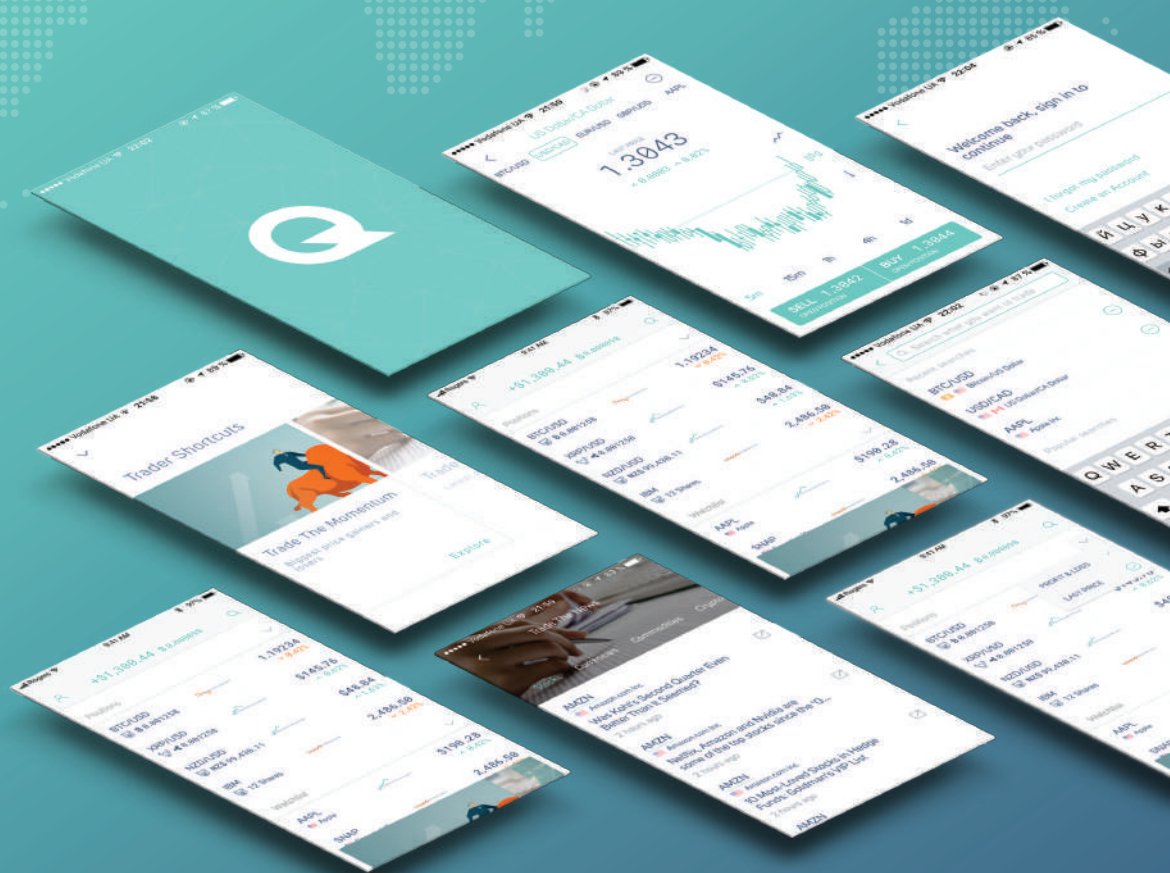# QUANTFURY

Own Your Share Of Revenue
In The Trading App For Millions

Whitepaper

Important Legal Notice and Disclaimers

Please read this section (and the White Paper generally) carefully. You should consult your legal, financial, tax, and other professional advisor(s) before taking any action in connection with this White Paper. Additional disclosures are found in the last section of this White Paper.

This White Paper is intended to present relevant information to potential purchasers (Purchasers) in connection with the proposed generation and sale (together, the Token Generation) of cryptographic ERC-20 standard tokens with the symbol 'QTF' (Tokens) by Quantfury TG Ltd., an exempted company incorporated with limited liability under the laws of British Virgin Islands (Quantfury, Token Generator, we, or us), including information about the smart contract connected to the Tokens (Token Smart Contract) and the Company's market-making trading platform (Quantfury Service or Platform). The information in this White Paper is not exhaustive and does not imply any element of a contractual relationship with any person or entity involved or related to any part of the Quantfury Service, the Token Generator, or the Token Generation. The White Paper's only purpose is to provide relevant information for Purchasers to determine whether to undertake a thorough analysis and participate in Token Generator's Tokens and Quantfury Service.

No Reliance

The Tokens are offered solely on the basis of the information contained in this White Paper and the terms and conditions applicable to the purchase of Tokens (Terms and Conditions). In the event of any inconsistencies between the Terms and Conditions and this White Paper, the Terms and Conditions will prevail. Please read and carefully consider all disclaimers, limitations, and risk factors described herein and in the Terms and Conditions before any purchase of Tokens. You shall be subject to and bound by the Terms and Conditions if you purchase Tokens. Potential Purchasers should disregard, and not rely upon, any other information or representations given or made by any dealer, broker, or other person. No person is authorized to give any information or to make any representations in connection with the offering of Tokens apart from those contained in this White Paper. A potential Purchaser to whom such information or representations are given or made must not rely on them as having been authorized by the Token Generator.

Statements in this White Paper are based on the relevant law and practice in the British Virgin Islands, including but not limited to rules or regulations, or the lack thereof, of the BVI Financial Services Commission (FSC), current as of the date the White Paper was issued. These statements are therefore subject to change should laws or practices change, including, but not limited to, a change in position should new or revised guidelines be issued from the FSC regarding token offerings. Under no circumstance does the delivery of this White Paper or the sale of Tokens imply or represent that the affairs of the Token Generator have not changed since the date of this White Paper.

Notwithstanding anything to the contrary in this White Paper, Token Generator gives no representation or warranty as to any undertaking or the achievement or reasonableness of any plans, future projections, or prospects. Nothing in this White Paper is or should be relied upon as a promise or representation as to the future, including any potential economic return from, or the tax consequences of, a purchase of Tokens.

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Prospective Purchasers should carefully review the whole of this White Paper. It is the responsibility of any Purchasers to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions, including but not limited to the country of their citizenship, residence, or domicile. Prospective Purchasers should also consult with their legal, tax, and financial advisors in relation to the following: (i) the legal and regulatory requirements within their own countries for subscribing for, acquiring, holding, and disposing of Tokens, and any restrictions that may be relevant thereto; (ii) any foreign exchange restrictions to which they may be subject in their own countries in relation to purchasing, holding or disposing of Tokens; and (iii) the tax and any other financial consequences of subscribing for, purchasing, holding, or disposing of Tokens.

