SociumTrade

Withepaper v.2.6

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Executive Summary

Social trading and investing lets individual market participants interact directly with one another and the market, investing in assets and each other without intermediaries. It is gaining traction among those who believe technology can and should give them greater control over their financial future. However, its adoption has been limited by concerns about transparency and security. The advent of blockchain and distributed ledger technologies offers a new level of transparency and security, one that overcomes the problems that plague other platforms and finally brings the social media revolution to the financial services industry.

Introducing SociumTrade, the world's first comprehensive social trading and investment platform that harnesses the power of blockchain to match traders and investors securely and transparently without intermediaries.

SociumTrade is based on the premise that people should be able to make informed decisions about and have full control over who handles their money and how.

By combining a dynamic online exchange with a social network enhanced trading system, SociumTrade enables users to gather and analyze information, and then invest directly into the market and each other. Using blockchain technology we are able to achieve security and transparency without the use of third party institutions.

Now, investors can back traders using customized smart contracts. The contracts keep investors' funds safe and secure while providing traders with the flexibility they need to act on investors' behalf. These and other features allow users to go beyond simple "mirror trading".

In turn, traders can attract funds from investors based on their particular strategies and performance. This enables them to earn mutually agreed-upon management fees and build a reputation that everyone can trust and anyone can verify via the blockchain. The platform allows investors to set up investment pools and traders to set up consortiums with fellow traders, bringing investors and traders together like never before.

Every transaction a trader or investor makes is recorded on a blockchain and is available for review on a distributed ledger. Capital resources are controlled by smart contracts as well. No more need to hand over a blank check. If ever something were to happen to the platform, participants' funds would remain safe and out of harm's way.

The internet revolution continues to put unprecedented power in the hands of individuals to make informed, complex decisions in ways that benefit their lives. SociumTrade's unique combination of social networking, blockchain, and trading and investment tools finally brings that revolution to financial services.

Read on to find out how.

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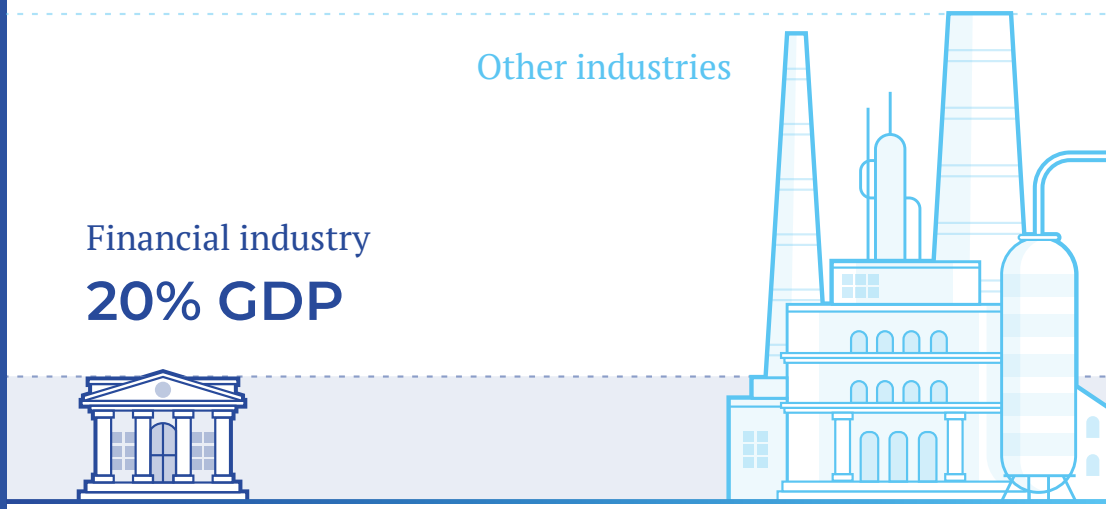
Market & Industry Overview



The size of the global financial industry in the developed economies can be assumed to be well over $13.5 trillion. [1,2]

The industry has shown incredible growth, especially in the so-called "fintech" (financial technology) sector. The Global Top 50 Fintech Companies show a five-year change in value of 169%, having grown to $1 trillion in 2016. [3]

	2011	2016	5-year change in vaue
Top 50 Banks	$2.7 T	$4.3 T	+58%
Top 50 Insurers	$1.1 T	$1.9 T	+79%
Top 50 Fintech firms	$0.4 T	$1.0 T	+169%
Top 5 Tech firms	$1 T	$2.3 T	+140%

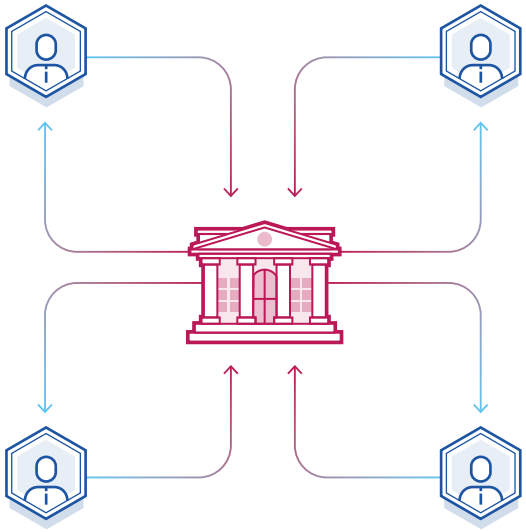
[1] Ümit Hacioğlu, Hasan Dinçer, Nihat Alayoğlu, Global Business Strategies in Crisis: Strategic Thinking and Development, Springer International Publishing, 2017

[2] https://datacatalog.worldbank.org/dataset/gdp-ranking

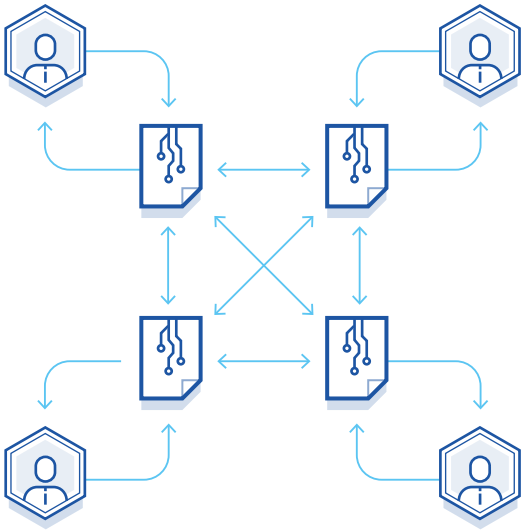
[3] http://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2017/jan/The%20State%20of%20the%20Financial%20Services%20Industry%202017.pdf

Technology will continue to have a huge impact on the financial space, with blockchain and distributed ledger (DL) technologies moving to the fore in the coming years. As blockchain and DL technologies allay concerns over security and identification, social networks and peer-to-peer systems are bound to see wider adoption in the industry. This will push the industry away from the traditional segregated, centralized, institutionally-dominated operational dynamic to a more individually and socially driven one.

SociumTrade is on the cutting edge of these trends.



Centralized financial interaction



Peer-to-Peer money moving

The asset management space has been one of the biggest gainers in the industry. The total value under management is expected to almost double in size from $84.9 trillion in 2016 to $145.4 trillion by 2025.[4] However, the management of these assets appears to be concentrated in a few areas around the world. For example, in 2015 UK, France, and Germany comprised 63% of the total asset management market in Europe. This can be expected as those countries house the biggest exchanges[5] and attract institutional players and market participants from around the world. It also reveals an opportunity for a new retail-oriented platform to come in and fill the vacuum in lesser-represented regions.

[4] https://www.pwc.com/gx/en/asset-management/asset-management-insights/assets/awm-revolution-full-report-final.pdf

[5] https://www.efama.org/Publications/Statistics/Asset%20Management%20Report/EFAMA%20Asset%20Management%20Report%202017.pdf

As it stands now, many would-be investors are cut off from the industry because of high minimum investment requirements and other barriers, while those who invest are faced with significant fees and intermediaries that add cost.

> *In 2016, hedge funds were typically charging 1.65% in management fees and 18% in incentive fees for their services.[6] Small investors are often consigned to savings accounts and real estate as their only investment options, with one offering minimal returns, the other often requiring significant debt.*

The situation for individual traders is not much better. Traders are faced with a lack of infrastructure necessary to attract capital. A trader can join an institution, which severely restricts one's freedom and profit ceiling.

> *This has naturally led to the growth of individual or self-directed investing and trading. An Aite Group study found that in the US alone, a quarter of adults with internet access are online retail traders.*

Combined with professional traders, the size of the individual trading population is estimated to be about 54 million. Additionally, it was estimated that 30% of self-directed investors were high net worth individuals. According to the 2013 data from SigFig, it also appears that the profits of the self-advised segment could be comparable to the segment of those being advised

As the crypto-asset sector has grown over the last decade, it has begun to occupy a significant segment of the individual trading space. It is difficult to estimate how many people are trading daily, but the fact that there were over 21.5 million blockchain wallet users in the Q4 of 2017 suggests an eight- figure number.[8]

[6] https://www.ft.com/content/ab1ce98e-c5da-11e6-9043-7e34c07b46ef

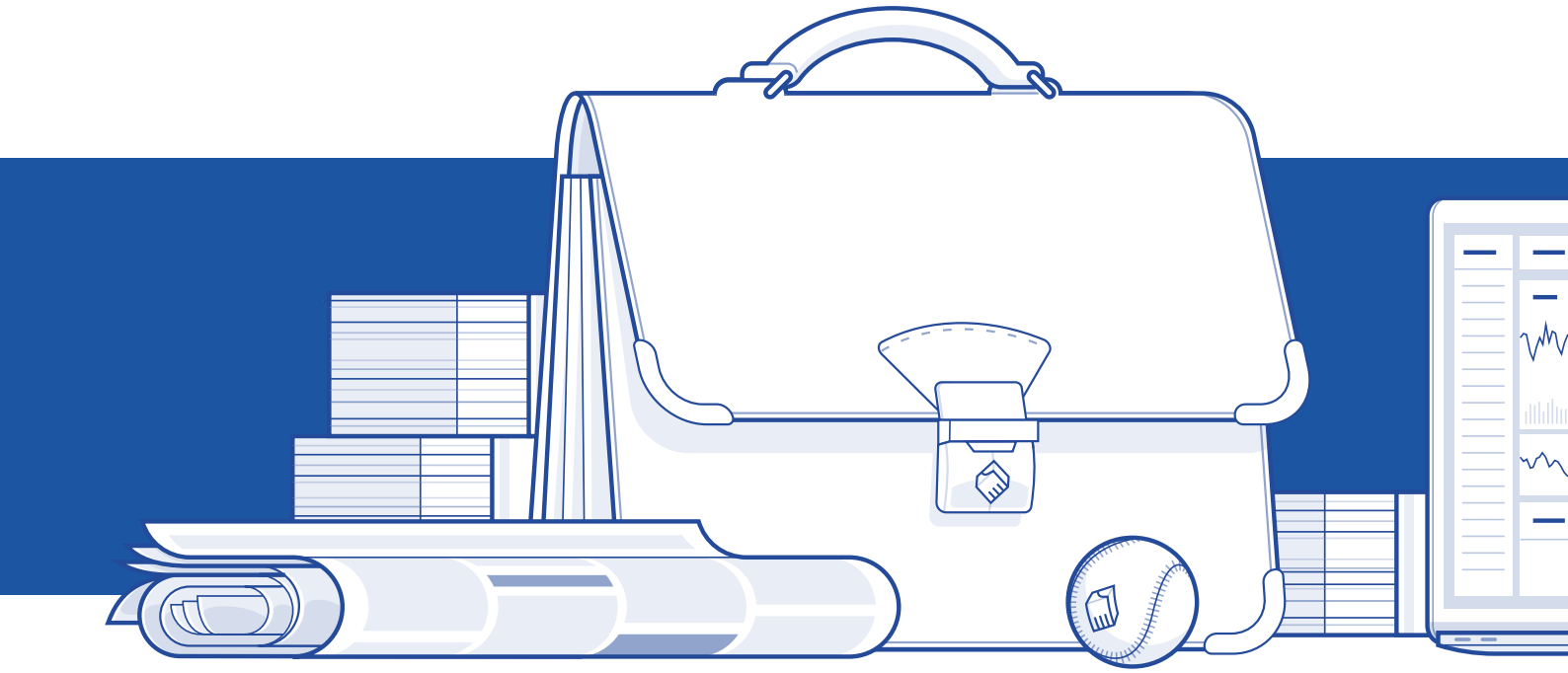
[7] https://www.forbes.com/sites/kumesharoomoogan/2016/06/02/more-investors-striking-out-on-their-own-what-does-all-this-self-directed-trading-mean/#6504ee784db6

