to see that he has even more skin in the game, beyond any valuable reputation and ROI history his fund may have built up over a long period of time.

# CoTrader SuperDEX Infrastructure

Fund managers can trade assets on decentralized exchanges (DEXs). CoTrader provides a SuperDEX infrastructure that pools other DEXs together for maximum the liquidity and power. The initial integrations into the CoTrader platform will use Bancor[1], Kyber[2] and 0x[3] exchanges. Further DEXs will be added over time as well as a native CoTrader DEX.

This will be done on the fund manager dashboard which will also provide tooling and charts to make the best decisions for the fund.

# Tokenized Assets

Initially fund managers will only be able to trade Ethereum and ERC20 tokens on the platform. In the future as more assets are tokenized, fund managers will also be able to include these assets in their portfolios. This will include other cryptocurrencies such as Bitcoin as well as other assets such as the US dollar, gold, oil, S&P 500 stocks and even tokenized real-estate and novel asset classes. Many of these items will rely on other projects successfully tokenizing real world assets, creating trusted and liquid tokens for these assets on the blockchain.

# Calculating Fund Values

Investors will deposit into funds using the CoTrader token (COT). To calculate the number of shares the new investor will receive we need to know the value of the Smart Fund at the time of the investment. This is trivial when the fund only contains COT in it, but becomes more complex when the fund is holding multiple different tokens which will usually be the case.

Our initial integrations with decentralized exchanges are with Bancor and Kyber and both offer the ability to request the price of a token on chain. Connecting to the Bancor and Kyber smart contracts, the Smart Fund can automatically calculate its value at the time of deposit.

# Protecting Smart Fund Investors

One of the fundamental selling points of blockchain technology is its decentralized, peer-to-peer doesn't require trust. Users are able to transfer crypto assets to a friend without a middleman or having to trust anyone along the way.

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[1] Bancor: https://about.bancor.network/static/bancor_protocol_whitepaper_en.pdf
[2] Kyber: https://kr.kyber.network/assets/KyberNetworkWhitepaper.pdf
[3] 0x protocol: https://0xproject.com/pdfs/0x_white_paper.pdf

Using decentralized exchanges provides a significant security advantage in that users aren't required to entrust their funds with a third party exchange that may be dishonest or susceptible to hacking.

CoTrader Smart Funds offer the same advantages as cryptocurrencies and decentralized exchanges, putting users in full control of their assets. Users have the ability to withdraw their portions of a smart fund at any time with no one else having the ability to do so.

CoTrader fund managers can only trade on decentralized exchanges where the same prices are available to everyone and is unable to make a direct trade with a personal address. The decentralized exchanges currently integrated into the CoTrader platform are Bancor and Kyber that fulfil the above criteria and the CoTrader team will carefully integrate decentralized exchanges in the future to ensure full security for our users.

Fund managers are also financially incentivized to perform well for their investors. A fund with a positive ROI will attract many investors to invest and earn the fund manager a big profit if he continues to trade profitably. It is in the fund manager's best interest for the fund to continue performing well.

A fund manager will also have the option to verify their account thereby also putting their reputation on the line.

As we integrate new decentralized exchanges into the platform, care will be taken to make sure that only trusted exchanges will be added as trading options. CoTrader may also make use of oracles that hold a list of token prices to make sure no dishonest trades are happening. As we add more exchanges to the platform, an investor will always be given a 30 day period to withdraw his money from smart funds before the fund manager can make any trades with this newly added exchange. The investor may choose to do this if unhappy with a newly added exchange. The 30 day grace period will be built into the smart fund contract code so an investor is able to see the exact terms of any investment he makes.

## ICO Funds

An ICO fund is a special type of fund that may only contain ICO tokens. Investors that pool their funds together can receive group discounts for ICOs and the purpose of an ICO fund is to do exactly that. ICOs offer tremendous upside with investors sometimes seeing 100x+ returns in a short period of time, but come with commensurate risk. Receiving a large discount as a pool investor heavily increases your potential for a large profit.

ICO funds have a single period to buy in to the fund after which no new shares will be issued. Only once the fund has received its tokens and from the ICO and these tokens have been unlocked, can investors withdraw from the fund.

The added benefit of ICO funds is that since a fund is also an ERC20 token, fund share tokens can be traded even before the ICO has finished, or before the tokens have been unlocked. This creates liquidity for unavailable or locked tokens. We call this ICO and presale futures trading.

Since CoTrader smart funds mint their own shares tokens, even ICO tokens that have not yet been sent from the ICO to the smart fund (or have been sent, but are still locked) can be effectively traded via the shares' tokens. This may be the world's first platform to enable trading future ICO tokens via smart contracts.

Investors can pre-whitelist their accounts so they need not be KYC'd for each new ICO investment the fund manager makes.

## Smart Shares DEX

As more features are added to Smart Funds and this financial tool becomes more complex and capable of a wider range of use cases, some funds may be more difficult to invest in then others. This can be due to the nature of ICO funds, minimum deposits, deposit cap, etc. When these types of features are introduced it may not be possible for some investors to directly deposit into specific funds. To solve this problem we will be introducing a smart shares DEX. Any smart share can be traded on this DEX against COT. This DEX will be built into CoTrader's Smart Fund platform, giving users insights to all available data for the funds they are interested in purchasing shares in.