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The Tokens are not intended to constitute securities in any jurisdiction. This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. The Tokens and the Terms and Conditions have not been, and will not be, registered under U.S. Securities Act of 1933 (as amended), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933. Accordingly, tokens are being offered and sold only outside the United States to persons other than U.S. persons (as defined in Regulation S under the Securities Act) in reliance upon Regulation S of the U.S. Securities Act of 1933 (to the extent deemed securities by the relevant authorities) and/or U.S. persons pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

In fact, this White Paper is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction that are designed to protect investors. To the maximum amount permitted by applicable law, Token Generator, along with any of its parents, affiliates, subsidiaries, directors, officers, advisors, employees, shareholders and licensors (collectively, Token Generator Parties) expressly disclaims and shall not be liable

Important Legal Notice and Disclaimers

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Nothing in this White Paper is intended to create a contract for investment into Token Generator or Quantfury Service, and each potential Purchaser acknowledges that Token Generator will rely on this assertion as part of such Purchaser's representations with respect to compliance with the laws of the jurisdiction in which the Token Generation takes place.

Contents of this White Paper

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Quantfury Service Terminology

The financial instruments available on the Quantfury platform allow users to obtain economic exposure to the price movement of an underlying instrument without the need for ownership and physical settlement of the underlying instrument. Although this White Paper refers to "trades" and "trading" as part of the Quantfury platform, such references should be understood as user-directed exposures to positions of various financial instruments that undergo price fluctuations, without ownership of the underlying financial instrument.

Distribution and Selling Restrictions

The distribution of this White Paper and the offering or purchase of Tokens may be restricted in certain jurisdictions,. Neither this White Paper nor the Tokens qualify for offer, sale, or distribution under the laws of any jurisdiction governing the offer or sale of securities. The receipt of this White Paper and the accompanying Terms and Conditions does not constitute an invitation to a recipient to subscribe for Tokens in a jurisdiction where it is necessary to comply with some registration or other legal requirement to make that invitation, or the use of the Terms and Conditions, lawful. No such recipient may treat this White Paper or the accompanying Terms and Conditions as an invitation to subscribe for Tokens, nor may such recipient use the Terms and Conditions as an invitation to subscribe. More particularly, this White Paper does not constitute an offer or solicitation:

• by anyone in a jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so; or

• to anyone to whom it is unlawful to make such offer or solicitation.

Foreword
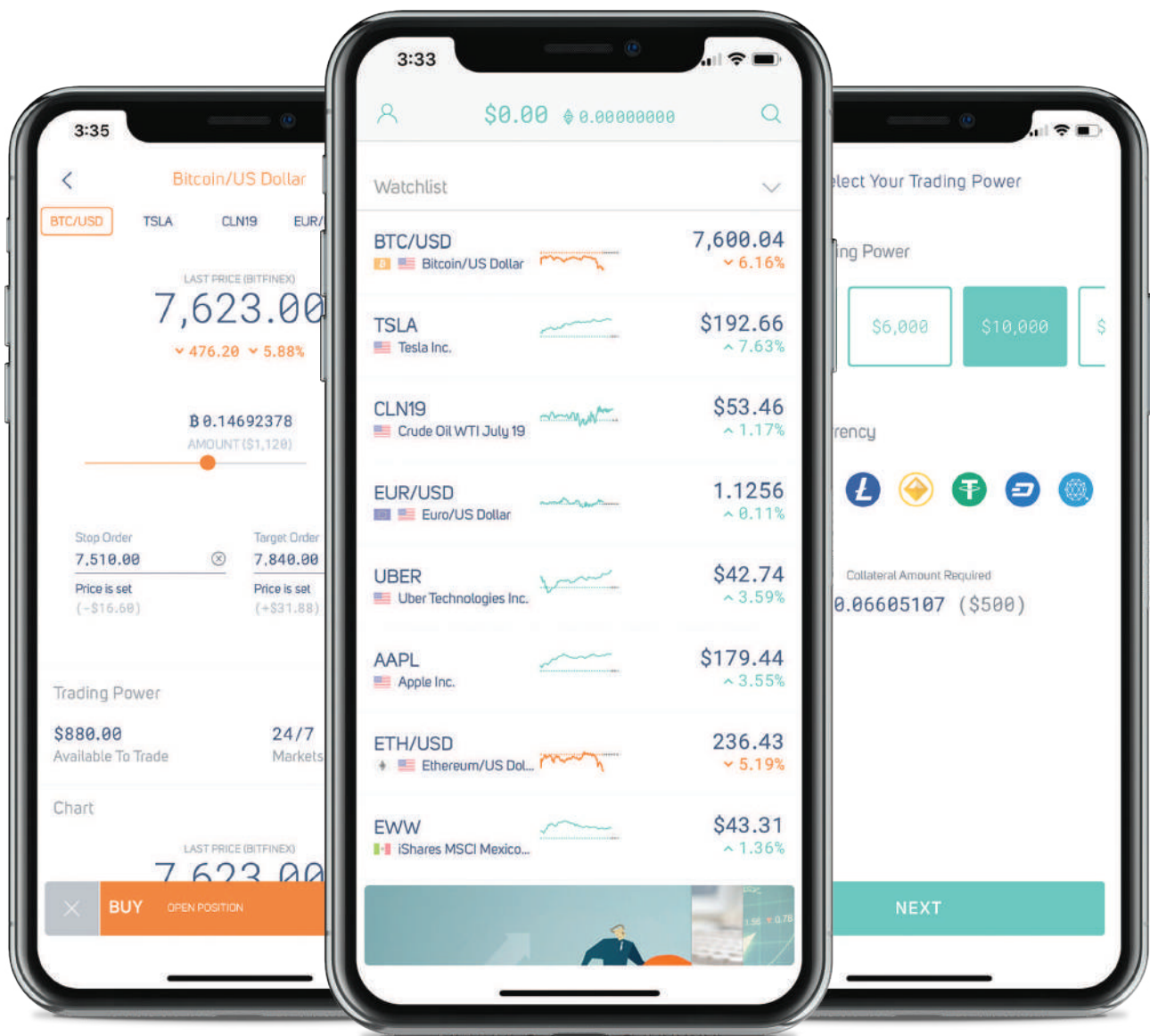
The trading of traditional financial and cryptocurrency markets is executed at a disadvantage for the vast majority of participants: retail traders. Access to traditional financial markets for retail traders is dominated by brokerages that aggressively profit from their clients through artificially adjusted market prices, spreads, unrealistic fees, and commissions, in many cases unbeknownst to the trader. Further to this, crypto buyers and sellers pay maker, taker, and leverage fees to trade cryptocurrencies and are unable to leverage their crypto to trade traditional financial markets.