[8] https://www.statista.com/statistics/647374/worldwide-blockchain-wallet-users/

Popularity of online brokerages like eTrade, which served 3.6 million brokerage accounts and showed a revenue of $1.9 billion in 2016,[9] it is clear that focus on the individual trading and investing experience is the future.

The next step in the development of the financial services industry is social investing and trading. This segment has been steadily growing over the last decade and now has a total base of ca. 10.5 million users. However, companies like eToro offer limited functionality on their platforms, focus on copy trading, and don't adequately address user concerns regarding trust, security, and reliability of information about participating traders.

By addressing and alleviating these concerns, SociumTrade promises to revolutionize the ever-growing financial services industry – specifically the asset management, trading, and crediting space.



[9] http://financials.morningstar.com/ratios/r.html?t=ETFC and https://craft.co/etrade-financial-corporation/metrics#operations

What is Missing

Every day, scores of market onlookers with various amounts of capital search for opportunities, but find themselves unable to pass through the numerous barriers the financial services industry sets before them. All around them are traders looking for liquidity and investments, but the market lacks the proper infrastructure to allow these two groups to reach one another without significant risk or costly intermediaries.

In order to solve this problem, the market needs to address the following inadequacies.

Trust & Security

When it comes to managing money, trust and security are always of chief concern. Currently, the only trusted players are institutional investors and investment managers, i.e. banks, hedge funds, and licensed asset managers. An individual wishing to enter the market can either rely on his or her own knowledge or is forced to pay commissions to one of the previously mentioned managers.

"Professional" managers have a spotty track record

It is difficult for the retail investor to ascertain the performance of individual investment managers. Recent scandals highlighting collusion among traders at investment banks and the overall "black box" nature of the industry have raised many question whether investment managers and affiliated traders are truly acting in the best interests of their clients.[10]

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[10] http://uk.businessinsider.com/barclays-fx-traders-chatroom-transcripts-of-currency-market-collusion-2015-5

[11] https://www.reuters.com/article/us-cyber-banks/banks-reinforce-cyber-defenses-after-global-attack-idUSKCN18B2A3

[12] https://www.japantimes.co.jp/news/2018/01/27/national/cryptocurrency-exchange-coincheck-loses-58-billion-hacking-attack/#.WpBEfKhubIU

[13] https://www.infosecurity-magazine.com/news/banks-under-reporting-cyber-attacks/

P2P trading platforms don't guarantee trustworthiness

Not surprisingly, peer-to-peer platforms have been growing in popularity. But, despite their apparent appeal, they remain at the margins of the investment world. Perhaps that is because, by and large, social trading platforms fail to provide adequate and reliable information about participating traders for investors to be able to make informed decisions.

> *Users are attracted primarily by the strength of overall market trends, ease of use, and general hype. Essentially, these platforms function like slot machines for the amateur traders.*

Crowdsourced investing suffers from a similar lack of transparency. Investors are unable to perform adequate due diligence and are forced to gamble with their assets. The growing number of ICO scams being uncovered is further proof of that.

Financial infrastructure is vulnerable to attacks

Additionally, there is increasing concern about the security infrastructure of the financial services industry. A growing number of successful hacker attacks on both traditional institutions and the new crypto-exchanges lends credence to worries about the safety of placing capital in the hands of investment managers.

The growing number of crypto-exchanges are not well-regulated and suffer from poor testing practices on the IT side as well as inadequate security measures. There are regular reports of attacks on exchanges in which attackers walk away with millions, and it is likely that these events are underreported.

> *Clearly, there is demand in the financial services industry for a product that will give users the confidence that that their funds are safe, their transactions are secure, and the information on which they base their decisions is reliable.*

Limited Person-to-Person Investing and Management

Investors cannot fund individual traders

At present, the industry does not enable investors to back an individual trader. Professional traders are hidden behind walls of banks and Hedge Funds, and there is no way to invest in the genius of a particular trader. Funds attract billions of dollars on the strength of their brands, and then develop their strategies and execute them on the strength of dozens of individuals who remain in the shadows.

It is difficult for individual traders to get funded

If a trader wants to procure enough capital to run his or her own strategies in the market, he or she usually must find employment with an established financial institution or find a whale investor. With all of the NDAs and non-compete agreements, it is difficult for a trader to build a name outside the inner circle. This, makes it challenging for a trader to attract capital as an individual.

Lack of infrastructure for resource pooling outside of institutions

If a family or a group of friends want to pool resources in order to invest in the market, they won't find the proper infrastructure to do so outside of a wealth management firm. Sure, they can hand all of their money to one person and then have him or her invest everything on their behalf, but this obviously introduces various unnecessary risks and hazards that most investors would prefer to avoid. In these situations, familial ties and friendships make trust less of an issue, but for acquaintances who don't know each other all that well, who wish to pool resources, such an arrangement is hardly workable.

Margins are hurt by a lack of P2P operating structure

There is a real need in the market for individuals to be able to invest in each other and aggregate funds in a secure and reliable way – a way that would enable small retail investors to mitigate risks and allow traders to run sustainable operations without the need for an intermediary institution. Right now, investment management firms eat away at investor's profit margins with sizeable commissions and management fees. Their strong hold on the market enables them to dictate which investment products are available, the minimal entry amounts, and even the cost of risk.

Lack of a Comprehensive Offering

A multitude of specialized services without a link

Currently, social investing is represented by a number of niche businesses. There is social trading, crowdfunding, and various information sharing resources, to list a few. A user wishing to enter the investment market as an individual must personally aggregate and coordinate the output and processes of various non- integrated systems in order to have the necessary information to make informed decisions. This is both costly and time consuming, which makes the process burdensome and unrealistic for the average market participant.

Institutional investors have the advantage of better software

By comparison, professional terminals like those provided by Bloomberg and Factset come complete with advance news, analytics, and portfolio management modules as well as integration options with all of the necessary investment tools. These terminals are expensive and complicated to use. The price points and the learning curve create enough barriers to entry to dissuade retail investors from getting involved.

Trading platforms bait users and leave them hanging

Flashy trading and investing platforms attract users by dangling before them the prospects of potential returns, but they don't offer the necessary education and support, nor the required tools for the average person to have a legitimate chance in the open market.

The result of all of this?

The "average Joe" leaves the market feeling like he just been to a casino, and hands over his money to "professionals", who might not have his best interests at heart.

The Solution

Evident and growing demand for a comprehensive and trustworthy social trading and investment platform has inspired the creation of SociumTrade.

> *SociumTrade is the world's first social trading and investment platform that leverages the power of blockchain to bring traders and investors together in a secure and transparent environment without the need for intermediaries. SociumTrade unlocks the full potential of social trading and investing in the blockchain era.*

SociumTrade is comprised of two essential components: the **exchange** and the **social networking module**. The two are fully integrated using private APIs and blockchain-based "smart contract" protocols.

3.1 The Exchange

> *As a final product, SociumTrade's trading platform will be a fully functional multi-asset system. At its core will be an advanced trade engine with an, artificial intelligence-enhanced, order-matching functionality.*

Additionally, the trade engine's state-of-the-art analytics and monitoring services will allow it to guard against illicit market activity and potential attacks.

To start, the exchange will be fully licensed to support crypto-crypto and fiat-crypto operations. The crypto asset space offers the best conditions for solidifying and testing complex architecture.

As an end product, the trading platform will support trades of all common asset types. The platform will be integrated with the major exchanges to guarantee fluidity and legality of operations.

Margin trading will also be allowed on the platform.

Users will be able to make loans available at custom-set interest rates and be matched with loan seekers by our engine.

The trade engine will use a proprietary liquidity provider service.

Algorithms aggregate external liquidity and distribute orders according to rules that optimize order matching, and reduce liquidity-driven volatility spikes. The service allows for a greater number of assets to be traded on the exchange.

SociumTrade's wallets will be kept on smart contracts.

No funds will be kept directly on the platform. In case of a malfunction or an attack on the system, the smart contracts will automatically release all of the funds back to their owners. Additionally, the platform will use multi-asset wallets, to support trading of all the common asset classes.

Multi-level wallet architecture will enable realistic portfolio management.

The system will make use of virtual wallets to enable users to manage portfolios with multiple investors, as well as other multi-user portfolio structures. The engine will also support virtual or play-money simulations for active strategy testing.

The system will be compliant with international standards for financial operations and customer data handling.

The exchange will be primed with advanced "know-your-customer" (KYC) and anti-money-laundering (AML) services that comply with the strictest regulations around the globe. A lot of effort has been put into safeguarding against potential external threats and avoiding legal grey areas. User data will be stored securely and in accordance with international standards such as the EU's General Data Protection Regulation and the US Patriot Act.

Furthermore, the back-office service is equipped with a compliance system that ensures SociumTrade adheres to international standards that apply to the wide array of asset classes that will be traded on the exchange. It will also enable SociumTrade to dynamically adjust to the fluid legal landscape and avoid costly interruptions to the platform's operations.

The Social Module

The social component of SociumTrade has been designed to connect market participants and allow them to interact by communicating and forming financial bonds.

The network supports two primary user types: **trader** and **investor**. It enables users to form unique group entities that can then act as individual market players. All relationships, agreements, and transactions on the platform are governed and enforced by smart contracts.

A trader is classified as a user who engages in direct trading activity on the exchange, buying and selling assets either for himself or herself, or on behalf of someone else. **An investor** is defined as someone who participates in the market by investing in a trader or traders, or lending capital to another market participant. Like traders, investors can participate in the marketplace for themselves or on someone else's behalf. An individual user can even act as both an investor and a trader on the platform.