# Cryptographic Trader Privacy

Last but not least, the CoTrader platform will provide trade secrecy for fund managers. Fund managers can hide their strategies, at least in the short term, and choose to display them later. If their strategies were public at all times, they may have trouble commanding significant success-fees for public information. Any top traders on other platforms not offering hidden trade strategies would be incentivized to move to CoTrader where they can multiply their ROI.

## Privacy Preserving Smart Contracts Protocol

CoTrader is agnostic about the underlying privacy-preserving smart contract mechanisms such as zero-knowledge-proofs (ZKP). The public ROI calculation can be done and proven to be correct without exposing the private inputs to the calculation function - namely, the secret trades. More about this sensitive IP will be released in various yellow-paper addendums and code releases at a later stage.

# CoTrader Smart Escrow Exchanges

This provides the liquidity and variety of any centralized exchange with the safety and transparency of decentralized exchanges. Traders will deposit funds for trading into a smart-escrow. While the money is held by this smart contract, traders will be able to make instant trades on any supported centralized exchange, from Binance to Ameritrade. When the smart-escrow's oracle detects that the purchased assets have been sent to the user, it releases the escrow funds to the party doing the buy for them, which we might call the asset owner.

To prevent abuse or "race conditions" where for example the trader withdraws while the owner is sending the assets from the exchange, there would be a series of locks. The owner would lock the smart escrow funds from being withdrawn while sending pulling them off of the exchange, to the smart escrow, where it'd then get forwarded to the trader. An oracle would read an open exchange read API and/or the blockchain and detect that this transfer is in progress, and would disallow the trader from withdrawing the funds. The trader can request to further trade to other assets on the exchange, before requesting to withdraw any assets. In the case that both the trader and owner submit to the same block, the default can be that trader's operation is acted upon.

# Tokenize All Assets on Any Exchange

As mentioned, when assets such as real estate, cars, stocks, etc, become tokenized, of course any DEX can treat the tokens like any crypto. CoTrader, however, can even support non tokenized assets. By using the smart-escrow exchange method in the section above, CoTrader can support non crypto assets just the same. That is, a master account can hold stocks, options, or any representation of tradable items, while an onchain smart escrow smart contract can record investors operations and owed assets. In this way, CoTrader can offer a large measure of security and proof of performance in this space.

Tokenization typically involves a broken buying and selling an individual underlying asset. CoTrader's Master Account and Smart Escrow mechanism does this for all tradable assets available on any trading platform, and therefore achieves automatic tokenization for entire exchanges - entire classes of assets - such as the stock and derivatives market enbulk.

# Trading Tools Marketplace

Traders often search for convenient technical tools to research and be alerted of changes across many exchanges and markets. CoTrader will provide a platform and marketplace to develop, buy and sell such tools. Paying for these tools in COT will reduce platform fees.

At first the CoTrader team will provide basic tools. In the future, an open marketplace will be developed to support 3rd party trading tool plugins and APIs that can interface with the CoTrader platform. Some planned tools include trade triggers from simple price points to alerts for combinations of more sophisticated indicators such as MACD divergence, fibonacci retracement, candlestick patterns, Bollinger Bands, advanced signal tools, and beyond.

# Product is Live in Beta

The CoTrader beta is live on mainnet at https://mainnet.cotrader.com and on the Ropsten testnet at testnet.cotrader.com. The platform allows users to create smart funds and invest in them using Ropsten test ether. The CoTrader team continues to make improvements on the product for its production launch planned for August 2018. The smart contracts will undergo heavy auditing before then as well as fixing any known bugs.

# DAO3 (Decentralized Autonomous Organization)

A DAO is like a foundation with voting rights, where the voting power is determined by the amount of tokens held. This is not to be confused with "The DAO" which was a particular DAO that was hacked.

The CoTrader DAO3 is planned to vote on systemic parameters and updates such as global system fees, fund management limitations, acceptance of new exchanges, tokens, and ICO or DAICO3 framework allowed for fund managers to enter.

A 51% of the total tokens vote can change the owner of all of the smart contracts and operations tokens, ensuring the project can live indefinitely, no matter who is behind the helm. This also creates pressure to buy up and hold 51% of the tokens to maintain the management role. It is helpful to have a single manager. Decision-by-committee isn't know to be an efficient way to manage a project. 51% holder can use all our off-chain assets (social channels etc).

# Competition

There are existing platforms that offer copy trading and fund management in a centralized manner. These include platforms such as eToro and Iconomi. There is a place for these products in the market, but the biggest concerns with centralized platforms are:

1. regulations dictate who is allowed to use the system (must be rich and licensed)
2. users are not in direct control of their money
3. there's no proof of performance or total actual fees

4. rent-seeking fees can be very high

eToro is a popular centralized trading platform that offers copy trading. It was originally a place to copy trade stock investors and has now expanded to include cryptocurrencies. In March 2018, eToro closed a funding round of $100 million which shows the vast opportunities available in the social copy trading and fund management space at large.

Covesting and other typical centralized copy trading platforms would require users to keep all of their copy trading funds, and API keys, with them or with multiple centralized exchanges, and keep (all) these funds there forever, as long as users wish to continue copy trading[4]. This is dangerous because centralized exchanges themselves aren't safe, especially for the long term.

All these centralized platforms also do not offer proof on the public verifiable blockchain, nor the fund managers' ROI performance.

MelonPort is a decentralized project that aims to offer smart fund management on the blockchain. Development for this project has stalled and there has only been integration with one low volume decentralized exchange to date[5] and was not even live on the mainnet at last inspection.

Iconomi offers index funds for crypto assets. These funds are not actively managed and the platform has a high degree of centralization[6].