Traditional brokerages and centralized cryptocurrency exchanges that offer margin trading prey on retail traders worldwide by forcing them into a disadvantageous position against the market. Retail traders buy and sell cryptocurrencies, fiat pairs, stocks and commodities at less favorable prices, paying various commissions and fees, while having zero market edge when deciding what to buy and sell. Traders are obliged to access the markets via brokerages and exchanges whose interests are misaligned with their own, if not in direct opposition. To make matters worse, there is still more value being extracted from retail traders transactions. Their trading data finds its way, on a regular basis, into the hands of hedge funds and banks who use it to build profitable trading strategies that are in direct conflict and therefore detrimental to retail traders.

Quantfury ends these practices once and for all. It makes the trading of traditional and cryptocurrency markets free, fair, and transparent. The Quantfury trading app creates a mutually beneficial ecosystem for both platform traders and platform token holders. Users trade without commissions, leverage fees, maker and taker fees and are offered the best bid and ask prices, while the trade spread revenues and trading data users generate are used for the benefit of Quantfury token holders.

Table of Contents

◉ Value Proposition

Quantfury offers cryptocurrency holders trading traditional financial and cryptocurrency markets with unmatched conditions.

For Cryptocurrency Holders and Retail Traders

- Trade free of commissions, leverage fees, and maker/taker fees;
- Leverage cryptocurrency to buy and sell equities, cryptocurrency, fiat pairs, and commodities;
- Always trade at the best (lowest) available ask price and the best (highest) available bid price.

For QTF Token holders

- Receive the total spread value between the bid and ask prices generated for all positions closed by Quantfury trading app users.

◉ The Problem

- Crypto exchanges only offer cryptocurrency margin trading and charge unnecessary fees, placing the trader at a consistent disadvantage.
- Traditional retail brokerages bet against their users and profit from the artificially adjusted market bid and ask prices, trade commissions, and leverage fees.

All retail traders execute their buy orders at the ask price and their sell orders at the bid price; for this reason, they are automatically at a disadvantage for each trade they make. Simply put, retail traders buy higher and sell lower than the real market. When an exchange or brokerage adjusts the spread between the bid and ask prices to make them even wider, charging higher trade commissions and higher fees for leverage and withdrawal, then the edge against the trader will grow exponentially, and trader losses will become greater. These practices represent the core of the business model adopted by the majority of traditional retail brokerages and crypto exchanges offering margin trading. This business model also is known as the "churn and burn" model, where user retention becomes a lesser priority because it is understood that users will eventually lose a substantial amount of their funds ('burn') and stop trading ('churn'). The goal is to burn as much of the trader's capital as possible before the churn occurs.

Although the "churn and burn" model can explain the depth of the user's losses, it still cannot explain why such a high percentage of retail traders lose money. The fact that the majority of traders lose money is public knowledge [1], yet the industry guards the exact statistics of those losses. Some of those statistics are available from time to time due to some of the retail brokerages having to publish their trader performance reports as a regulatory requirement. These reports provide few details, purposefully so, yet still point to the fact that 65% to 80% of traders lose money [1]. Research work conducted by academics from around the world analyzing retail trading for stocks, commodities, and currency pairs points to a much bleaker picture of trader losses. That research shows that 95% of traders lose money, while 4% break even and 1% percent turn a profit. In addition, it takes on average three years for a losing trader to quit speculating the market and stop trading [2].

Therefore, we consider the market to be inefficient in the short term where there is a disproportionate number of market participants (retail traders) constantly misreading short-term market information. A trader's decision to buy or sell specific financial instruments is not only based on readily available market data, such as the asset price, but also driven by behavioral patterns. These patterns specifically relate to the decision making of the majority of retail traders based on the potential value of losses and gains, as well as evaluating their losses and gains using some heuristics [3]. In cognitive psychology and decision theory, loss aversion refers to people's tendency to prefer avoiding losses rather than acquiring equivalent gains: for them, it is better not to lose $5 than to gain $5. The principle is very prominent in the domain of economics and trading. What distinguishes loss aversion from risk aversion is that the utility of a monetary payoff depends on what was previously experienced, or was expected to happen. Some studies have suggested that losses are twice as powerful, psychologically, as gains. In fact, a recently published MIT research article [4] analyzing trade data from more than 80,000 traditional retail brokerage trades concluded that indeed the majority of losing traders held on to their losses twice as long as winning traders.

Quantfury will not change the percentage of retail traders losing money because market spreads and emotions will always exist, however, it will curb the amount of the users' losses significantly.

Trade All Markets with Unmatched Conditions

The App

The Quantfury app is the most cost-effective, fair and transparent choice for trading the markets.

Quantfury has developed a smartphone mobile app, which allows cryptocurrency owners to trade through fiat currencies financial instruments, such as, cryptocurrencies, fiat pairs, equities and commodities listed on U.S. and European exchanges, without paying a commission, leverage or other types of fees. All financial instruments that are traded are always quoted at real time market best bid and ask prices [5], which are never artificially adjusted.

Access Global Markets	**Truly Free**	**Best Bid and Ask Prices**
Leverage crypto to access up to 20x+ in fiat currencies to trade traditional financial and cryptocurrency markets	Make trades absolutely free of commissions, leverage fee, and other fees	Quantfury app offers the best bid and ask prices delivered directly from global exchanges and ECNs
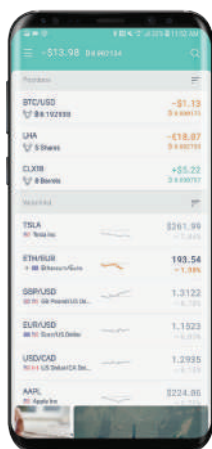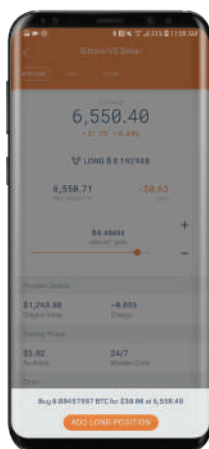
Constant Trading Power

Users' trading losses do not affect their trading power

Effortless Onboarding

It takes 2 minutes to download and register, post your cryptocurrency collateral and start trading

Transparency
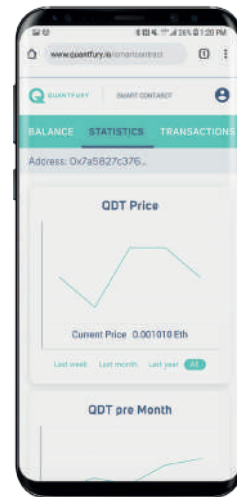
The trading conditions are provable via the smart contract on the blockchain