Functional user profiles are the building blocks of the social module.

Every user has a profile page that includes biographical information, professional credentials, endorsements, and recommendations from other users. The profile page also shows the user's performance track record on the platform. Additionally, the user's latest social activity, such as posts and shared articles, is also displayed.

Users will be able to manage their operations from their user cabinets.

Traders will have a user friendly portfolio management tool to analyze performance, allocation and risk, as well as make orders. Investors will have a similar construct for managing traders that they have funded.

Group entities will have their own profiles and management suite.

> *A peer-to-peer review system works in conjunction with our KYC and AML protocols to provide additional clarity regarding each user's persona. SociumTrade aims to remove all ambiguity surrounding any participant, so that everyone can feel confident about their interactions and transactions on the platform.*

SociumTrade will provide a wide array of sharing and messaging tools to facilitate communication on the platform.

It will offer news sharing, posting, and user-following functionalities along with connectivity to popular social networks like Facebook, Twitter, and LinkedIn. Additionally, the SociumTrade platform will have a proprietary chat/messenger system that enables users to share data, send investment signals, and make buy/sell decisions from the chat/messenger interface. It will include an auto-translate function so that users could communicate between language groups with ease.

Investors will be able to consolidate resources in an investment pool.

An investment pool allows multiple investors to aggregate their resources and enter the marketplace as a single entity. An investment pool is managed by a single investor who is responsible for resource allocation of the pooled capital. Each investment pool is governed by rules agreed upon by participants and stored on and enforced by a smart contract.

Traders will be able to manage the same funds as part of a consortium.

A trading consortium is a group of traders who collectively attract and manage capital. Each consortium has a founder or a head trader who sets the rules that govern its members' activities and the consortium's behavior as a whole. These rules are also stored on and enforced by a smart contract.

SociumTrade will promote fair and competitive market activity.

The social networking module is equipped with advanced monitoring and analytics tools that will enable the platform to identify malicious user activity, such as poofing and pumping-and-dumping. Hostile behavior aimed at undermining fair market play will be vigorously investigated and the perpetrators, if found guilty, will receive a lifetime ban.

For Traders

> *SociumTrade provides traders with a full range of tools to procure capital, operate on financial markets, and build a professional reputation.*

There are three main ways traders can attract funds on the platform: direct capitalization by an investor, joining a trading consortium, or taking a loan from an investor.

P2P procurement gives traders flexibility and higher profit margins.

It enables them to execute complex diversified strategies, and earn performance-based management fees from their backers. For those with a higher appetite for risk, there is the loan market where traders can negotiate favorable terms without going through and paying intermediaries. These instruments lower market barriers, enabling talented traders who lack start-up capital to get started.

Traders can take advantage of the user-friendly trading and analytics to streamline day-to-day operations.

Traders will be able to review market orders and study candlestick charts, employ Fibonacci channels, and more. The platform will offer tools for incorporating analysis of current events from news channels and social chatter feeds. Users will be able to execute any number of order types, from simple limit orders to more exotic iceberg types. This will allow traders to construct complex combinations, hedge risks, and increase profits.

Users will be able to replicate portfolio allocations of select traders.

A trader will be able to start a portfolio and have automatically trade to achieve the portfolio allocation of another trader's portfolio. The trader who is being copied will receive a small commission fee. SoicumTrade will not offer copy-cat trading, which replicates every order of a followed trader. This promotes volatility and encourages illicit activities such as pump-and-dumps. Our instrument aims to replicate end-of-period asset proportions in the target portfolio, not intermediary trading orders.

The platform enables efficient management of multiple portfolios.

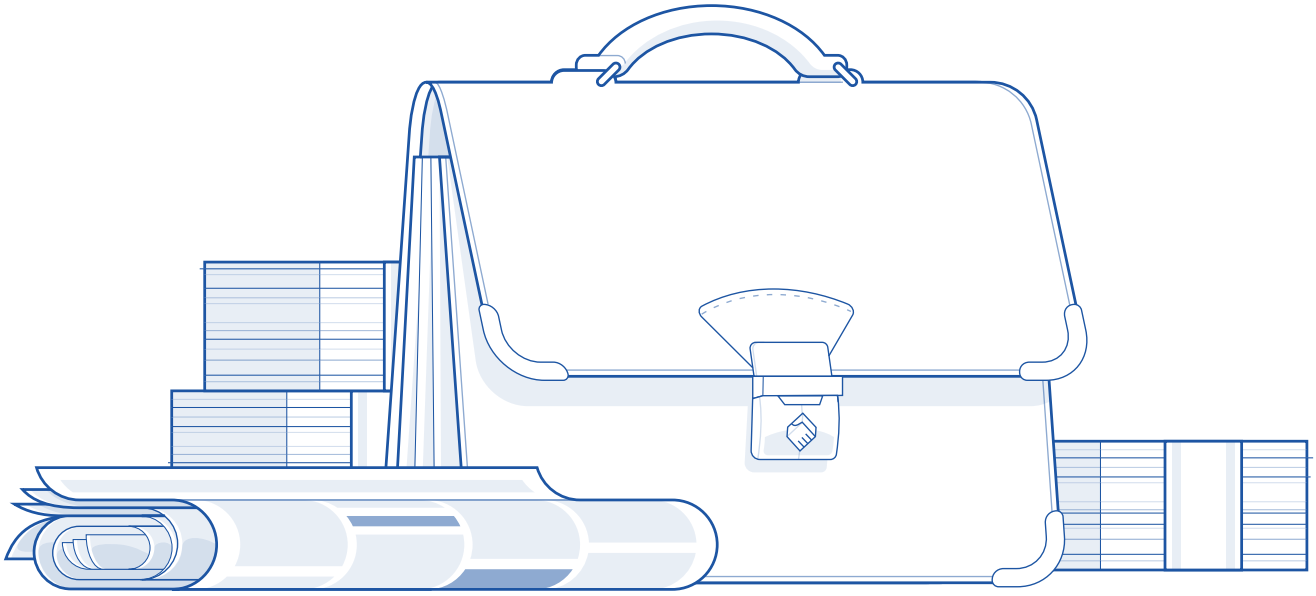
Traders will be able to create portfolios for different strategies and present multiple offerings to the market. The portfolio management suite will allow for quick analysis of performance and risk metrics, asset weights, and costs. It will also enable users to make changes both on the holdings level and individual portfolio level.

Traders will be able to build their reputation by showcasing the skills and performance on their profile pages.

Profile pages will highlight strategies and performance records archived on the blockchain, performance and risk grades, peer-to-peer reviews and endorsements. Investors will be able to filter traders based on these parameters, when searching for the next investment. Outstanding performance in the markets will enable traders to increase their ability to attract capital, negotiate favorable terms, and be invited to join consortiums.

For Investors

> *Investors, as defined by SociumTrade, are individuals who want to participate in financial markets without having to manage assets themselves. For this service, they are willing to pay a management fee to traders or trading entities willing to take on that responsibility.*



On SociumTrade, investors can filter through traders and their portfolios to find the right fit for themselves.

With SociumTrade, investors can evaluate traders based on their track record and various profile characteristics such as risk-profile and value of own funds invested. Similarly, they can compare portfolios based on their compositions, performance and risk metrics.

Investors can allocate their funds between a number of portfolios managed by different traders or consortiums.

Each portfolio is associated with a particular strategy that the trader describes. A given portfolio can be a single-asset portfolio or a multi-asset portfolio. Likewise, a portfolio can be associated with a single class of assets or multiple classes. An investor can choose the right portfolio based on his or her own preferences.

An investor can choose the right portfolio based on his or her own preferences.

Portfolios are defined by a set of terms that govern duration, minimal investment amounts, deposit and withdrawal procedures, trading strategy, risk levels, and fee structure. The terms of the agreement between an investor and a trader or a consortium that bind an investor's funding of a given portfolio are maintained on and are enforced by smart contracts. This ensures that traders cannot violate the advertised terms of their portfolios, and investors can only withdraw funds in accordance with agreed-upon terms.

Investors can manage their allocations using the SociumTrade management suite.

Much like traders can study statistics and summaries about their portfolios, investors can review their allocations. They can see performance metrics, risk analyses, and other statistics describing their holdings. From there, they can adjust their holdings as they see fit.

Investors that are particularly savvy when it comes to allocating resources can launch investment pools.

Those who do not have the time or the energy to devote to studying market dynamics will be able to entrust their funds to another investor under an agreed-upon set of terms. The active investor who leads the investment pool will collect management fees for his or her service. As with trading consortiums, the terms according to which investment pools operate will be stored on and enforced by smart contracts.

Use Cases

Basic Trader-Investor Case: Restricted Portfolio

Alisa wants to attract capital for a cryptocurrency long portfolio. Her strategy is running an equal weight portfolio of the top ten cryptocurrencies by capitalization. She needs at least €100,000 to start her portfolio, and she has €10,000 of her own capital.

Alisa creates a portfolio on the SociumTrade platform looking to attract the necessary funds. The portfolio terms that are advertised are as follows:

strategy – top 10 cryptocurrencies, by capitalization, equal weight;

minimal fund target – €100,000 if the amount is not reached, contributed funds will automatically be returned to the investor(s);

fund gathering period – 1 week;

minimal investment amount – €10,000;

operating period – 6 months;

payout period – 6 months;

deposit/withdraw – beginning and end of period only;

portfolio type – constricted;

management fee – 2%;

commission (success) fee – 5%;

rebalance – daily;

rebalance margin – 10%;

liquidation period – 1 week.

A single investor decides to invest in the amount of €90,000 with the trader. Together with the €10,000 of the Alisa's own funds, the portfolio is capitalized for the minimum €100,000. Alisa has claim to 10 percent of the portfolio at the end of the operational period.

Alisa promises to maintain an equal weight portfolio of the top ten cryptocurrencies by capitalization, and is responsible for the daily rebalancing of the portfolio. If, at the end of a trading day, which is set to be 17:00 CET, the assets in the portfolio are more than 10% off of the target weights, the system automatically rebalances the portfolio making buy and sell orders at market price.

The trader may not start to liquidate the portfolio until one week before the end of the operating period. At the beginning of the liquidation period the weight restriction is suspended, but the trader is only allowed to sell the assets for euros. If, at the end of the trading period, the portfolio has not been liquidated, it is sold automatically in its entirety at market price. The appropriate shares are returned to the portfolio's investors minus commissions/management fees.

Should Alisa violate the terms of the portfolio contract, the portfolio will be frozen and the investor(s) notified of the violation. The investor(s) will then have the option of early termination of the contract and liquidation of assets, in which case the funds would be returned to the investor(s) with no fees charged. Alternatively, investors may choose to permit the divergence. In that case, the portfolio would be unfrozen and the trader given the chance to rectify the situation.

To terminate the agreement without just cause, the investor needs to give Alisa a two weeks' notice of termination. She then has two weeks to liquidate all of the requested assets in the portfolio. If, at the end of the last day of the two-week period, the assets are not liquidated, they are automatically sold at the market price. If appropriate, commission and management fees are deducted and paid to the trader. The investor is then charged a penalty fee of up to 20%, such that the remaining sum is not less than 80% of the initial investment.

