

# ICO ALERT REPORT

An analysis of Rialto.ai, compiled by our team of industry researchers, traders, and professionals. For a comprehensive list of active and upcoming Initial Coin Offerings and for more ICO Alert Reports, visit [www.icoalert.com](http://www.icoalert.com).

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<b>SALE PERIOD</b>	July 15, 2017 at 00:00 CEST to August 15, 2017
<b>TOKEN DISTRIBUTION</b>	ERC-20 token sent to your Ethereum wallet.
<b>ALLOCATION &amp; PRE-MINE</b>	75% sold during crowdsale 15% to founding team 10% to advisors and future partners
<b>TOTAL SUPPLY</b>	100 million XRL
<b>GROWTH RATE</b>	Fixed supply. No additional XRL tokens will ever be created.
<b>ICO PRICE</b>	\$0.10 USD per token
<b>INVESTMENT TARGET</b>	Minimum: \$1 million USD Hard cap: \$10 million USD
<b>LOCKOUT PERIOD</b>	180 days for founding team tokens

## WHAT IS RIALTO.AI?

Rialto.ai plans to be the largest arbitrage fund and market maker in the cryptocurrency space. Arbitrage is the process of exploiting the difference in price of the same asset (such as Bitcoin) on two separate exchanges by executing a simultaneous buy and sell. For example, if Bitcoin is trading for \$2550 on Coinbase and \$2540 on Bittrex, one could profit by purchasing the cheaper asset on Bittrex and selling it on Coinbase.

The main concept of Rialto.ai revolves around exploiting this difference in price of multiple cryptocurrencies and digital assets on a massive scale using a series of proprietary algorithms and software to execute the most efficient simultaneous buys and sells to take advantage of arbitrage opportunities.

The main Rialto.ai arbitrage algorithm uses a 24/7 live data stream of order books from several exchanges. The algorithm has a pre-defined set of criteria, such as minimum difference in price, that must be met before a trade is executed. In addition to these proprietary algorithms and software, Rialto.ai also plans to utilize machine learning techniques to train the arbitrage classifier in order to automate the decision making process for executing trades. This will allow the algorithm to become more efficient over time and result in more successfully executed arbitrage opportunities.

One exciting feature of the Rialto.ai toolkit is their AI tradebot, which is currently in development. Because all cryptocurrency transactions (with the exception of a few anonymous coins) are part of a publicly distributed ledger (a blockchain) one could theoretically track potential market movements before they happen. Rialto.ai plans to do this by using their AI tradebot which uses a proprietary self-learning algorithm to track & pool addresses into matching patterns. Once the transactions are pooled, the algorithm compares these transactional flows to historical market data to predict market movements before they happen. This tradebot will monitor movement of crowdsale funds, develop a recognition pattern for pump and dump schemes, and also monitor unusual movements in the known major institutional addresses, such as the accounts of major exchanges.

By tracking the movement of funds in and out of exchanges, Rialto.ai can optimally position themselves before large market movements, bringing even more profit to their token holders.

The main appeal of Rialto.ai for token holders is that 100% of profits created by the Rialto.ai team are distributed to XRL token holders on a semi-annual basis. This is possible because the team will hold 15% of all XRL tokens, so they are receiving a profit distribution as well. This creates a massive incentive for the Rialto.ai team to deliver excellent results and distribute large profits because that is how they make money. When the Rialto.ai team makes money, all of the token holders also make money, which is a fantastic synergy not usually seen in the cryptocurrency space.

For example, if Rialto.ai profits \$1 million USD during a given period, each XRL token holder would receive a distribution of \$0.01 per XRL token. The profits will be distributed in ETH and will be processed using an Ethereum smart contract to ensure every token holder is included. The first semi-annual distribution of profits is scheduled for March 15, 2018, as detailed in the roadmap section of this report.

## THE RIALTO.AI TEAM

The following information was provided by the Rialto.ai team. We have verified the legitimacy and authenticity of the information, including the backgrounds of the individual team members.

**LEON KOCJANCIC** // PhD Researcher at the Defence Academy of the United Kingdom

**Role:** Design and development of data processing algorithms used in trade execution systems

**Expertise:** Advanced simulations of engineering processes, supercomputing, microwave technology, signal processing

**VALENTIN GJORGJIOSKI** // PhD in Computer Science with Focus on Data Mining

**Role:** Leading developer, specialized for data exploration, visualization and data mining

**Expertise:** Machine learning, math and algorithms, scalable software development, consulting experience, cofounder of several businesses, including Grabit