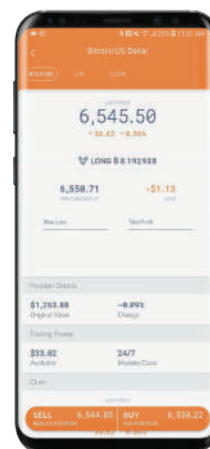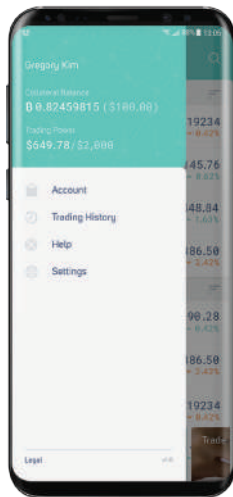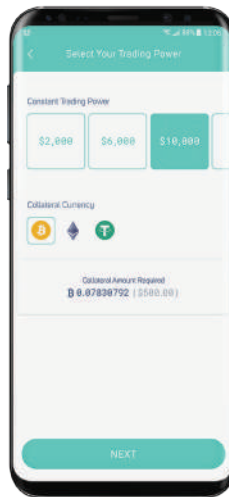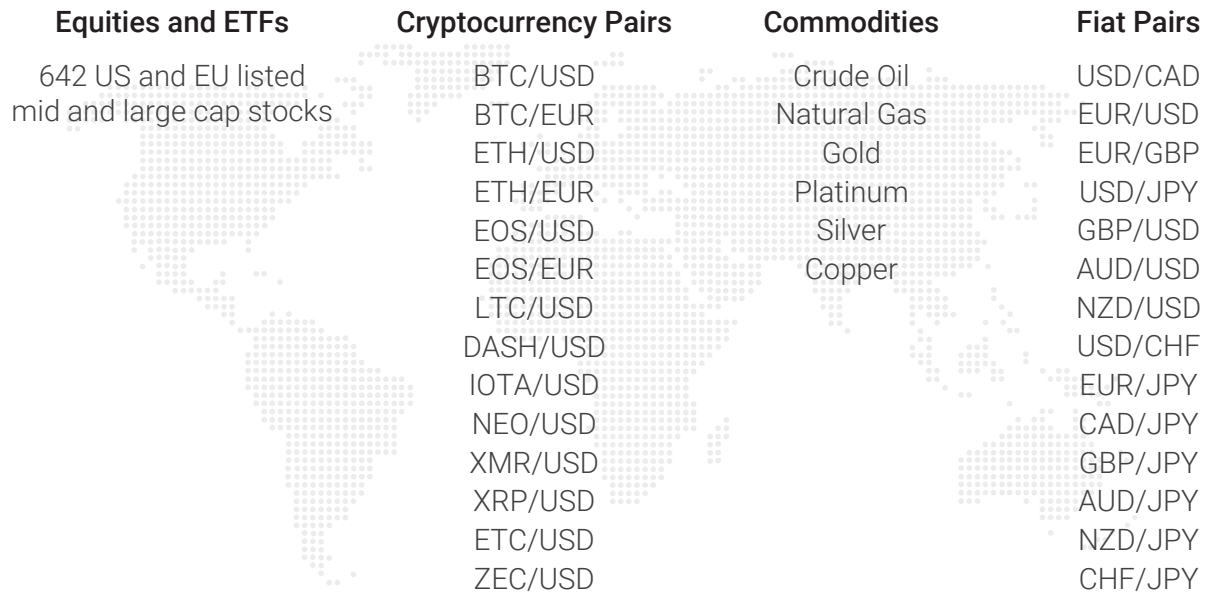Only cryptocurrencies (no "fiat" currencies) are accepted to fund the user collateral to begin trading on the Quantfury app. The users access constant trading power in USD 20x their original collateral value. This trading power remains constant. The cryptocurrency collateral secures potential losses incurred in the fiat currency of the trading power according to the current exchange rate as the user trades. Users are not permitted to incur losses greater than the value of the cryptocurrency collateral according to the most recent exchange rate data. The maximum size of trading power allowed by the Quantfury trading app is $100,000 which requires $5,000 of collateral (in crypto equivalent).

An example:

A user funds collateral, in the form of Bitcoin, equivalent to $100 and receives a constant trading power of $2,000 to trade both cryptocurrency and traditional financial markets. This $2,000 trading power remains constant regardless of losses incurred from trades. The losses incurred from trading cannot exceed the fiat equivalent of collateral value; otherwise, trading will be stopped and positions liquidated.

Download the app, register, and post crypto collateral

1

Leverage your crypto 20x+ to access trading power in USD

2

Buy and sell without trade commissions and leverage fees

3

Enjoy trading with unmatched conditions

6

Withdraw your profit at any time in cryptocurrency

5

Trade always with the best bid and ask prices from the world exchanges

4
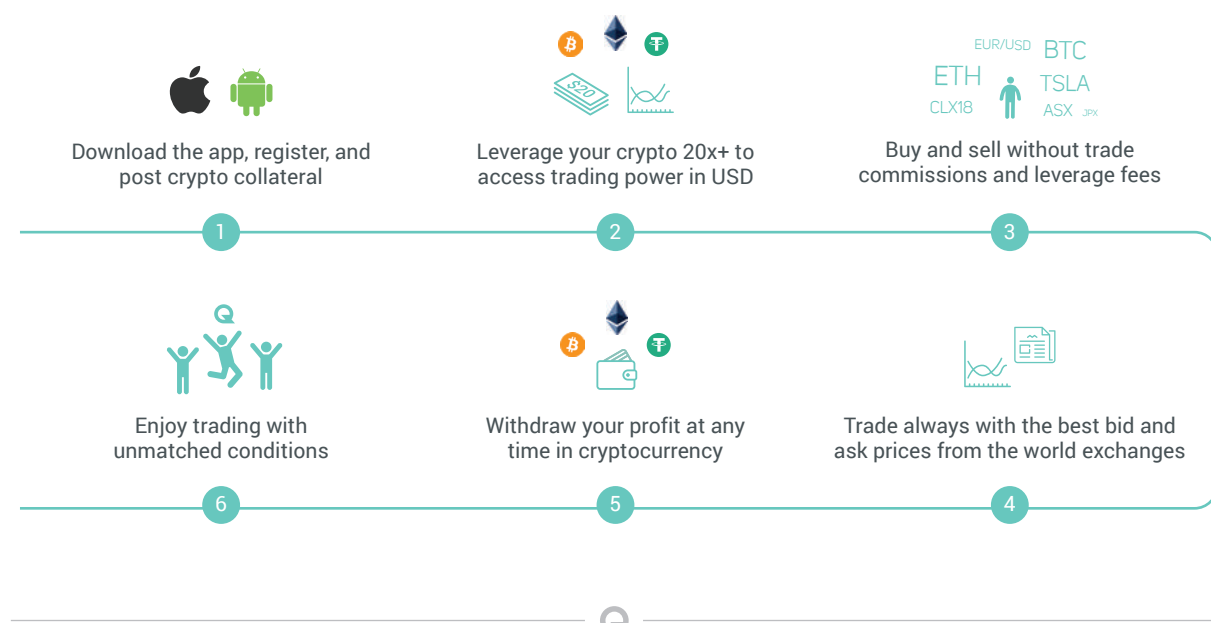
• List of Asset Types Traded

Equities and ETFs	Cryptocurrency Pairs	Commodities	Fiat Pairs
642 US and EU listed mid and large cap stocks	BTC/USD	Crude Oil	USD/CAD
	BTC/EUR	Natural Gas	EUR/USD
	ETH/USD	Gold	EUR/GBP
	ETH/EUR	Platinum	USD/JPY
	EOS/USD	Silver	GBP/USD
	EOS/EUR	Copper	AUD/USD
	LTC/USD		NZD/USD
	DASH/USD		USD/CHF
	IOTA/USD		EUR/JPY
	NEO/USD		CAD/JPY
	XMR/USD		GBP/JPY
	XRP/USD		AUD/JPY
	ETC/USD		NZD/JPY
	ZEC/USD		CHF/JPY