The terms of the agreements between Alisa and an investor are stored on a smart contract. That way neither party has to worry about execution, it proceeds automatically. The system constantly monitors the portfolio, and if a clause of the smart contract becomes activated, the system automatically acts on it. Every transaction is recorded and kept on the blockchain and it is always available for auditing by any of the participating parties.

Basic Trader-Investor Case: Open Portfolio

The above scenario illustrates an example of restrictive terms for both trader and investor. An investor may, however, elect to simply hand over a certain amount of funds to a trader and give him the freedom to operate in any way he sees fit, switching strategies and working within a variable time frame.

The procurement procedure would work in the same way as above, but the terms of the agreement would provide more flexibility.

Alisa would create a portfolio on the SociumTrade platform looking to attract the necessary funds, with the following terms:

strategy – cryptocurrencies;

minimal fund target – €100,000 if the amount is not reached, contributed funds will automatically be returned to the investor(s);

fund gathering period – 1 week;

minimal investment amount – €10,000;

operating period – open;

payout period – monthly;

deposit/withdraw – end of the month;

portfolio type – open;

management fee – 2%;

commission (success) fee – 5%;

rebalance – open;

rebalance margin – n/a;

liquidation period – 2 week.

> *The payout period, in this case, is set to monthly, meaning bonuses and fees are distributed at the end of each calendar month. The portfolio does not have a set termination date, so the investor can divest or add capital to it at the end of each month. During that time new investors can enter the portfolio.*

When the portfolio or some part of it is liquidated, appropriate fees and commissions are calculated and attributed to the trader's account. When a trader sells cryptocurrency assets on the market for fiat currencies, the latter remain part of the portfolio as cash assets.

All of the transaction records, statistics, and reviews of the portfolio are available for the investor to study whenever he wishes to do so. Additionally, the trader can post comments, notices, and other relevant information for the investor or investors of the portfolio to view. The investor(s) can also communicate with the trader via a private messaging channel in order to ask questions and request clarifications regarding portfolio activities.

Advanced Trader-Investor Case: Trading Consortium

There are two types of trading consortiums available on the platform: open and closed. Anyone can apply to join an open trading consortium. If the head trader of the open consortium approves the application, the trader becomes a member. To become a member of a closed consortium, a trader must receive an invitation from the head trader.

When a trader receives an invitation to join a closed trading consortium, he/she also receives the terms of operation of that consortium: its rules and bylaws. These terms determine what each trader in the consortium can and cannot do, his or her compensation terms, as well as penalties for violating the terms of the agreement. The trader must accept those terms in order to join the consortium.

Let's say Alisa intends to create a consortium such that during each hour of the day there would be a trader to manage all of the portfolios. Then she would establish a consortium and invite Tom and Adam to join under the following terms: each trader would manage an 8-hour window during the day, Alisa: 00:00-08:00 GMT, Tom: 08:00-16:00 GMT, Adam: 16:00-24:00 GMT. This means that during each trader's allocated time window, he or she has full control over all of the assets. The two other traders can only watch what is happening. If the responsible trader does not trade during his or her time window or trades very little (less than ten trades), the system prompts him or her with a request to justify the inactivity. The justification can be reviewed by the head trader. If it is found unreasonable, the trader is charged a fee of 10% from his or her share of expected compensation.

Traders can enter the consortium agreement for an unspecified period of time. Each trader can leave the group, but must give a two-weeks' notice. Additionally, the head trader has the right to terminate the agreement with any consortium member if he or she violates the terms of the agreement. The terms of the agreement are kept on a smart contract and the system notifies consortium members when one of them breaches the terms of the agreement.

As far as the investor is concerned, the consortium behaves as a single trading entity. The investor enters into the same agreement with a consortium as he or she would with an individual trader. The same rules and regulations apply. Just like any individual trader, a consortium may have multiple portfolios under management. Who manages those portfolios within the consortium and how, is determined by the rules of the consortium. An investor can view the management structure of a portfolio, the profiles of its traders, its portfolios, and associated analytics. The consortium acts as a single trading body, so all of the statistics are aggregated for that trading body and not broken out by individual member.

When an investor searches for a portfolio to invest in, portfolios that are managed by consortiums are shown along with those managed by individual traders. However, the portfolios are clearly marked as either individually or consortium-managed.

Investment Pool

Investment pools are structured similarly to trading consortiums. They can also be open or closed, with open pools accepting unsolicited applications, and membership in closed pools available only by invitation.

When an investor receives an invitation to join an investment pool, he receives the terms and bylaws of that investment pool, as well. Those terms govern investment rules, profit sharing, and fee structures associated with the investment pool. Unlike trading consortiums, in investment pools the founder can charge a management fee for the services he or she provides. An investor must accept the terms of the investment pool in order to join it.

For example, say Alexa wants to start a closed family investment pool. She can invite all her family members who have accounts on the platform to join her pool. Those who accept will have the ability to transfer money into the pool. This particular pool operates without a specified closing date and has a minimum initial contribution amount of €10,000. Alexa contributes €30,000, Peter and Sam contribute €30,000 and €40,000, respectively. The pool allows members to rebalance on a monthly bases, meaning that at the end of the month each investor can withdraw or deposit funds. If an investor wishes to withdraw funds at the end of the month he or she must give the pool two-weeks' notice.

After all contributions are completed, Alexa will allocate the funds to various traders and trading consortiums of her choosing. The pool owner or head investor is the only member of the pool with the right to make asset allocations. The rest of the members can only deposit and withdraw funds. Profits are allocated to each investor minus the management fee in accordance with each trader's share of the portfolio. In this example, Alexa and Peter each have a 30% share of the pool, while Sam has a 40% share. An investor can choose to withdraw his or her share of the profits and or commission revenue during the withdraw/deposit period, or reinvest the returns back into the pool.

As far as traders are concerned, investment pools act like individual investors. The pool invests capital as a single entity and signs agreements as an entity. Fees and profits are transferred to and from the pool's wallet. Communication is handled like it is done with trading consortiums. There is one channel and only the head investor has the right to respond.

Users can view the performance history and trader allocations of the investment pool. They also see who the pool owner is and the total amount of funds currently under management. However, investors cannot see how many investors are part of the investment pool and what the individual allocations of those investors are.

How it works

SociumTrade is a multi-vector financial platfom, which consists of several major modules and embedded systems. From the user's perspective the system has a presentation layer, which includes but is not limited to:


Advanced charting features


Technical analysis tools


Portfolio overview and management


Arbitrage opportunity visualizer


Custom made indicators and wizards


Trading scripting


Quote screens with live thumbnail tick charts


Multi window and monitor widgets for advanced traders


Real time alert support


Fully fledged social networking


Copy trading,


Content creation and management

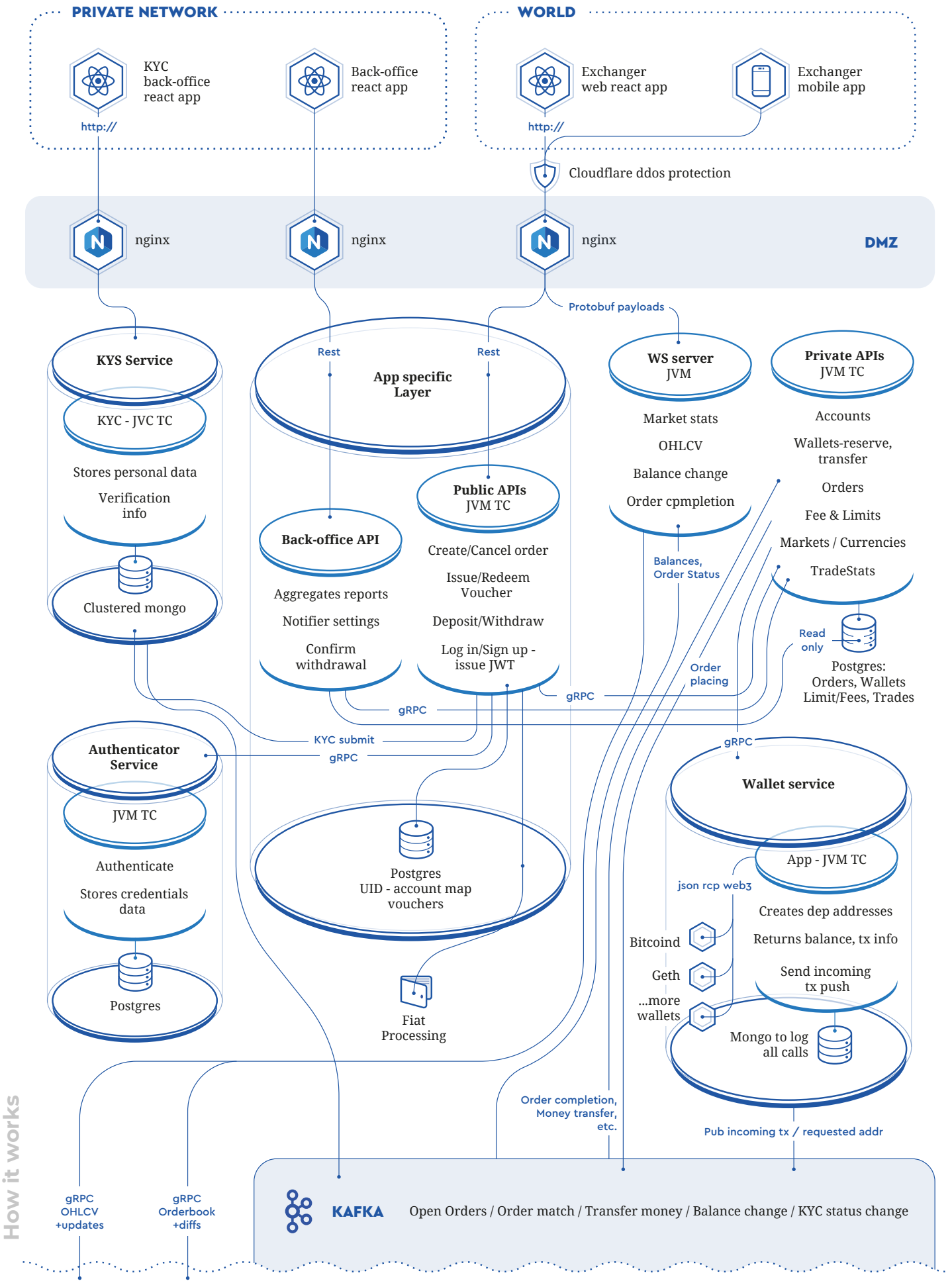

Multi-asset investing


Lending and borrowing

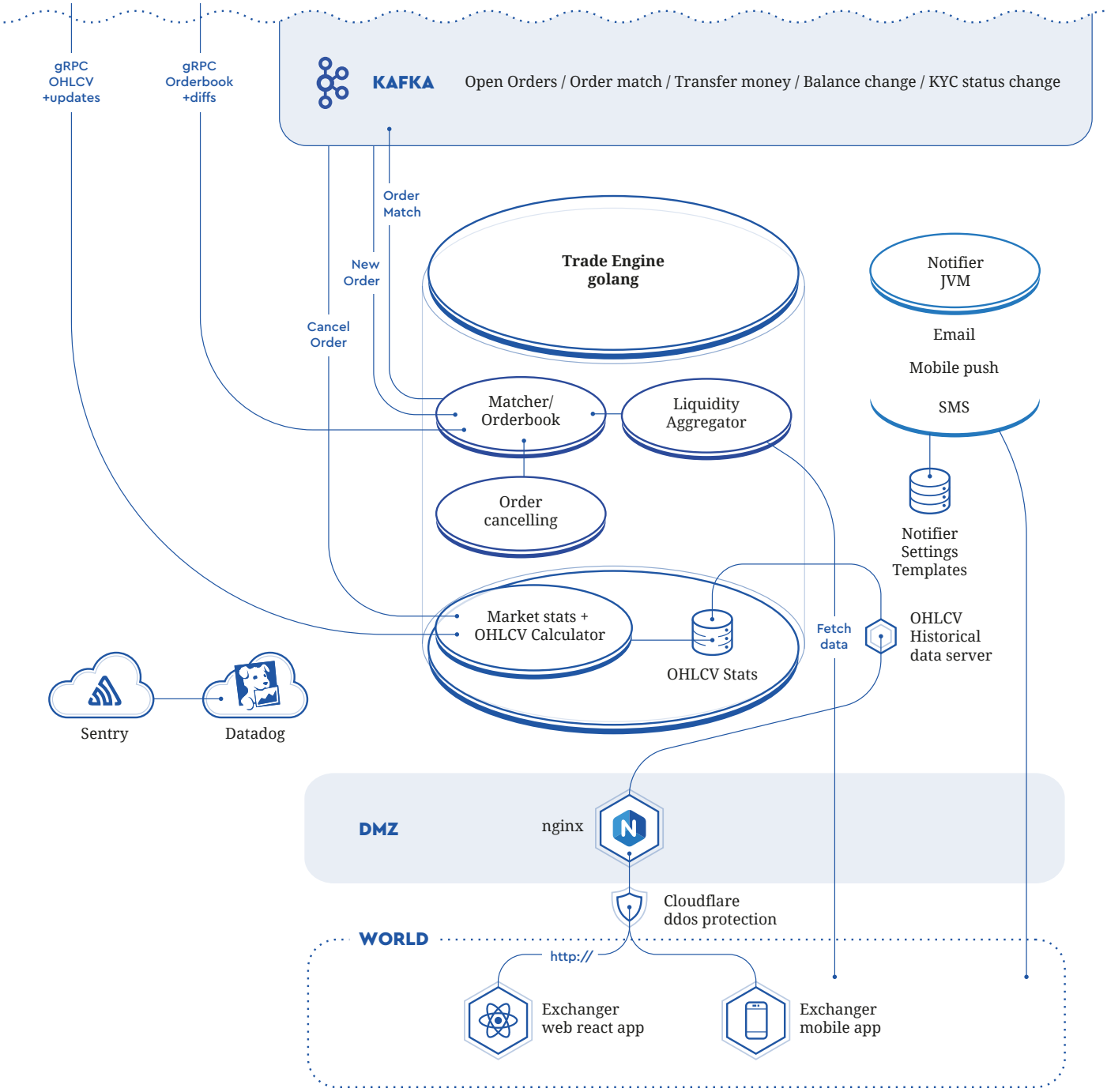

Chat bots

and more...

From the architectural perspective the system has three main modules or components: a **Socium Investment Network**, a **Trading Terminal** and an embedded **Crypto Exchange** based on **Hybrid Exchange (HEX)** concept.


PRIVATE NETWORK
KYC back-office react app
Back-office react app
http://
WORLD
Exchanger web react app
Exchanger mobile app
http://
Cloudflare ddos protection
nginx
nginx
nginx
DMZ
Protobuf payloads
KYS Service
KYC - JVC TC
Stores personal data
Verification info
Clustered mongo
Rest
Rest
App specific Layer
Back-office API
Aggregates reports
Notifier settings
Confirm withdrawal
Public APIs
JVM TC
Create/Cancel order
Issue/Redeem Voucher
Deposit/Withdraw
Log in/Sign up - issue JWT
WS server
JVM
Market stats
OHLCV
Balance change
Order cpmpletion
Balances, Order Status
Private APIs
JVM TC
Accounts
Wallets-reserve, transfer
Orders
Fee & Limits
Markets / Currencies
TradeStats
Read only
Postgres: Orders, Wallets Limit/Fees, Trades
Order placing
gRPC
gRPC
gRPC
KYC submit
gRPC
Authenticator Service
JVM TC
Authenticate
Stores credentials data
Postgres
Postgres
UID - account map
vouchers
Fiat Processing
Wallet service
App - JVM TC
json rcp web3
Creates dep addresses
Returns balance, tx info
Bitcoind
Geth
...more wallets
Send incoming tx push
Mongo to log all calls
Order completion, Money transfer, etc.
Pub incoming tx / requested addr
KAFKA
Open Orders / Order match / Transfer money / Balance change / KYC status change
gRPC OHLCV +updates
gRPC Orderbook +diffs

How it works



SociumHEX aims to combine the performance of a centralized exchange with the trust and security properties of a decentralized exchange. The system consists of three main components: an off-chain trade matching engine, a smart contract where funds have been stored and a clearing service to trigger funds distribution. Written on JVM (Java, Groovy) and leveraging Spring Boot, SociumHEX will be phenomenally fast and secure.

1. Embedded Crypto Exchange powered by the HEX concept

1.1 Off-chain Matching Engine

Our, best in class, centralised match-making algorithms are capable to execute up to 35,000 transactions per second, while keeping all of the information in immutable storage, such as blockchain, in order to ensure trust and backtrack all operations (like DEX) if necessary.

An off-chain matching engine allows **SociumHEX** to benefit from the performance characteristics of centralized exchanges, while maintaining a decentralized user-wallets-model based on the blockchain technology.

Orders are signed and sent from user addresses to the matching engine, where they will be quickly and deterministically processed using high-performance hardware. Matched orders will then be signed off-chain and committed back to user accounts on the blockchain via a clearing service.

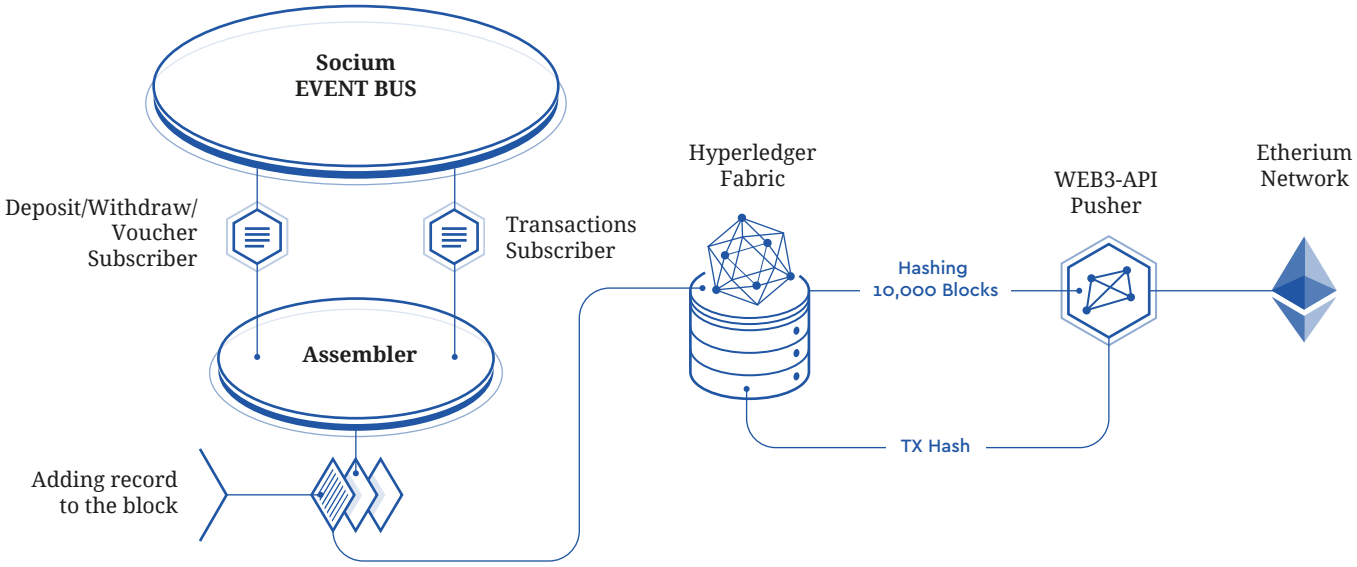
SociumHEX wil support the following order types: Market, Limit, Stop, Stop-Loss, Conditional, Margin (implemented separately).

> *All transactions are broadcasted via Kafka, so provable, fair, off-chain matching can be enabled by subscription for transactions and sending them to special contracts in Ethereum blockchain.*

1.1.1 Immutable and Fair Trading Statistics and Matching Data

Ethereum smart-contracts will be used to store all data about trading transaction as well as information about deposits and withdrawals. All information will be stored in depersonalised manner to align with international regulations.

There will be one general contract to store all data transactions, as well as corresponding investment contracts to store data related to the relevant portfolio.



1.2 Smart-Wallets Service

The heart of the Hybrid Exchange (HEX) solution, the wallet service, enables secure and decentralised storage for crypto-assets in native or emulated smart-contracts, meaning that SociumHEX has no influence on client's funds. So funds-locking, hacker attacks and potential scams become a thing of the PAST. Clients will be able to temporaraly authorise SociumHEX to reserve and then fill orders using on-chain clearance.

Here is how it will work:

1. A client will send funds to the specially designed smart-wallet (smart-contract) of a corresponding crypto-asset, where he will be the SOLO owner of his funds.
2. Before opening the order, client will need to unlock the balance (wallet) to SociumHEX by signing the smart contract “method-call” transaction with a private key.
3. SociumHEX will temporaraly (with TTL) lock funds on the smart-wallet, enabling off-chain trading with provable fair off-chain matching.
4. Once all active trades will be complete, the clearing service will initiate on-chain funds distribution and release all reserves, upon completion or by TTL trigger.