**VLADIMIR KUZMANOVSKI** // PhD in Information and Communication Technologies

**Role:** Data mining and development of live market information internal database

**Expertise:** Artificial intelligence, data mining, database development, geoinformatics

**HRISTIJEAN GJORESKE** // PhD in Computer Science, Focus on Data Science and Machine Learning

**Role:** Design and development of machine learning algorithms for time-series analysis and prediction

**Expertise:** Data science, artificial intelligence, machine learning, deep learning, time series

**DARKO CHEREPNAKOLSKI** // PhD in Computer Science with Focus on Machine Learning & Data Science

**Role:** Machine learning, artificial intelligence and data mining operations

**Expertise:** Developing machine learning algorithms and models, social network analysis

**VITO MARTIN HRZENJAK** // Finance Specialist with International Experience

**Role:** Market predictions, connecting Engineers with the market, deep experience in financial sector analysis

**Expertise:** Industry analyst with trading, banking and fintech experience

**UROS STOISAVLJEVIC** // Specialist in Political Economy and Market Synergies

**Role:** Overseeing business development, project management and external communications

**Expertise:** Product market synergies, applied commodification and capital multiplication, strategic negotiation, organizational leadership

**PATRICIJA JUKIC** // Business Specialist with International Experience

**Role:** Business development and improving efficiency of internal business processes

**Expertise:** Strategy development, performance improvement, risk management, consulting experience

In addition to the executive team outlined above, Rialto.ai has announced their plans to further increase their team by “cooperating with the best external experts and consultants on the market for legal compliance (blockchain & financial markets), crowdfunding procedure, general business development, and digital marketing.”

## ROADMAP

The following roadmap was provided by the Rialto.ai team.

### August 15, 2017 // Crowdsale Ends

- Tokens will be distributed within 5 days after the crowdsale finishes.
- Report on the crowdsale is issued, the team will be available for Q&A.

### September 15, 2017 // Digital Asset Pool Inception

- Incorporation of the RIALTO.AI, start of the operational and legal establishing processes.

### October 1, 2017 // Trading Kickstart

- Assets are allocated on selected gateways and exchanges that fulfil background criteria.
- Established trading algorithms will connect RIALTO.AI Digital Asset Pool.
- Weekly trading log will be streamed onto the RIALTO.AI website.

### December 31, 2017 // First Audited Report

- Report from the inception point and the first running period of two and a half months will be published in accordance with the compliance guidelines given by a third party.
- Designated auditor will be announced through press release until 15th of September.

### March 15, 2018 // First Distribution of Created Value

- 100% of semi-annual net value created will be distributed through smart contract, proportionally to the RIALTO.AI (XRL) token holders.

### September 1, 2018 // Single Access Point

- Pilot project of connecting several most reliable exchanges into a single access point platform will be revealed. Test users will be able to transact through a directory of selected gateways.

## HOW DO I PARTICIPATE IN THE RIALTO.AI CROWDSALE?

The Rialto.ai crowdsale takes place in three phases, detailed below:

### Pre-crowdsale

- Runs from June 26th to July 1st
- Capped at \$4 million USD (40% of hard cap)
- Limited to supporters with large allocation commitments
- Bonus: 15% to 25%

### Priority Pass

- Runs from July 1st to July 15th
- No cap for this round, which means it has the potential to hit the hard cap during this round.
- Limited to supporters that subscribed on the [Rialto.ai website](https://rialto.ai)
- Bonus: up to 10%

## **Main Crowdsale**

- Runs from July 15th to August 15th or until the \$10mm hard cap is hit
- Open to all participants
- Bonus: up to 5% for the first 24 hours

After 10 days following the close of the crowdsale, the token contract will enable all token holders to transfer their tokens between accounts. It is likely that the XRL token will be tradable on exchanges around this time.

## **WHAT IS THE METRIC FOR THE SUCCESS OF RIALTO.AI?**

The success of Rialto.ai relies almost entirely on their ability to successfully implement their arbitrage and market making strategies. The main benefit of arbitrage when compared to other market strategies is that it is not dependent on one direction price movements, such as buy and hold strategies. Because of this, you are able to profit in both bull and bear markets when the price is both rising and falling.

If the proprietary algorithms and artificial intelligences the Rialto.ai team are developing are successful and can efficiently and accurately arbitrage a variety of different cryptocurrencies, then Rialto.ai will likely be very successful. The main test will be the first profit distribution which is scheduled for March 15, 2018. This is the first insight token holders will have into the performance of the Rialto.ai fund.

## **CONSIDERATIONS & CLOSING**

Rialto.ai is backed by a team of incredibly intelligent, experienced computer scientists, artificial intelligence specialists, market specialists, and finance specialists. This incredible collection of experience, combined with the proprietary algorithms and artificial intelligence programs, positions Rialto.ai to be the first large scale arbitrage fund in the cryptocurrency space.

Assuming they can hit their release milestones and distributed a positive profit distribution in March of 2018, the Rialto.ai team and the associated XRL token are likely to see significant success as the leading cryptocurrency arbitrage fund.