• Trading Platform Architecture

The Quantfury platform uses a microservices architecture to deliver next-generation scalability for its trading app user base. Its platform sets the standard for reliably scalable and high-performance data delivery for transaction-driven services, breaking the work into multiple loosely coupled services that can be independently upgraded and scaled in multiple dimensions.

The Quantfury trading platform is designed to match user trades internally and provide continuous market making activity that delivers guaranteed execution of any user trade order that was not matched. The Quantfury platform is the industry's only "light pool" available for retail traders direct access. The Quantfury platform is the total opposite of a "dark pool" concept which exists primarily for institutional traders. In Quantfury's light pool every participant gets unmatched industry trading conditions, all participants are retail traders, and all trading platform activity can be audited and verified through the blockchain. Anybody can be the owner of the pool, and benefit from its operations through token ownership. Therefore the interests of participants, token holders, and the Quantfury platform itself are always fully aligned.

Quantfury App

Quantfury Platform Scalable Microservices Infrastructure

Web Services

2X 2X 2X 2X 2X 2X

Service Bus

SQL DBs

Cache

Blockchains

Ethereum Mainnet

IPFS

Jobs

2X 2X 2X 2X 2X 2X

 APNS
 FCM

Exchanges

News Sources
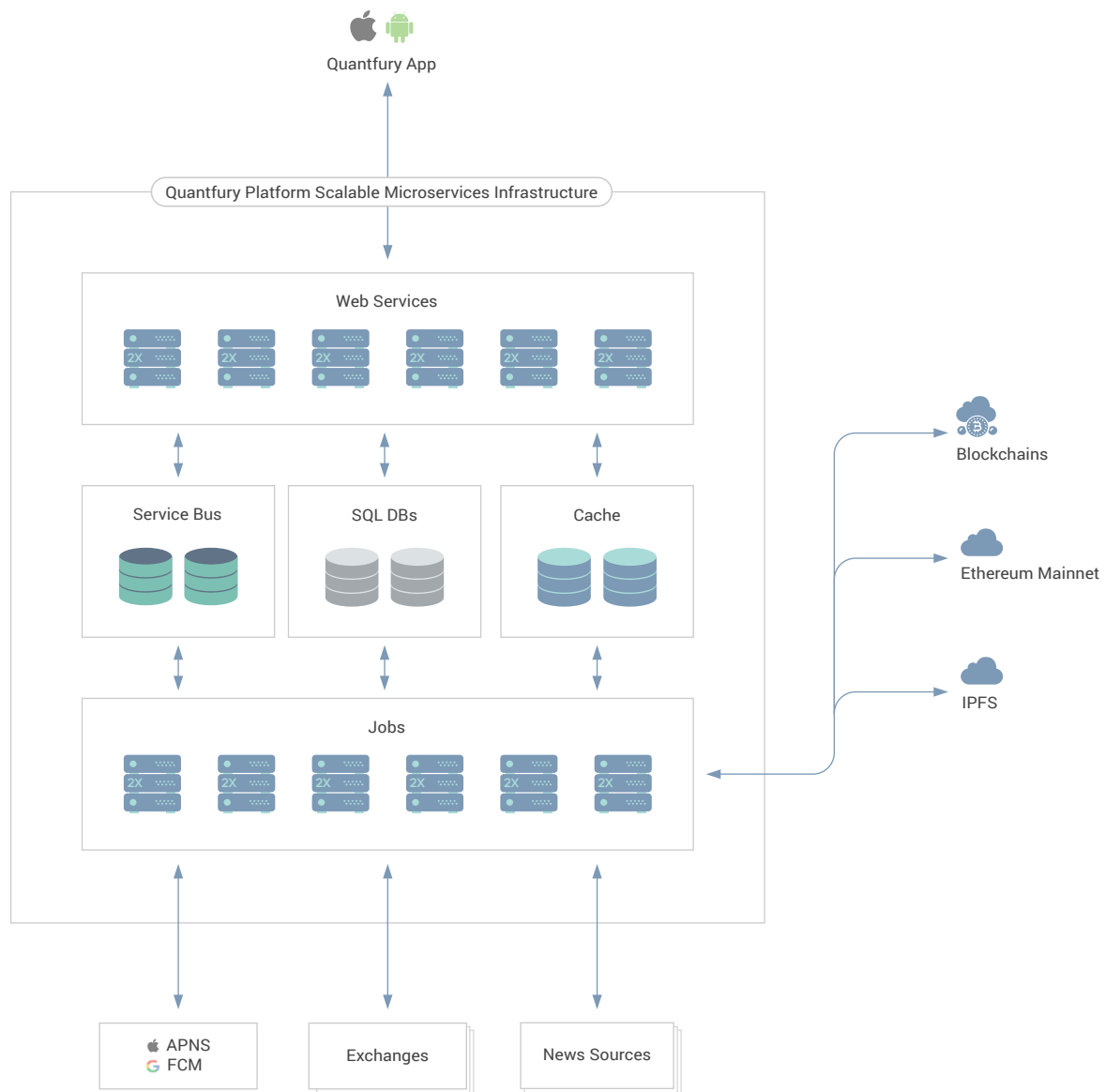
Quantfury guarantees all its user trades are quoted and executed at the exchanges' best bid or ask prices, without any trade commissions or leverage fees, regardless of the number of daily active users.