We will support:

BTC LTC BCH ETH XLM NEO XEM IOTA ADA

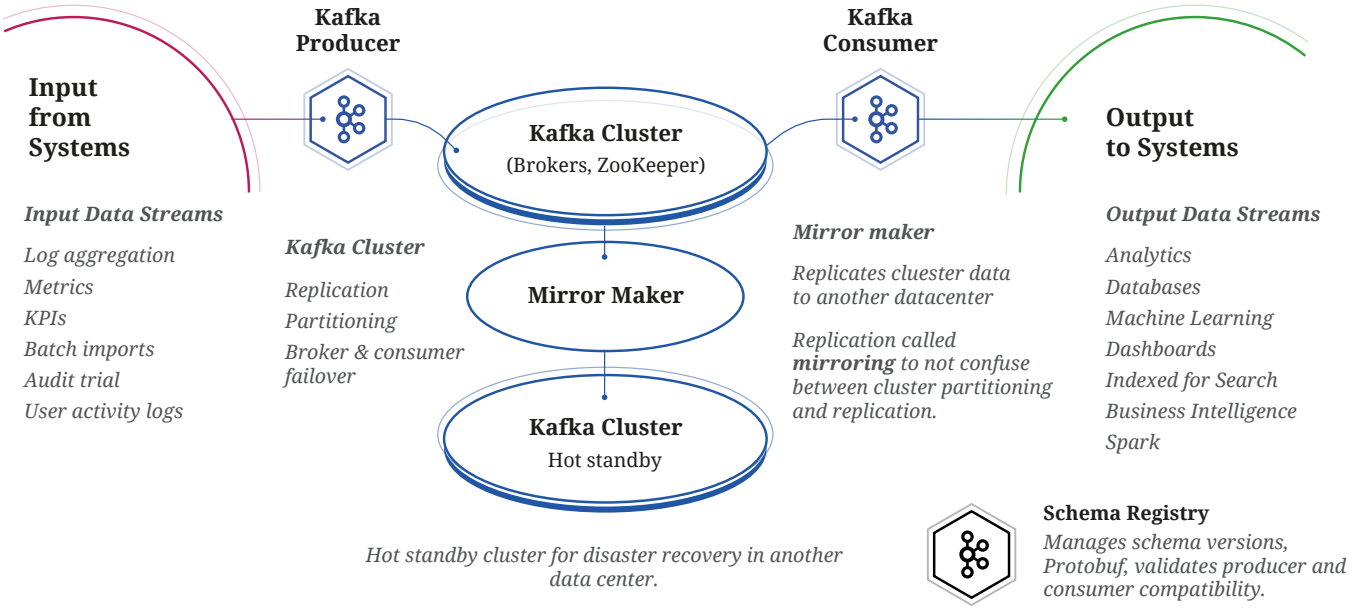
> *The system will also support traditional storage of funds with distribution between COLD/HOT wallets.*

1.3 Clearing On-Chain Service

SociumHEX has been designed to be a fast and secure system, and the On-Chain Clearing Service will serve this purpose by clearing matched orders and triggering the late-distribution of funds according to constraints, while optimizing for minimal chain transactions cost. This approach requires deep learning with reinforcement, which is what TensorFlow will be used for.

1.4 System Event Bus

The Apache Kafka will be the central part of the **SociumHEX** SOA. It will allow for the integration of all services and enable HFT, external integrations and generalisation.



You can see the interaction of the vital components on the diagram above.

1.5 Private API

This API is low-level B2B API that uses **Protobuf (Google binary protocol)** and static data models to operate fundamental business entities like:

- Orders
- Accounts (Portfolios)
- Markets
- Wallets (not on-chain wallets)
- Limits
- Transfers
- Reserves

1.6 Public Trading API

The system will need to be highly customisable and flexible, and follow high-end standards, so SociumHEX is fully compatible with a TradingView Terminal.

- Orders
- Portfolio selections
- Ticker
- Alerts
- Markets
- History
- OHLCV

The full technological stack for the embedded exchange is listed below:

KYC	Java/Groovy, SpringBoot, Kafka, MongoDB, Protobuf, GRPC
Crypto-wallet	Java, SpringBoot, Kafka, PostgreSQL (ACID compatible transactions), ELK, GRPC, community based rpc clients for blockchains
PaymentGateway	Java, SpringBoot, Kafka, PostgreSQL (ACID compatible transactions), ELK, GRPC, EcomPay API

Front-office API	Java, SpringBoot, Kafka, PostgreSQL (ACID compatible transactions), Redis, ELK, GRPC, Nginx, DDoS protection, load-balancer (haproxy or nginx plus), JWT. API is extension of TradingView terminal API.
Back-office API	Java, SpringBoot, Kafka, PostgreSQL (ACID compatible transactions), Redis, ELK, GRPC, Nginx
Private exchange API	Java, SpringBoot, Kafka, PostgreSQL (ACID compatible transactions), Redis, ELK, GRPC
Trading matching engine	C++, Golang, MongoDB, Kafka, GRPC, ELK, GRPC
Notification service	Java, SpringBoot, Kafka, PostgreSQL (ACID compatible transactions), Redis, ELK, GRPC, Mailgun API, Twillio API
Authentication service	Java, SpringBoot, Kafka, PostgreSQL (ACID compatible transactions), Redis, ELK, GRPC, oAuth API
Front-office application for users	Reactjs, JS/CSS/HTML
Back-office application for users	Reactjs, JS/CSS/HTML
Mobile applications:	Native apps based on native SDK and tools
OHLCV service:	Java, SpringBoot, Kafka, one of TimeScale DB / ClickHouse / Tarantool (waiting for investigation from our architect)
Web-socket server:	cluster of uWebsocket servers

2. Trading Terminal

SociumTrade will offer its own trading terminal, meaning that trader will be able to trade different asset classes:

Crypto

through SociumHEX

FX

by connecting to the markets (using adapters - JCA) or clients API

Stocks

by connecting to markets (using adapters - JCA) or clients API

Using the TradingView API, we have managed to unify the trading experience by providing widget-driven UX (css absolute position), meaning that a trader can:

Show/Hide instruments

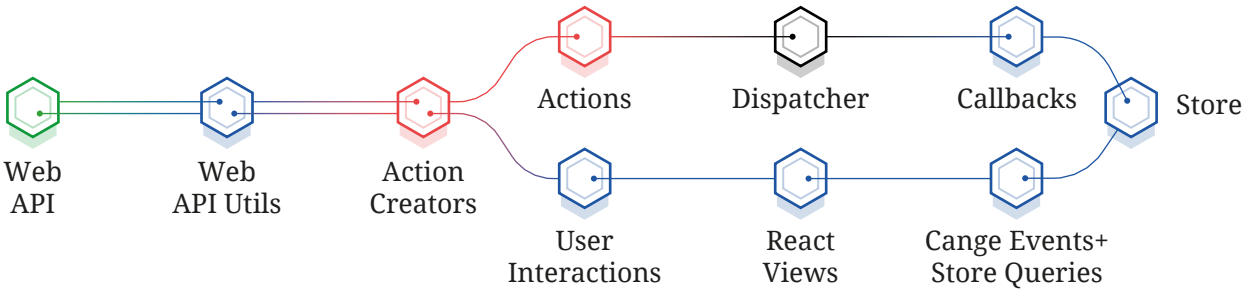
Enjoy flexible tool positioning

Take advatnage of a set of predefined and custom layouts

Benefit from a multi-screen experience

The terminal module will consist of 2 parts:

1. Client based, on React JS (Webpack, Redux, React Router, etc.)



2. Terminal API gate and connectors, HUB (Spring Boot and Spring Integration)

3. Socium Social Network

Socium Social Network is a fully fledged network of professional and amateur traders, meaning that it has:


Feeds


Trading performance with deep analytics


Reputation system


Constructive behaviour incentives with Socium Utility Token rewards


Leaderboards


Content Creation


Commenting


Like


Following (User to User, User to Group, User to Content)


Mentioning, Tags


Dashboard


Activities monitoring


Notifications


User Groups


Full Text Search

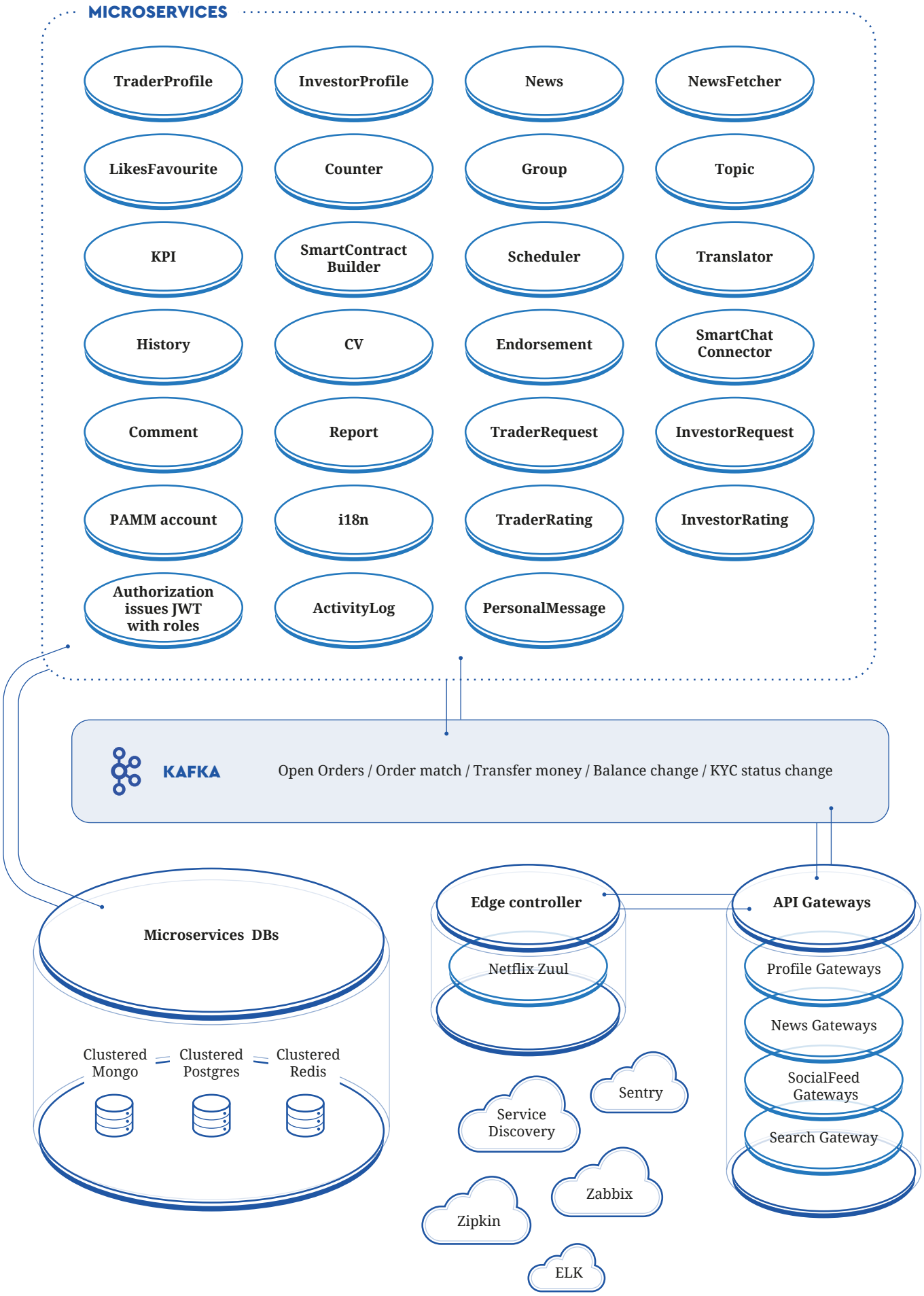

User Approval System


Professional profiles


ADS module


Messenger

Built on top of Spring Cloud (Micro-Service stack), each service will be shipped separately, giving extra space for extension and scalability. Communication will be done via Kafka service bus.