Coinbase is also announcing its own index fund that will only contain the four currencies that can be currently traded on their platform: Bitcoin, Ethereum, Bitcoin Cash, and Litecoin.

Prism is based on Shapeshift and the community discussion laments its centralized nature[7].

Blockport would need to prove to be fully decentralized and still capable of making trades[8]. Other shortcomings and questions are represented in the table below.

CoTrader stands out from the competition as being the only fully decentralized fund management platform, putting investors in complete control of their funds.

The below table summarizes some of these distinguishing factors:

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[4] https://covesting.io/Covesting_White_Paper.pdf
[5] https://bravenewcoin.com/assets/Whitepapers/melonprotocol.pdf

[6] https://coss.io/documents/white-papers/iconomi.pdf
[7] https://decentralize.today/where-the-hell-is-my-decentralized-exchange-adafd87dc439
[8] https://www.blockport.nl/wp-content/uploads/2017/11/Blockport-Whitepaper-V1.0.3.pdf

| | CoTrader | Iconomi | Covesting | Melonport | Prism | Blockport |
|---|---|---|---|---|---|---|
| Has Working Product | Y | Y | N | N | N | N |
| Supports Multiple Exchanges | Y | N | Y | N | N | N |
| Copy-Trading / Fund-Mgmt | Y | Y | Y | Y | Y | Y |
| Co-Trading (simultaneous) | Y | N | N | Y | N | N |
| Users control assets | Y | N | N | Y | N | Y |
| Only user has keys | Y | N | N | Y | N | N |
| Proof of ROI | Y | N | N | Y | N | Y |
| Fully Decentralized Option | Y | N | N | Y | N | N |
| Can work without Oracles | Y | N | N/A | N/A | N/A | N/A |
| Privacy | Y | N | N | N | N | N |
| Crypto Index Funds | Y | Y | N | N | Y | N |
| ICOs | Y | N | N | N | N | N |
| Low Fees | Y | Y | N | N/A | N/A | N/A |

Another major advantage of CoTrader smart funds is that they enable investors to co-trade rather than copy trade. The fundamental difference is that when copy trading the copiers always lag behind the lead trader, always receiving a worse price than the copied trader. When co-trading, all tokens are traded by a single entity giving the same price to all shareholders of the smart fund. CoTrader smart funds also enable ICO funds trading without requiring trust.

# Roadmap

The platform is already on the mainnet (mainnet.cotrader.com) and testnet (testnet.cotrader.com) before the token sale.

Further developments of the roadmap are available on the cotrader.com website.

These consist of expanding to supporting additional exchanges, platforms, ICOs, privacy in 2019.

2017 JUL:  Ideation, Whitepaper Drafts
2017 NOV: Additional Provisional Patents
2017 DEC: Blockchain POC demos
2018 JAN: Progress platform
2018 FEB: MVP architecture complete, prepare site
2018 MAR: MVP demos, grow community
2018 APR: MVP advancement
2018 MAY: MVP on testnet
2018 JUN: Alpha on testnet
2018 JUL: Alpha on mainnet
2018 SEP: Pre-Sale, distribute tokens
2018 OCT: Sale, Fantasy Funds Launches
2018 NOV: Unlock Tokens, Bancor integration announced
2018 DEC: IPFS: Make CoTrader Live Forever
2019 JAN: Next platform (EOS, Hashgraph, etc)
2018 MAR: Pre-ICO with prima-block
2018 APR: Smart-escrow exchange
2019 JUN: Assess tech support for private fund management

# Team

The CoTrader team is led by an experienced team of serial entrepreneurs and blockchain developers.

Gary Bernstein: Founder & CEO
Tracking blockchain since 2011, and is a crypto & ICO investor himself. Gary began working on CoTrader in 2017, when he invented and architected CoTrader's use of zk-SNARKs to perform the combination of functionality he saw as critical to a successful cotrading marketplace. Gary is a serial entrepreneur who's held top technical and executive roles in several ventures. He has over 20 years of software development experience, from applications on real-time operating systems to algo-trading cryptos and digital assets. Computer Science, University of California, Santa Barbara.

Eliezer Steinbock: CTO
Previously the CEO of Draft Fantasy with over 150,000 users, and the popular Ethereum based CryptoFighters.io collectible game, Eliezer has extensive experience as both an entrepreneur and as a full stack and blockchain developer. He has a Bachelor's degree in Computer Science with a minor in Mathematics from the Hebrew University of Jerusalem, and served as a developer in the Israeli Defence Forces.

Pasha Kaza: COO
7+ years of experience in DevOps, QA automation and system administration. Strong video production and editing skills as well and an artist's eye. Self learner, strong work ethics with a broad systematic view and focus on results. Team player and people's person, able to work efficiently in dynamic environments. Native speaker of Hebrew, Russian and English.

Samuel Guigui: Business Development
With an MBA from the Technion, Samuel heads the business development for CoTrader forging partnerships with other companies in the crypto space.

David Benchimol: Blockchain Developer
David has a degree in Computer Science and Mathematics from the Hebrew University of Jerusalem and works on the CoTrader platform backend and its integration with the Ethereum blockchain.

Ilkin Jafarli: Community Manager, Asia
Ilkin helps us with community management, Asia. He's fluent in Russian, Korean, English, Azerbaijani, and speaks some Japanese as well.

Adam Kovacs: Fintech Analyst

Adam covers has been covering the crypto space for some time and writes content to further market the CoTrader brand and platform to wider audiences.