Tokenizing Quantfury's Economy

The Quantfury platform's main asset, user trading data, is digitized and published using a smart contract and IPFS, a content-addressable storage system:

1. Once a position is closed the anonymized trade identifier together with transaction data including the bid and ask price, last price and timestamp are stored in an encrypted form in IPFS;

2. A hash of that data is stored on the Ethereum mainnet;

3. Quantfury publishes the key to decrypt that data on a time-delayed (30 days) basis for auditing purposes. The key decrypts the users' monthly closed positions trading data and is saved into the Quantfury Ethereum smart contract;

4. This key can be seen via the Quantfury DAPP or by executing the Quantfury Smart Contract function to receive it.

Quantfury provides open source scripts that can be found on GitHub under Quantfury to verify the authenticity of the trading data.
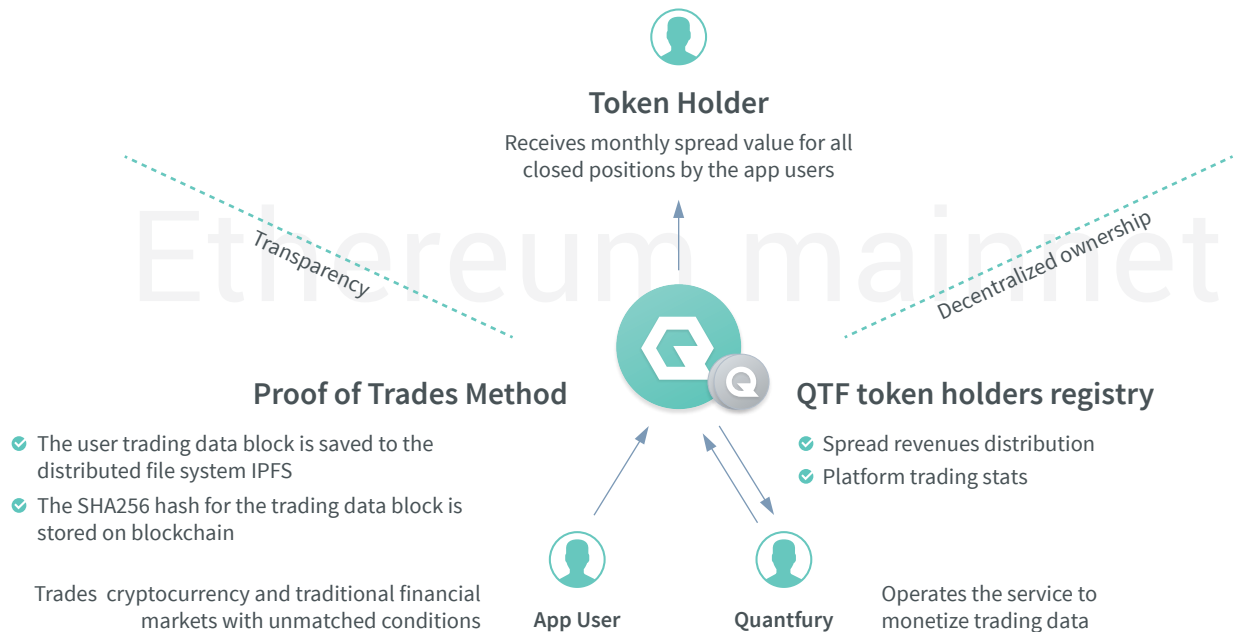
Quantfury offers its token holders proportional ownership of its trading data assets and the economy it generates. With logging of its assets and operations to a global, immutable ledger, decentralized ownership and monetary rewards of the economy it generates through tokens, Quantfury aligns the interests of its users, investors and itself, the platform operator.

• Monetizing Trading Data

The Quantfury AI employs multiple quantitative trading strategies driven by machine learning models trained on user trading data to generate income. Such a model is not practical with traditional brokerages where the trading data accuracy is negatively biased due to adjusted spreads, fees, commissions, lack of cap on sizes of user deposits, and user margin requirements for obtaining leverage. The Quantfury ecosystem is driven by the need to create the perfect trading data that is the least biased and represents the "purest" market sentiment of traders. This ecosystem is achieved by having users trade with the best bid and ask prices in real time, without commissions and fees and with constant trading power.

The majority of retail trader decisions are driven by the psychology of gains and losses as described in Prospect Theory [3]. Trader responses to market fluctuations can be formulated into quantitative behavioral patterns based on the trader's reactions to his/her trading profits or losses.

It has been common practice for a long time that individual trading data has been monetized by financial institutions, by acquiring or owning [6] significant trade order flows that enable them to formulate profitable trading strategies. Retail traders pay commissions and various fees in order to trade, never getting a share of the monetization of trading data they generate.

Financial institutions analyze client trade order flows in a one-dimensional way, without having the full depth of the client's trading behavior behind their trade orders. This behavior is largely determined by the size of the client's accounts, the size of leverage they use, and their previous trading history.

The Quantfury ecosystem is designed to build a textbook-case dataset for its user trading data by:

- Grouping the "fear and greed" factor of users effectively by offering constant trading power regardless of trade results;

- Fixing the number of user collateral sizes accepted, thus making a number of trader groups with similar fear and greed ratios;

- Capturing the least biased or "purest" market sentiment of traders by having users trade with the best bid and ask prices in real time, without commissions and fees; and

- Maintaining the full depth and history of user trading decisions.

Quantfury constantly updates and applies machine learning of the trading data generated within its ecosystem. These machine learning algorithms produce automated trading decisions to buy, sell, or do nothing for each of the Quantfury incoming user trade orders. The machine learning of trader behavior, both as individuals and as groups, is conducted at each moment of the current state of the Quantfury ecosystem in real time, thus constantly improving the financial well-being of the platform.

User Trade Order → Quantfury Trading Decision

Machine Learning

Market Bid and Ask Prices

Asset Type
Symbol
Position Size
Long or Short Exposure

Trading Data

To maintain the efficiency and integrity of Quantfury's machine learning algorithms and its automated trading decisions, it is a fundamental requirement to provide unmatched trading conditions to the trading app users, which in turn promises the most unbiased data of market sentiment by retail traders. Further, the platform's predictive powers strengthen continuously as a result of allowing platform activity to occur in this entirely unbiased way.

ML Algorithms used at Quantfury:

A. Multilayer Perceptron (MLP), is a fairly simple form of artificial neural network known as a Feedforward Neural Network (FNN). FNNs are so called because information flows through them in one direction only. MLPs consist of an input layer, one or more hidden layers, and an output layer. Each neuron within the MLP performs a weighted sum of every output from the previous layer (these neurons are therefore known as densely connected), adds an additional number called a bias, and applies a non-linear function to produce its output. The non-linearity is important as it technically allows the MLP to approximate any function.

A simple 4-layer MLP is shown below:

MLPs learn (are trained), in a similar fashion to most other artificial neural networks - with the backpropagation algorithm. This algorithm is a form of supervised learning where an input is allowed to propagate through the network and then the output is compared to the ideal output. The difference between that particular output and the ideal output is known as the error. The algorithm determines which neurons, layer-by-layer, have contributed to the error and by how much and then iteratively adjusts them per example.

B. Autoencoder

An autoencoder is a neural network with the purpose of distilling the important aspects of input data into a shortened form, or code. This shortened form is both useful insofar that it is efficient with respect to data size, but also because the autoencoder removes the least relevant information from the input. This allows for other machine learning algorithms to learn more efficiently if its inputs are first autoencoded.