MICROSERVICES
TraderProfile
InvestorProfile
News
NewsFetcher
LikesFavourite
Counter
Group
Topic
KPI
SmartContract Builder
Scheduler
Translator
History
CV
Endorsement
SmartChat Connector
Comment
Report
TraderRequest
InvestorRequest
PAMM account
i18n
TraderRating
InvestorRating
Authorization issues JWT with roles
ActivityLog
PersonalMessage
KAFKA
Open Orders / Order match / Transfer money / Balance change / KYC status change
Microservices DBs
Clustered Mongo
Clustered Postgres
Clustered Redis
Edge controller
Netflix Zuul
API Gateways
Profile Gateways
News Gateways
SocialFeed Gateways
Search Gateway
Sentry
Service Discovery
Zabbix
Zipkin
ELK

The full technological stack for the embedded exchange is listed below:

Edge controller	Apache Zuul 2 (Java, SpringBoot, Zuul 2)
API gateways	Apache Zuul 2 (Java, SpringBoot, Zuul 2)
Service Discovery	Netflix Eureka (Java, SpringBoot)
Prevention of transactions hell	Netflix Hystix (Java, SpringBoot)
APM monitoring	Spring Sleuth (Java, SpringBoot), Twitter Zipkin
Microservices	SpringBoot, MongoDB, Kafka (for ACID compatible transactions - PostgreSQL), Protobuf, GRPC
Permission based Blockchain	IBM Hyperledger Fabric
Public based Blockchain for witnesses	Ethereum smartcontract
Smart contract engine to keep deposit/withdrawal transactions (sure de-personificated)	Ethereum smartcontract
Front-office application for users	Reactjs, JS/CSS/HTML
Back-office application for users	Reactjs, JS/CSS/HTML
ChainCode	Ethereum smart-contract
Mobile applications	Native apps based on native SDK and tools
AI	Tensor-Flow
Search Engine	Elastic Search, Apache Cassandra

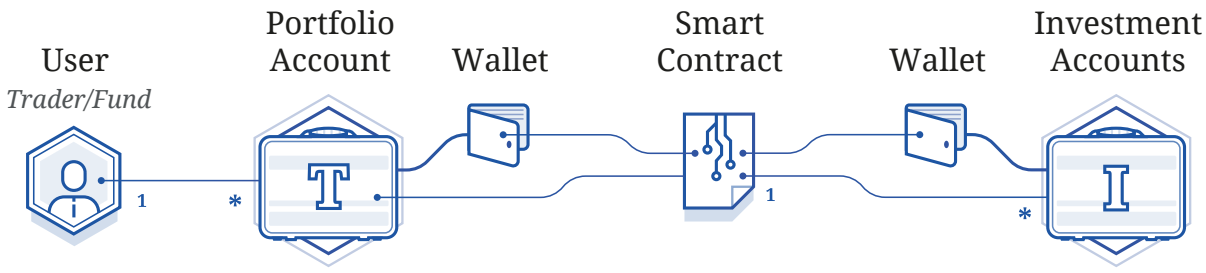
3.1. Socium Deals Executor

SociumTrade will be a DAPP (Decentralised application) thanks to the Socium Deals Executor – fully decentralised investment engine, which holds and controls:

- Funds and funds distribution
- Deal constraints like duration, effective date, amount, asset classes, fees and amount of participants
- Interaction with SociumTrade via smart-contract-exposed methods
- Assemble permissions for associated portfolio

The investment/backing contract will be the heart of the SociumTrade platform. It will allow user to create investment contracts, institutional funds, backing and lending, as well as a wide array of financial deals.

Below is the schema that depicts how Smart-Contract will enable trustworthy investments.



Our smart contract has been designed to keep a minimal storage footprint. Each escrow in the contract requires an allocation of only two 256-bit “words”, or 64 bytes in total. This is accomplished by tightly packing static properties of the trade into an “invest hash”, and then using that hash as the unique key to the escrow in the public mapping. By packing these into the hash, we avoid the need for allocating extra space for each static property.

All contracts will be able to consume SOCIUM ERC20 token natively for transaction fees.

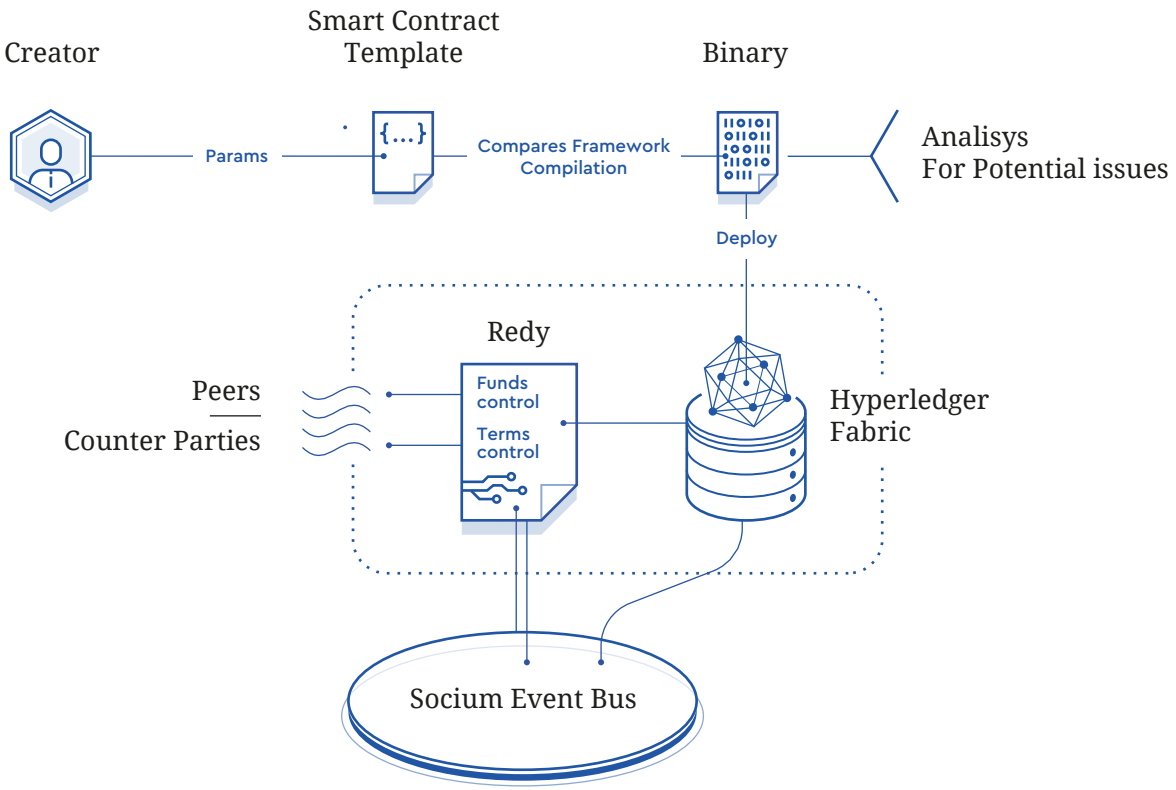
3.1.1 Investment Smart-contract Wizards

The Socium Investment Smart Contract will be a first-class citizen, meaning that it will be the center point of all investment processes.

Once a trader or a trading pool will be selected, an investor will need to take the following steps to start earning money:

1. Create a contract via the WIZARD and fill it with custom constraints or select the existing open contract from trader or trading pool if any.
2. Apply for contract conditions, meaning sending funds from wallets, depending on the decision of the counterpart, the contract might become active at this point.
3. Watch the trader or pool in real time and see their own ROI, all information will be available in block-chain explorer and depersonalised.

The beauty of this approach is that once the contract becomes active, the investor does not need to worry about potential violations of the agreement.



Users do not create contracts directly, meaning no programmings skills will be required for a trader or an investor to deploy the contract and start raising money or attract traders.

The system will have predefined templates for 3 major cases:

- Investment contract created by a trader or a consortium
- Investment contract created by an investor or a fund
- Portfolio management

All those templates have special placeholders to define:

- Amount of funds to be alocated
- Effective date
- Triggers
- Participant's limit or exact addresses
- Allowed asset class to be traded or invested
- Stop loss/win
- Duration
- Early termination cases

3.1.2 Investment Pool contracts

An investment pool is a special type of Socium Investment Smart Contract, allowing for the creation of a special pool with the following capabilities:

- Consolidation and accumulation of funds
- Exit conditions for individual investors or pools
- Multi-level capabilities (participants in the pool might be also be in other pools) thanks to Ethereum Smart contract ability to incorporate other contracts
- Investment constraints
- Special aggregation methods to fetch information from nested contracts and deals

This "potrfolio" is not allowed to be invested into the assets directly, the only one way is to distribute funds across traders/brokers and their portfolios.

Socium Token

The Socium Token will be released on the basis of the Ethereum platform and will be fully compliant with the ERC20* standard. Support of this standard guarantees the compatibility of the token with third-party services (wallets, exchanges, listings, etc.), and allows for easy integration.

The Socium token facilitates the dApp for p2p investments, meaning that:

- It is a template contract with several states, and has a **State Machine** as its core; it is a contact which actually holds funds and all investment constraints;
- It is fully transparent - the information is available for all to review;
- It auto-calibrates the price a user needs to present in order to initiate an investment portfolio.

Machine state correlated to the owner's address in the Ethereum Network:

- Active/Passive - when the contract is active it performs investment for specified portfolio. In the ACTIVE state, the amount presented to perform operations is locked and is not transferable. Example: user has 2.3 Socium token, and is running 1 portfolio contract. The current amount to start investment is 1 Socium token, meaning that user can transfer on 1.3 from his wallet, 1 Socium token is locked and is untouchable until the end of the contract.
- Run-able - identifies the fact that the current amount on the address is enough to start fund-raising or offer funds.

The amount that needs to be in the wallet to start a contract is calculated automatically based on load-factor, which means:

- If the demand is too high (70% of tokens are in **Active** status), the system will automatically decrease the amount needed to start an investment portfolio.
- If the demand is too low, the amount needed to power the contract will increase.

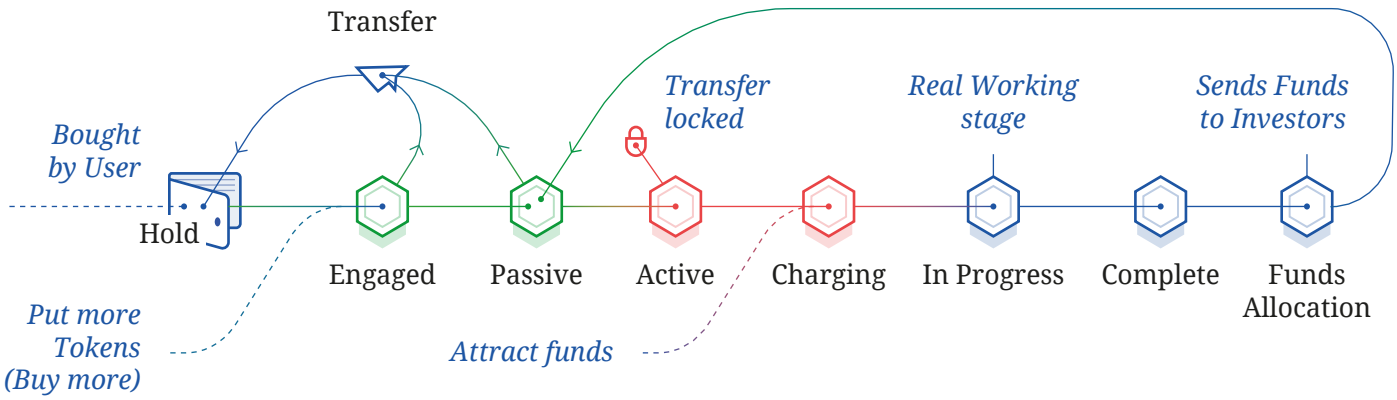
The use of the Socium token token is not limited to the platform ecosystem. The Socium token token will be available for buying/selling on other cryptocurrency exchanges.

