CoTrader Whitepaper

Financial Freedom: 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.

WHY, WHAT, HOW: CoTrader's goal is to provide users with financial freedom by optimizing investments in minimal time for everyone, with the world's first live social investment fund marketplace on the blockchain.

OVERVIEW: CoTrader solves the complexity problem of investment management. It aims to become the world's open protocol for investment funds marketplaces 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.

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SOLUTION: SMART FUNDS: CoTrader solves the complexity problems of investing by finding the best performing fund managers to follow, with "Smart Funds". These are blockchain smart
contracts powered investment funds that provides proof of past ROI performance, and assurance that investor can always withdraw assets from any fund at any time. Anyone can join or create Smart Funds with the click of a button, and are geared for supporting the long tail of investment funds.

INCENTIVES: Smart Funds fund managers trade fund assets on the blockchain. 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 withdraw from any fund at any time. Since investments and trades are done onchain, smart contracts ensure each user that only they can pull out their funds

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and that fund managers can only take an agreed upon performance fee from the earnings.

NETWORK EFFECTS: Both influencers and high performance fund managers are 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 hybrid infrastructure, which pools together both centralized exchanges and multiple DEXs including Bancor, Kyber, 0x, CoTrader's own DEX, and other future DEXs for maximum liquidity and power. Other platforms can utilizing and extend CoTrader's infrastructure.

Contests are also a fun way we onboard new users, with token prizes at contests.cotrader.com. We are also working with partners to turns this crowd wisdom into investable funds, even coming from FIAT.

TOKEN ECONOMICS: Tokens may reduce platform fees by holding them in smart funds. Tokens help obscure investment strategies. Tokens may be required for purchasing contest crowd wisdom in B2B deals.

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.

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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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Social

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