An autoencoder usually takes the form of an MLP with hidden layers decreasing in size to a point, and then increasing back to the original size with the same number of layers thereafter. The algorithm is then trained such that it attempts to recreate the input at the output. This may seem trivial, but as the size of the hidden layers get progressively reduced, the algorithm must learn to reconstruct the input from missing information. The training process therefore intuitively learns to conserve only the most important aspects of the data.

The first part of the network is known as the encoder, while the second part is known as the decoder. After the training process is complete, only on the encoder is used in order to transform the data. A diagram outlining these parts of the network is shown below:
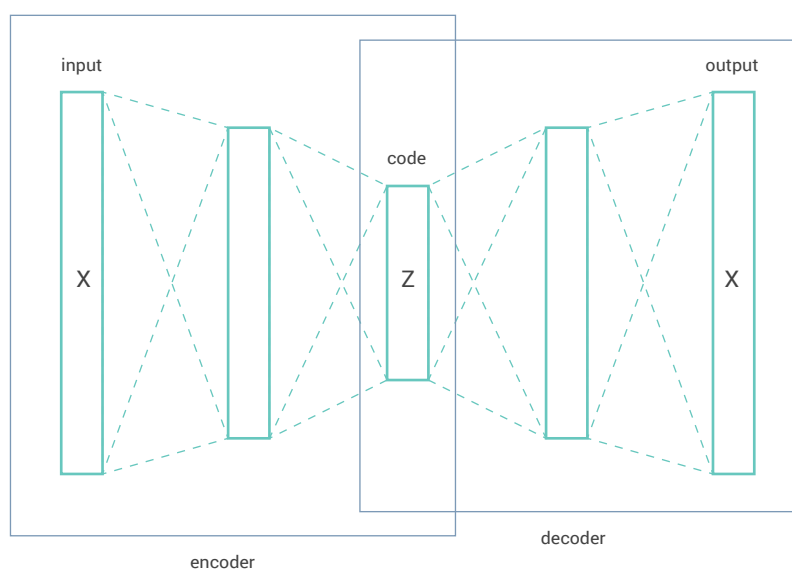
C. Q-learning

Q-learning is part of a subset of machine learning techniques known as reinforcement learning. Reinforcement learning concerns itself with optimising how an artificial agent takes actions within its environment in order to maximise some notion of reward in the long-term - much like how one might train an animal.

In Q-learning, there exists a set of states (S), and a set of actions (A) that may be taken at every possible state. By performing one of these actions in a particular state, the agent transitions from one state to another and earns a particular reward depending on the action and state.

The goal then, of the Q-learning algorithm is to find a function Q that is able to tell the agent what the best action is at any given state. This function is found through a training process where the algorithm is given a high-level objective that it tries to maximise - a cumulative reward from all of its actions. Examples of this include total return on investment for a trading bot, or high score for a bot attempting to learn how to play 'pong'. The Q function can take many forms, and is commonly an MLP as discussed previously.

The learning process of a Q-learner can be described mathematically as follows:

$$Q^{new}(s_t, a_t) \leftarrow \underbrace{(1-\alpha) \cdot Q(s_t, a_t)}_{\text{old value}} + \underbrace{\alpha}_{\text{learning rate}} \cdot \left(\underbrace{r_t}_{\text{reward}} + \underbrace{\gamma}_{\text{discount factor}} \cdot \overbrace{\underbrace{\max_a Q(s_{t+1}, a)}_{\text{estimate of optimal future value}}}^{\text{learned value}} \right)$$

It can be seen that the function is updated to consider both the reward the agent can earn from a current action, but also how that action might affect the ability to perform future actions which also have corresponding rewards.

Objective and Description of Quantfury's ML Architecture:

A. Objective

The objective of the Quantfury ML architecture is to maximise risk−adjusted returns. By monitoring the activity of traders across the Quantfury platform, as well as integrating technical indicators from all of our instruments, we are able to construct a comprehensive view of the market state, from which our Q-learner can make profitable trading decisions. It is this system that allows Quantfury to remain profitable while offering users a fair trading environment and low margins.

B. Data Streams

Quantfury incorporates several different data streams into its ML architecture in order to accurately assess its universe. The data streams can broadly divided into trader data and financial instrument data.

Trader data is comprised of the behaviour of traders on the platform. This data is anonymised and is simply used to model actions of agents on the platform, not track individuals. Trader data consists of a full trade history, including ROI per position, long or short, exposure etc. This data is then further processed into rolling time windows and rolling position windows - giving an idea of how a trader's actions have evolved per position opened and time elapsed.

The other datastream contains collated information about all the financial instruments being traded on Quantfury. This includes a large number of technical indicators such as moving averages and volatility and how these indicators have evolved over time for that particular instrument.

C. Quantfury's AI architecture is comprised of 3 main elements - a system of deep autoencoders, a position prediction network, and a system of Q-learners.

The autoencoders are trained to intelligently extract the most vital information contained in the datastreams above. A different autoencoder is needed for each datastream as every datastream has different characteristics that must be encoded. Not only does this allow for improved performance, the autoencoders allow for compression of data, relaxing bandwidth restrictions and improving system latency - vital for accurate and timely trades.

After all the data streams are autoencoded, a MLP makes a prediction on the performance of a particular trader's current position, taking all current and historical information into account. This is performed for every position opened for every single instrument and a separate model.

The prediction described above is then appended to all of the autoencoded datastreams at the current timestep. This creates a state that fully describes the Quantfury universe. Such a state may then be used by the Q-learners to dictate an action that Quantfury should take - in this case what position to take on a particular instrument and how large of a position to take. A Q-learner is trained for each instrument such that it can learn to deal with the specific dynamics of that particular instrument.
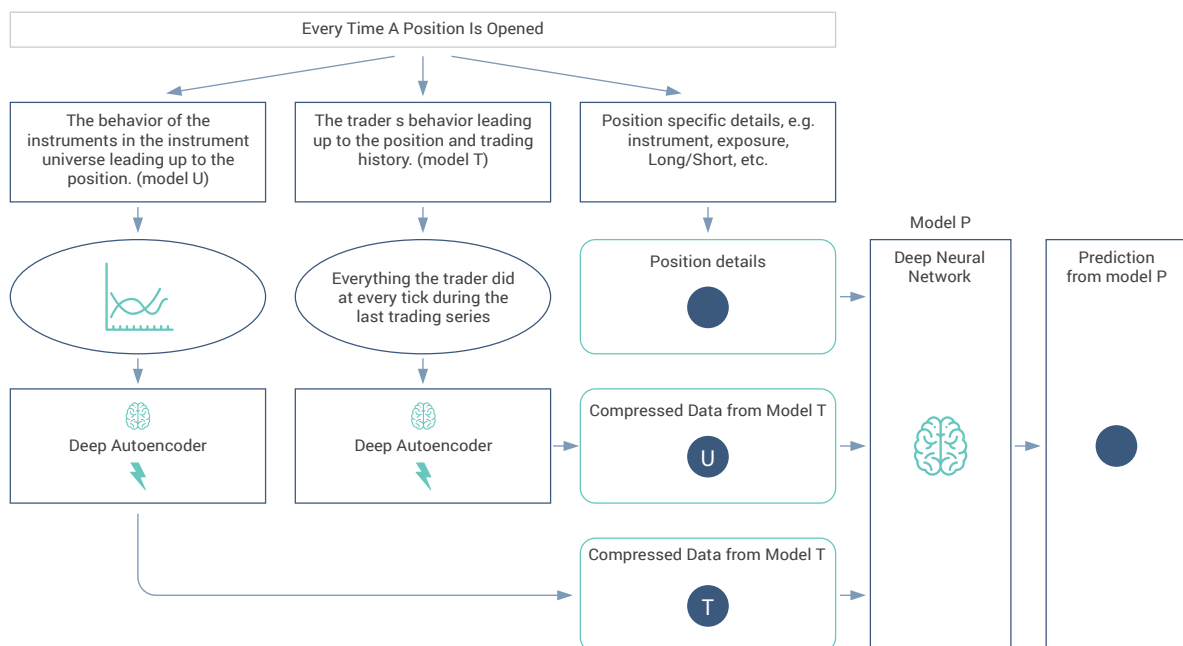
In this way, all of the models work together in order to create a real-time autonomous list of decisions that Quantfury should take at any given moment, taking into account the entire platform and overall systemic risk.