Parwej Ahamad: Developer
Over 10+ years experience in IT Providing solution for all ongoing projects. Following modern design pattern/practices in fullstack development.

Ruslan Mirov: Developer
Ruslan helps with mostly Node development and some Solidity research on our platforms.

Jaghit Singh: Developer
Jaghit helps with mostly Node and React development on our Telegram and Web platforms.

Mohit Rakhra: Developer
Mohit helps with mostly Node and React development on our Telegram platforms.

Matt S: Development Manager (Node and React)
Matt helps managing Node and React development on our Telegram platforms.

Tania Akter: Social Outreach
Tania helps with social media outreach on SMM channels.

Georgia Lagattolla: Translator, Italian
Georgia translates all our core materials from English to Italian.

An Adora: Socials admin
An helps with social media administration on SMM channels.

Emily Newman: Social Media Coordination
Emily helps with social media coordination on SMM channels.

Tinku Christ: LinkedIn outreach
Tinku helps with social, especially LinkedIn, article syndication.

Ashwani Kumar: LinkedIn syndication
Ashwani helps with social media marketing and outreach on SMM channels.

Julio Bethelmy: SEO research
Julio helps with SEO research and some social media marketing.
Aliene Alfonso: Social research
Ailene helps with social media marketing and outreach on SMM channels in the Philippines.

Amit Kumar: Article syndication
Amit helps with article syndication on SMM channels.

**Strategic Advisers**

Eric Zeng: Algorithmic Trading & Data Science
Eric Zeng advises on algorithmic trading and data science. Recently he helped launch Hywin Capital Management in New York as a Managing Director. He started his career as a researcher in Bell Laboratories and later became senior staff engineer with Harman International. He has held senior positions in Goldman Sachs, JP Morgan and Millennium specializing in high-frequency trading and quantitative machine learning. He's earned an MS in Yale University and a BS from Tsinghua in Electronic Engineering. He holds two DSP patents.

Barak Ben Eliezer: Crypto Fin-Reg Advisor
Barak is the Founder & CEO of Neema / SOV, the world's first declared crypto-currency, by law of a UN member nation. This means, according to the IRS in 2014, that the USA and others should not treat it as an asset, but as a currency. That's game-changing. Neema was a Y Combinator company, and Barak is an early blockchain investor. Barak helps us hone our product and message. His company, Neema, shares CoTrader's aim to radically improve the financial freedoms of our respective users. Neema is a financial inclusion mobile app to serve underbanked people worldwide. Barak developed his dual background in both Economics and Computer Science at Columbia University.

Ori Levi: Marketing Advisor
Ori was Gladius's Head of Marketing, and led Gladius to reach their hardcap. Before founding his own marketing agency, Block51, Ori was a VP at Market Across, another premier boutique ICO PR firm agency. Ori helps CoTrader with all aspects of strategic marketing planning, from events., bounties, token structure, industry connections and more.

Jimmy Narine: Communications Advisor
Jimmy helps us with key branding strategy decisions. Jimmy was an analyst at Goldman Sachs before going on to found COOLifeDesign and become a celebrated and award winning Udemy instructor with 100,000+ students. He excels in personal development and brand messaging

coaching. He was formerly a Senior Executive at HR Tech World, where he honed in on his talent in understanding people and their motivations, and has gone on to leadership development at global speaking events.

Adam Narine: Crypto PM & Analyst
Adam helps define the product for crypto traders. He is a heavy crypto & ICO investor and has very extensive knowledge of this field. He helps us understand where the market is at, and what it's looking for, not only for CoTrader's token-sales targets, but for the product for top traders coming to the platform to start developing their history to manage the asset trades of their CoTraders. He also is an accomplished video course filmmaker, and instructs us on how to deliver our message and value proposition.

Elad Peled: Strategy Advisor
Elad is the CEO of Senno. Senno is a blockchain rewarding work that performs sentiment analysis for crypto. Senno will therefore be able help us with market signal insights. We already share information and lessons during the product development and ICO process itself, and help each other work through strategic decisions with what we find in the market.

See the [cotrader.com](cotrader.com) website for detailed information.
CoTrader Holding LLC is a Nevis Corporation.

# CoTrader Business Model & Charts

CoTrader aims to become the world's largest investment funds and trading marketplace without custodianship, neither on the part of the CoTrader platform, nor traders (fund managers).

CoTrader typically earns 4% of investment gains, or 20% from every 20% of traders' typical performance fee (20%), and small fees such as 0.1% per trades on the CoTrader DEX and Smart Escrow Exchange for all assets. Tokens are bought back with profits. Tokens are needed to hide trading strategies. The current MVP deals only with this first category of Crypto Fund Management. CoTrader plans to enter the other markets (global funds management, and equity and derivatives trading) as seen further below.