1. Socium Token use cases

Socium has a huge of set of services and all of them are ready to consume Socium Utility token:

- Trading transaction fees can be natively covered by Socium Utility Token (5% less then regular method);
- Priority KYC can be bought using the Socium Utility Token;
- Due diligence for traders and traders consortium;
- ICO market research;
- New token listings;
- Success fees for investments and backing contracts (5% less);
- Subscription for private or closed social groups;
- Buying Signals (optional);
- Token transfer is free between **SociumHEX** accounts;
- Custom **Funds** and **Consorciums** landing pages and sub-domains;
- Paid data-feeds and special events.

2. Token Data



Platform	Code	Name	Total Supply	Initial Supply
ERC20	XXX	XXXXXXX	990 000 000	990 000 000

✓ Transfer-able	✗ Mint-able	✗ Burn-able
✓ Freeze-able	✗ Mine-able	✗ Destroy-able
✓ Trace-able	✗ Pay-able	

Tools and Tech-Stack decisions

1. Programming languages

We want SociumTrade to become a global financial system, which means that the platform needs to be scalable, stable and predictable, be auditable, perform fast, be flexible, and have time-proven stability and trust from the industry players.

We chose to use **"SILVER bullet"** JVM (JAVA) Eco-System because of the following benefits:

1.1 Practicality

- Good coding conventions, leverage from JVM languages like Groovy and Scala to write code faster;
- Elegant patterns and approaches;

1.2 Scalability/Performance/Reliability

- It can exceed the performance of native code;
- Large enterprises use JVM (Twitter, Binance, Bloomberg, Spotify, Facebook, Amazon, Pivotal, Google,Salesforce, eBay);
- Big data projects are either written in Java or Scala and run on JVM;

1.3 Rich API/Libraries and Frameworks

JDK (Java 1.9) has tons of built-in features with native support, like cryptography, Advanced Authentication and Access Control, multi-threading;

Libraries: Spring Eco-System: Spring Boot, Spring Cloud, Spring Data, Spring MVC, etc.

Protocols: native support for different data transport protocols like JSON, Protobuf, etc.

Connectors: database drivers and systems connectors are 99% available natively for JVM.

All of these make the platform stable and give it the opportunity to serve our clients globally, having "GROWTH" as the first-class goal in mind.

2. Tools and Approaches

SOA and Microservises architectures are the most appropriate in case of building a Socium Network of financial products. Event-driven development is what we see as the most suitable in case of building complicated and distributed system based on services.

2.1 Micro-service platform

Spring Cloud (Netflix approach): Eureka for client-side service discovery; Netflix Zuul as an API Gateways & Edge Controllers; Netflix Hystrix as the solution for circuit breaker in such-flows; Twitter Zipkin to analyse APM.

2. 2 Message BUS

Apache Kafka, one of the best and the most reliable solutions for high load and heavy computing applications with great fault tolerance and great balance of CAP factors.

2. 3 Data storage

- **PostgreSQL** - ACID support for financial data.
- **MongoDB** - atomic approach data support for micro services, sharding for personal data.
- **InfluxDB** - storage for internals counters and metrics in order to monitor system status.
- **TimeScale DB** - financial markets data storage.
- **Redis** - first class CACHE data storage.
- **Ethereum Blockchain** - store history on immutable manner for public availability.

Our Team

Manuela Sedvartaite

Co-founder
Strategy & Marketing

Manuela brings her creativity and digital marketing experience to the financial technology industry, providing product and development strategy for the team. She combines her diverse experience, that ranges from robotics process automation to Big 4 auditing, with a profound understanding of the recent trends in the blockchain industry. Manuela has strong business intuition, which makes her the right person to lead SociumTrade into the future.

Denis Sergeev

Co-Founder & Product Owner

Denis is a gifted software developer, salesman and an inspiring leader. In his has 10+ years of experience in the IT industry he has founded several successful development shops, and completed countless projects in financial, healthcare, airline and e-commerce industries. Denis knows how to find the right people for the job, and how to push them over the finish line, which enabled him to build a trusted network of developers and investors that spans Europe and North America.

Kazimierz Marcinkiewicz

Compliance Manager and Advisor

Kazimierz is a financial and legal expert with a background in banking and politics. He served as an adviser with Goldman Sachs (2008-2012), and was on the board of directors of the European Bank of Reconstruction and Development (2007-2008). Kazimierz was also a member of the Polish Parliament for 9 years, and was elected as the Prime Minister of Poland in 2005. His extensive experience in the public and private sectors will help SociumTrade successfully navigate the changing legal landscape of the financial sector.

Ilya Abugov

CIO, Analytics & Fintech

Ilya's strengths are in management, analysis, and strategy. He comes from a quantitative investments background, and has also worked in international management consulting. Ilya has managed product development in the fintech, ecommerce, telecom and healthcare, including ICO-related projects. He has served in various senior management positions and consulted earlystage startups. Ilya's experience as an investment professional allows him to understand the needs of traders and investors.

Stan Reoutt

PMO

Stan is the fomer CEO of Marathonbet, an international online bookmaker that has been operating since 1997. He has 10+ years in the gaming and IT industries, during which he has demonstrated his ability to successfully manage large international teams and consistently improve companies' financial performance.

Jeffrey Smith

Blockchain Expert

Jeffrey is the CIO of Advance.Fund, a technology based crypto fund, and also the former CIO of CEX.IO. He is a blockchain and crypto expert who specializes in the development and delivery of complex IT strategies. Jeffrey's main focus is creating profitability through improving product and service offerings, reducing costs and optimizing resource utilization.

Alexey Shinkevich

Chief Technology Officer

As SociumTrade's lead technologist, Alexey is responsible for the right choice of technologies, processes, and infrastructure components. As a team leader, Alexey strives to ensure that communication between technical staff and business managers is smooth and productive. Alexey has held various senior technology roles and brings over a decade of experience in complex systems development to SociumTrade.

Shahzad Faisal

Business Development
Sales

Shahzad is the CEO of Executive Realty and is a seasoned professional with 10+ years in the industry. He has valuable experience in international trade, investment & retail banking, and a business network that spans Asia, Middle East and Africa. His skills in customer acquisition and business development will help SociumTrade grow and expand.

Semyon Krivosheev

Head of Exchange development

Semyon is the CTO of Advance.Fund, a technology based crypto fund. He has 8+ years of experience in the IT industry during which he focused on backend infrastructure, project management and extreme programming. Semyon has a background in advanced analytics and business intelligence, as well as IOT technologies.

David McKenzie

Adviser

David is a serial entrepreneur who has founded No Halftime, a fantasy sports app, Black app, a crypto & asset management app and Blowfishtv, a video streaming and social betting platform. He is a graduate of Stanford University and Lund University and has over 18 years of experience in the venture capital, software and leisure industries in North America and Europe.

Vladimir Sedluho

Lead UX/UI Designer

A talented artist and a curious researcher, Vladimir always seeks to push the boundaries of what is considered possible in terms of user experience. He is another one of SociumTrade's inspiring teacher, who manages one of the most gifted UX/UI departments in the region

Alex Savchenkov

Architect & Security Expert

Alex is SociumTrade's resident hacker, which makes him the best security expert a project like SociumTrade could want. He has experience developing commercial exchanges and complex e-commerce systems from scratch. Alex also worked as a private security consultant for a number of years, and has earned the respect of his peers for his ingenuity and dedication.

Arthur Paliashchuk

Architect & Lead Software Multi-Stack Engineer

Arthur brings more than a decade of experience in the IT sector. Besides being a talented software developer, he is a wonderful mentor, who has grown effective teams from fresh out of college junior developers. His presence will insure the viability and scalability of SociumTrade's development teams.

Tatsiana Shalypina

Project Manager

Tatsiana has the character and experience necessary to bring together and manage the wide range of bright personalities that comprise the SociumTrade development team. She has managed complex multi-year international projects and knows how to balance project aspirations and team capabilities.

> *This is the current composition of the senior echelon of the SociumTrade team. We will continue to add members, as needed, in order to guarantee the timely achievement of project milestones. We will also be gathering a team of advisors for the project.*

Roadmap

May 2017

Idea

The idea is born to build a platform that would allow direct p2p investment between an individual and a trader, and for traders to procure capital and trade on the platform.

June 2017

Research and Validation

Through research and consultations with market insiders, the idea is validated and expanded to incorporate consortiums and pools and allow for traditional asset classes down the line.

August 2017

Whitepaper 1.0

September 2017

POC and Evaluation

March 2018

Whitepaper 2.0

Q2 2018

Company Registered in Malta

Q2 2018

SociumTrade MVP

A functional platform that supports user profiles, social connectivity, crypto-asset trading and one-to-one investing.

May 2018

Private-sale

We will be doing a private sale of tokens to selected, vetted investors.

July 2018

Socium Exchange Launch

This will enable users to trade assets and use advanced order types to generate profit in the most efficient way. HEX prototyping.

August 2018

Socium Lend

The launch of the p2p pawnshop tool. Integration with land-based partners to facilitate operations with fiat.

August 2018

BrokerGram

Initiating the project, public vote for scope of work, contest of the best POC.

September 2018

ICO

Public sale of tokens.

Oct 2018

Socium Gift

Gift making platform in order to offer modern crypto-presents to the community of enthusiasts.

Q4 2018

SociumTrade Launches Many-to-One Investment

At this point traders will be able to accept investments for a single portfolio from multiple individuals. HEX beta.

Q1 2019

BrokerGram Launch

This will enable users to communicate and execute platform tasks from a messaging application. Integration with various platforms via bots API.

Q2 2019

SociumTrade Launches Investment Pools and Trader Consortiums

We will be doing a private sale of tokens to selected, vetted investors.

Q3 2019

FX integration

Traders can benefit from Forex market, having the same terminal and transparency.

June 2019

ICO voting tool, listing orders

This will enable users to propose new promising products and start crowdfunding straight away with guaranteed listed token.

August 2019

Index development

Develop, launch and manage crypto-asset basket indexes.

Q3 2019

Alternative assets

Enable tokenized alternative assets to be traded on the platform, integration with real estate investment platforms.

Q2 2020

SociumTrade enters Stocks

At this point traders will be able to benefit from unique and exotic trading pairs like crypto/stocks or stocks/commodities

Q2 2020

Full fledged HEX for Crypto

Enable atomic-swap transactions.

Q2 2020

SociumTrade outbound API

This way SociumTrade will share all the data and opportunities with users on other trading platforms and exchanges, bringing fair investment and trading practice to the global financial markets.

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