The total revenue that we are projecting for the coming four years are represented cumulatively on the following graph:
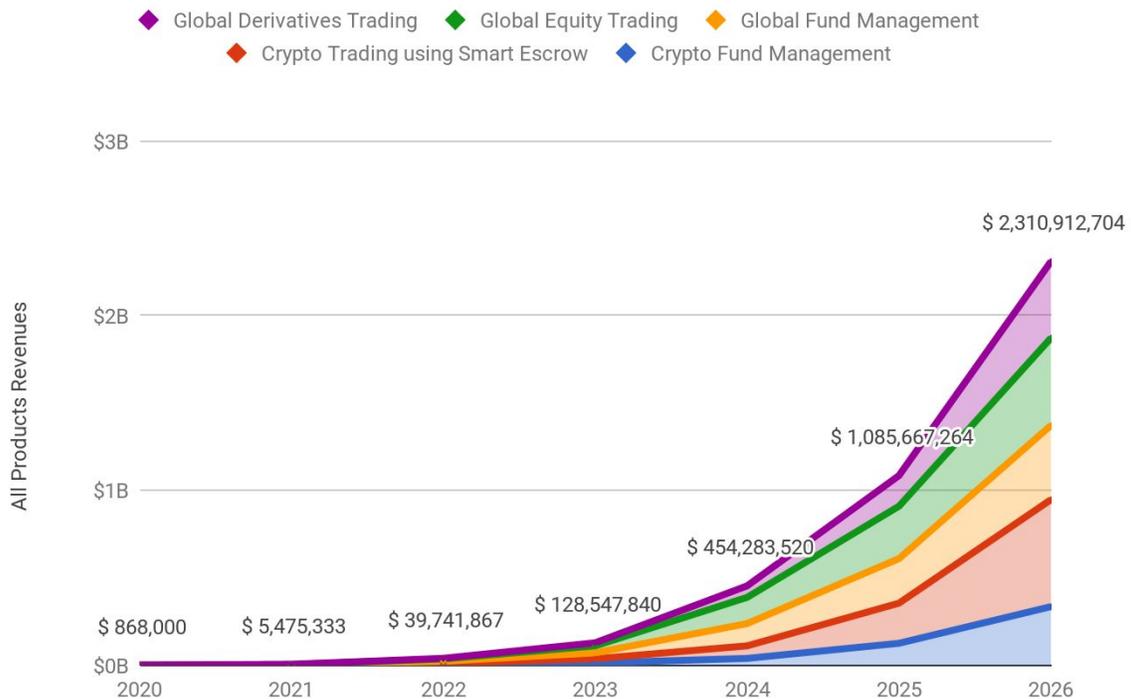


Each of the five different investment offerings are explained in further detail below.

In order to reach these revenue numbers, we are also planning to spend significant resources on marketing and acquiring cotraders and traders. Our acquisition projections are based on an average spend of $75 per cotrader and $500 per trader. Potential trader talent could be lured to try their skill at trading for special rewards such as contests and specials.

We expect to have large user growth. Our primary focus is on targeting good traders, who will help encourage more people to become cotraders. Each trader is intrinsically encouraged to add cotraders to their fund because the more money that is in their fund means more money for the traders to make through successful trades.

The growth of traders and cotraders can be seen in the following graph where cotrader growth is in red and trader growth underneath in blue:

## User Growth
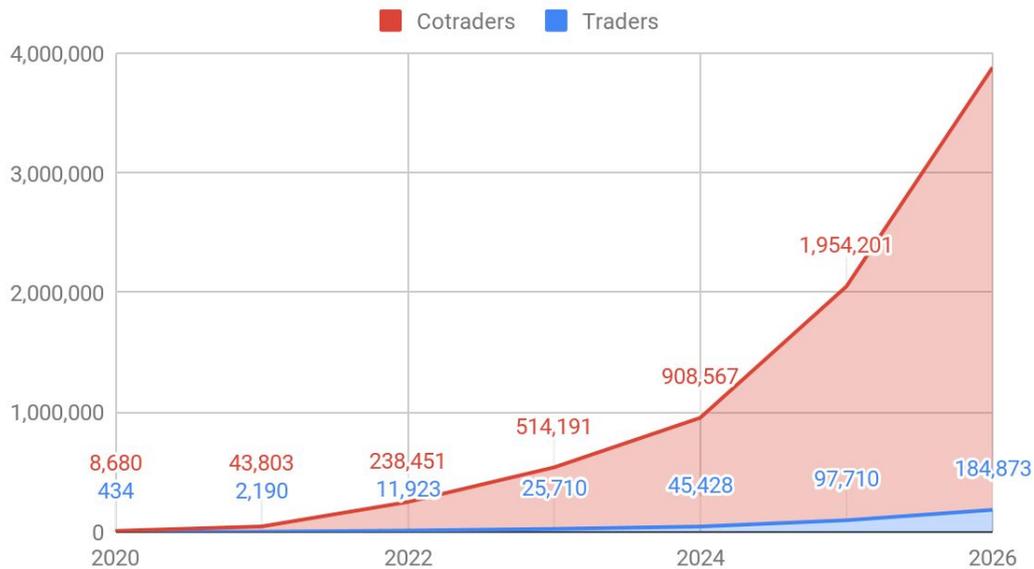
This will lead to steep growth in revenues and net income, which can be seen in the following graph showing our financial projections:

**Financial Projections**
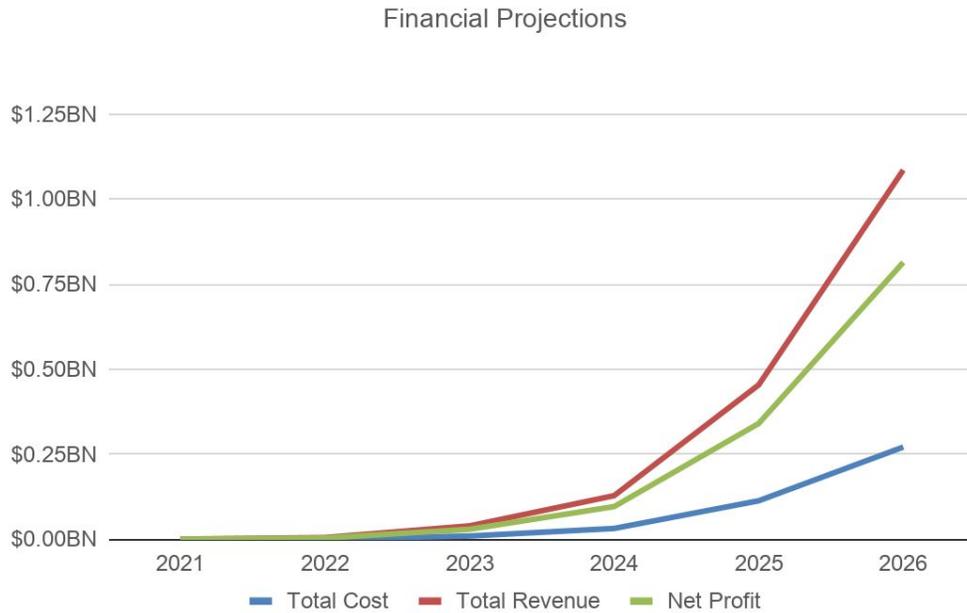


The Total revenue is a combination of our five investment options: Crypto Fund Management, Crypto Trading, Global Fund Management, Global Equity Trading, and Global Derivatives Trading. These investment options use CoTrader's unique Smart Funds and Smart Escrow offerings. Smart Funds allow traders to trade cotraders' funds on a decentralized exchange. Smart Escrow gives traders the advantages that come with a centralized exchange such as liquidity and variety with the safety and transparency of a decentralized exchange.

The breakdown in revenues from all of CoTrader's investment products are as follows:

**Crypto Fund Management (support through CoTrader Smart Funds): $100 billion market**
CoTrader may keep 4% performance fee for managing altcoin funds.
Every 1% market capture yields $419M/year revenue.
.



The above projections assume the crypto market will grow 40%/year to $4.2T (16x) by 2025 (7 years)

**Crypto Trading (via CoTrader Smart Escrow): $10 billion/day, 3.65T/year**
CoTrader keeps 0.1% per trade.
Every 0.1% market capture yields $612M/year revenue.



The above projections assumes the crypto market will grow 40%/year to $4.2T (16x) by 2025 (7 years), with trading increasing proportionately.

**Global Fund Management (via CoTrader Smart Escrow Exchange): $85 trillion market:**
CoTrader may keep 4% performance fee, or 0.2% for every 5% of growth.
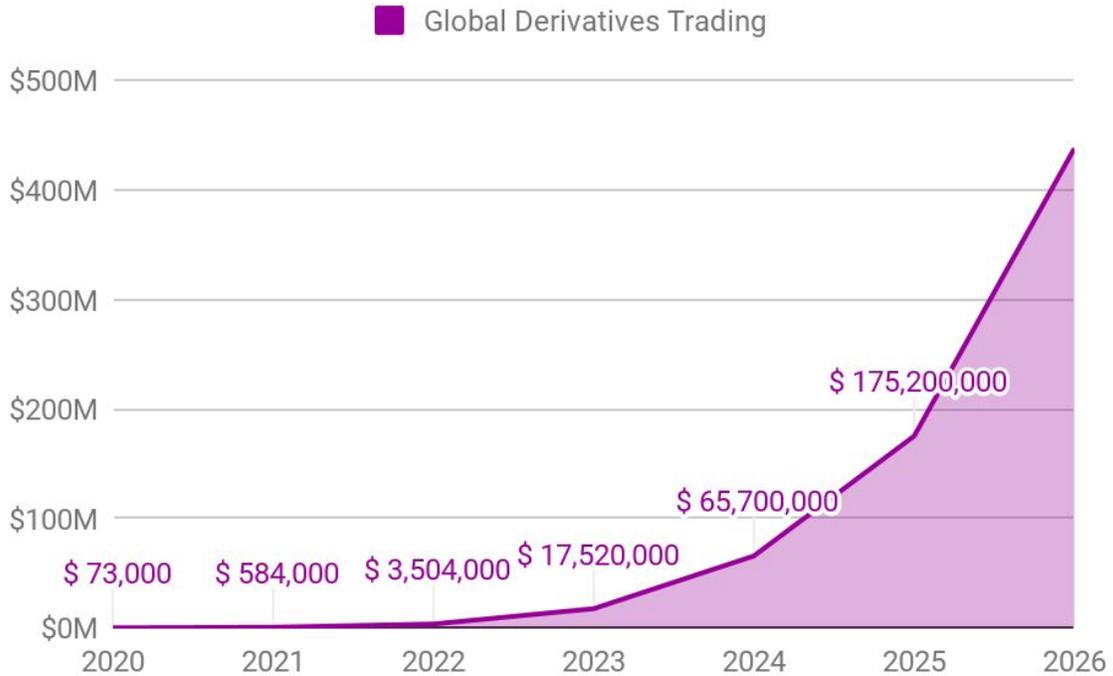Every 0.1% market capture is $425M/year.



Chart: Global Fund Management

- $ 212,500 (2020)
- $ 1,416,667 (2021)
- $ 11,333,333 (2022)
- $ 34,000,000 (2023)
- $ 127,500,000 (2024)
- $ 255,000,000 (2025)
- $ 425,000,000 (2026)

**Global Equity Trading (via CoTrader Smart Escrow): $100T/year market:**
CoTrader keeps 0.05% per trade.
Every 0.1% market capture yields $500M/year revenue.
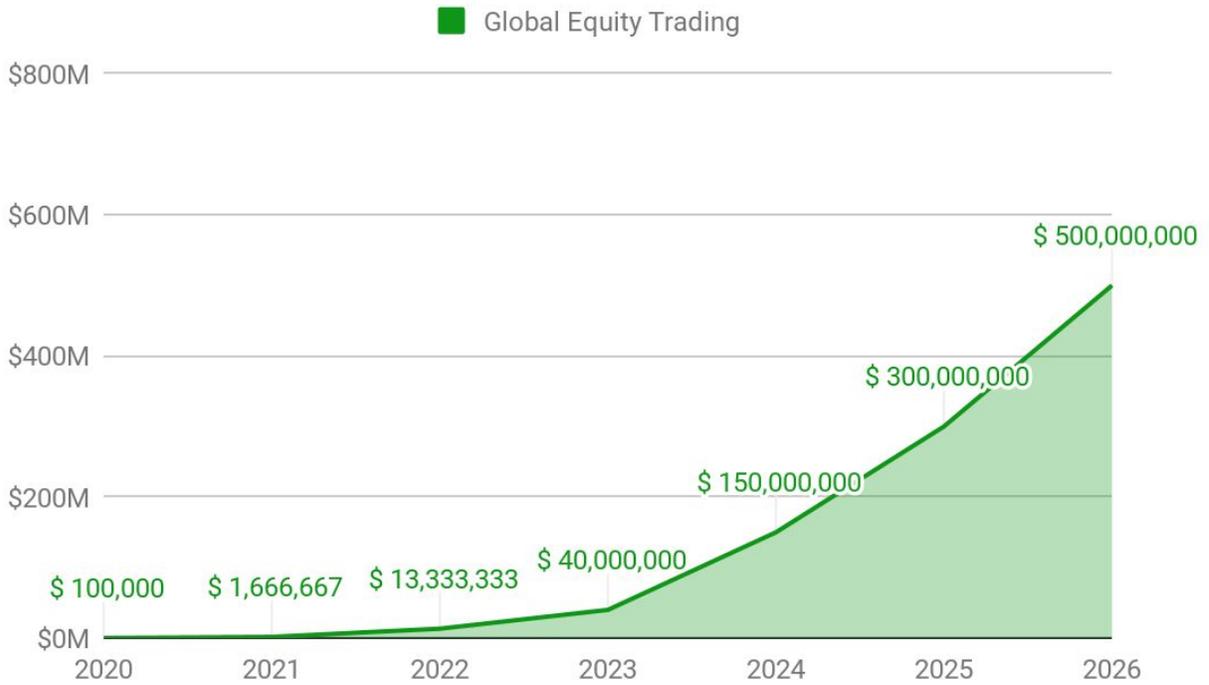
**Global Derivatives Trading (via CoTrader Smart Escrow): ~$14.6 quadrillion/year market:**
CoTrader keeps 0.003% per trade.
Every 0.001% market capture yields $1.46B/year revenue.



Global Derivatives Trading

- $ 73,000 (2020)
- $ 584,000 (2021)
- $ 3,504,000 (2022)
- $ 17,520,000 (2023)
- $ 65,700,000 (2024)
- $ 175,200,000 (2025)

# Token Distribution

20B tokens initial minted (down from 100B)
1 ETH =  1.4M COT
(1 COT = 0.00000071428 ETH)
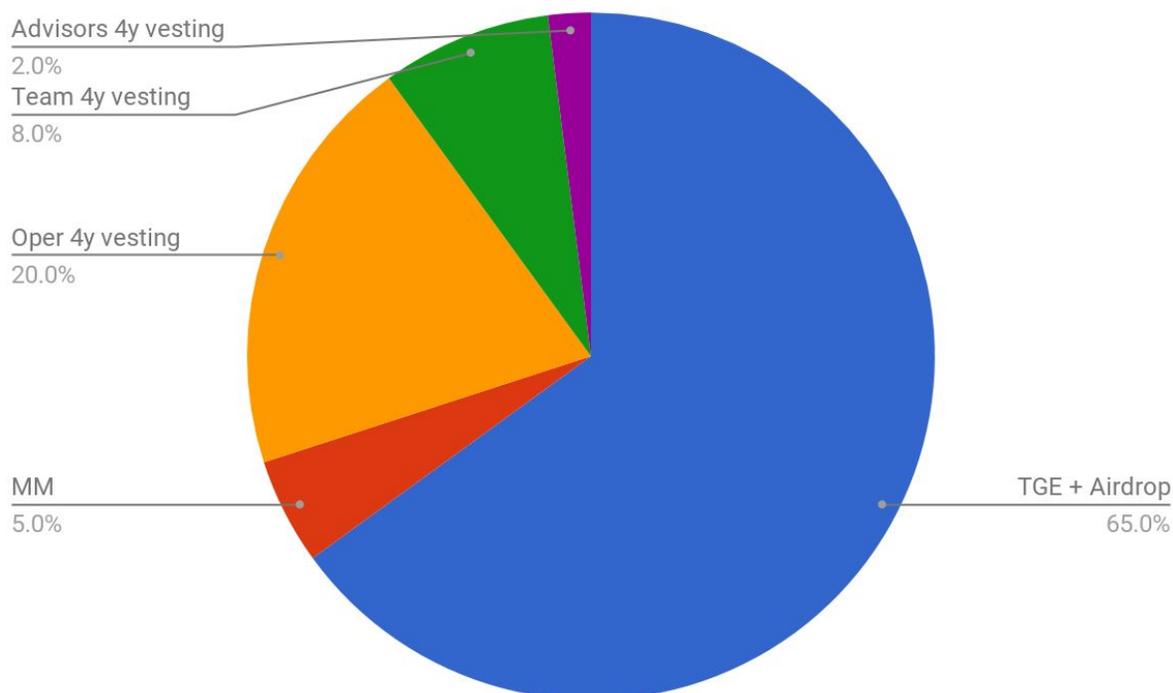

Hard Caps: 65% tokens, max $1M
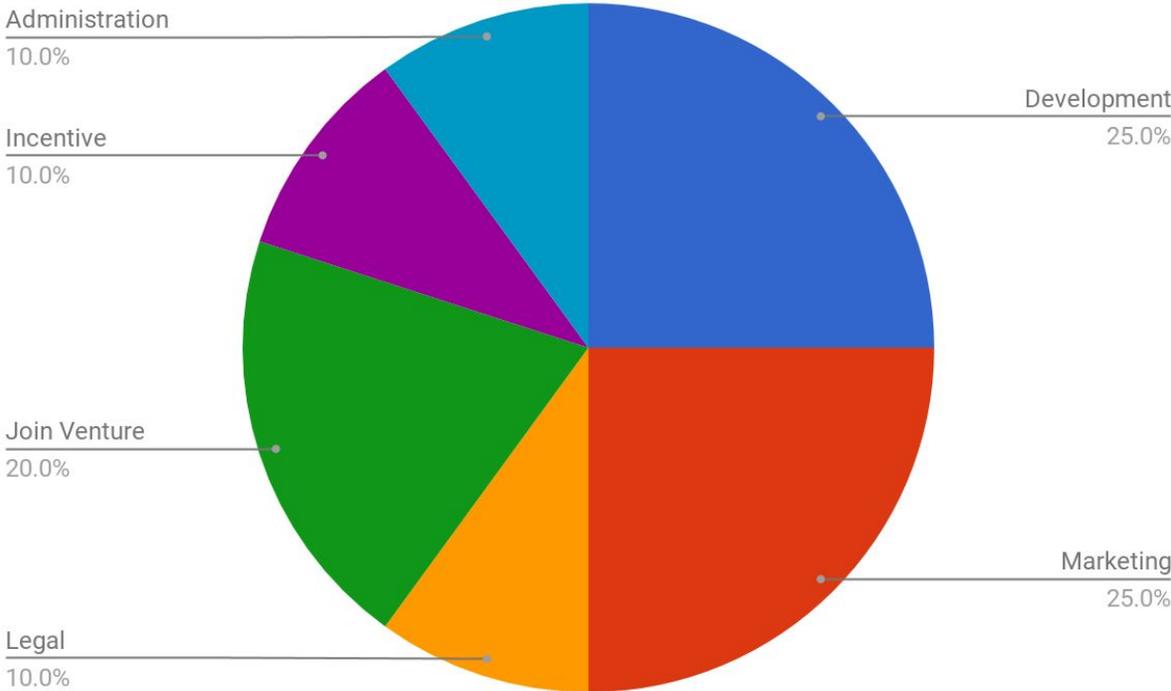Restricted: USA, N Korea, Iran

Unsold tokens are burned or used for bounty for user acquisition on the live mainnet platform.

Users can earn significant bounties by creating or joining smart funds, social sharing them, making trades via our platform, competing in fantasy funds contests (coming soon) etc.

CoTrader plans to acquire 10,000s of users this way relatively quickly this way, and continue doing so with an additional 5% tokens per year above 100B max mintable. This gives us massive potential for user acquisition growth.



Advisors 4y vesting 2.0%
Team 4y vesting 8.0%
Oper 4y vesting 20.0%
MM 5.0%
TGE + Airdrop 65.0%

# Projected Use of Token Sales

Administration
10.0%

Incentive
10.0%

Join Venture
20.0%

Legal
10.0%

Development
25.0%

Marketing
25.0%

# Product Summary

There have been many 100x returns in cryptos, ICOs and other investments. CoTrader is like the Uber of crypto hedge funds, enabling anyone to create or join an investment fund onchain.

Top investors are enjoying phenomenal gains. Whether the market is going up or down, they outperform most people, who don't have the time and resources to achieve these results with ease. There are 1000s of complicated cryptos and ICOs, and most people don't know what to invest in, and when.

CoTrader solves these common and critical problems to disrupt the $85 trillion global investment funds industry; CoTrader supports not just cryptos, but also ICOs, stocks, shorts, derivatives and more, as it tokenizes entire exchanges.

CoTrader provides proof of investment fund performance and gives CoTraders control to pull out their assets from any fund, while still enabling fund managers to cryptographically hide their valuable trading strategies.

All users automatically build up a performance history by simply trading through the platform. Top performing fund managers have tremendous incentive to use the platform and compete to earn their CoTraders the most money, because this multiplies their own earnings enormously. Influencers have a chance to do particularly well since they have many followers who they can turn into CoTraders. The best fund managers will survive and thrive in this new and transparent free market.

CoTrader is the investments platform of the future, live now on the mainnet. Early adopters have a chance to top the charts. Start building up your performance history today.

Whitelist now at cotrader.com
Test the platform at testnet.cotrader.com
Use the platform at mainnet.cotrader.com

Email us at team at sitename