• Compliance

Quantfury operates in compliance with the Investment Business Law Act, 2010 "SIBA" [7] of the British Virgin Islands and the Ontario Securities Act, in Canada.

Quantfury's app users are subject to AML and KYC procedures in accordance with the Anti-Money Laundering and Terrorist Financing Code of Practice, 2008 [8] of the British Virgin Islands.
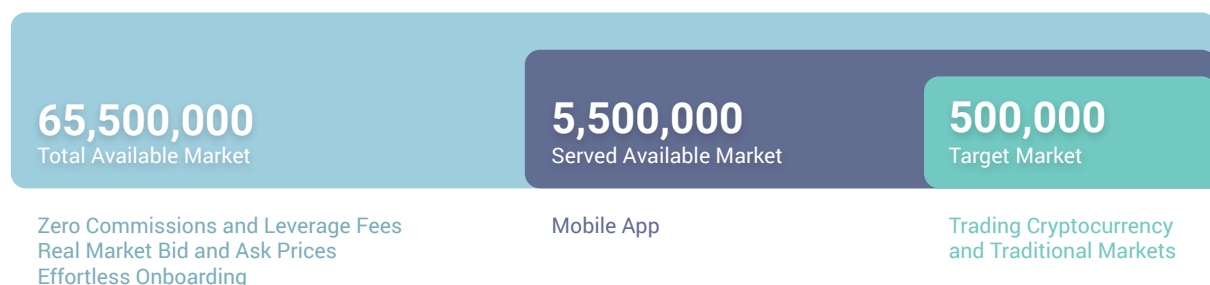
The Quantfury app is available to users located in the following markets: Asia-Pacific; Central and South America; Central and Eastern Europe; and the Middle East.

Citizens and or residents of the United States and Canada will not be initially allowed to use the Quantfury trading app.

◎ Business Landscape

• Addressable Market

Quantfury's target market over the next 12 months is 500,000 users globally. The key product value for this audience is trading equities, cryptocurrency, fiat pairs, and commodities without trade commissions and leverage fees. This value is not offered anywhere else on cryptocurrency or traditional financial markets.

65,500,000 Total Available Market	5,500,000 Served Available Market	500,000 Target Market
Zero Commissions and Leverage Fees Real Market Bid and Ask Prices Effortless Onboarding	Mobile App	Trading Cryptocurrency and Traditional Markets

The three largest exchange platforms that offer crypto margin trading in the world (BitMEX, BitForex, and OKEx) are estimated to generate $1.46 trillion in volume this year. Excluding 20% of the volume that is generated by US users, $1.168 trillion of trading volume would be generated by the addressable market of Quantfury users worldwide. In April 2017, Japan's Financial Services Agency (FSA) reported that there were 142,000 crypto margin traders in Japan out of the total 3 million crypto holders, which generated 90% of the country's total cryptocurrency trading volume of $543 billion that year [9]. Given that there are approximately 22,000,000 crypto holders outside of the US, and that the ratio between crypto margin traders and total crypto holders is 1:21 (see stats for Japan above), there are approximately 1,047,000 crypto margin traders worldwide. Additionally, given the reported relationship between the number of crypto margin traders and their yearly volume of trades in Japan, there are estimated to be approximately 340,000 crypto margin traders on BitMEX, BitForex, and OKEx. There are dozens of other, smaller volume crypto margin trading platforms, such as Deribit and Quedex, which are excluded from the estimate. A conservative estimate based on the

three leading crypto margin trading platforms and the statistics reported from Japan would put Quantfury's target audience for the first 12 months at 500,000 users.

	Monthly Traffic (SimilarWeb)	Traffic Geographic Distribution (SimilarWeb)
BitMEX	13,600,000	10% US, 8% China, 6% Russia, 6% UK, 5% Vietnam
BitForex	1,100,000	16% China, 10% Vietnam, 10% US, 7% Russia, 5% Korea
OKEx	3,000,000	43% China, 9% US, 4% Russia, 4% Vietnam, 3% Germany

Quantfury's serviceable available market (SAM) is estimated to be 5,500,000 users globally. The key product value for this audience is the availability of the mobile app. A survey of institutional traders performed by J.P. Morgan found that 61% of them are likely to use a trading app, up from 31% in 2017 [10]. A similar trend toward mobile trading is also being seen in the retail brokerage industry [11]. Cryptocurrency holders have very limited options to utilize their holdings. The ease of accessibility of the the Quantfury app and being able to trade all markets is a powerful value proposition to the user anticipated to result in high conversion.

The SAM for Quantfury represents the estimated available market that Quantfury will be able to reach with its message, and serve, over the first 12 months. In addition to the initial target market audience, Quantfury's SAM may expand to:

- Cryptocurrency holders who are not active traders;
- A small fraction of traditional brokerage clients – retail traders, who trade cryptocurrencies as well as equities, commodities, and fiat pairs.

The majority of cryptocurrency holders store their assets on exchanges or personal wallets with the goal of value appreciation. In Quantfury, they will use their cryptocurrency assets by leveraging these assets to trade traditional financial and cryptocurrency markets with unmatched conditions. According to a study performed by the University of Cambridge in 2017, there are between 2.9-5.8 million unique users who are actively using their cryptocurrency wallets, with 70% residing outside of North America, but the number is likely to be much higher due to the exponential growth the cryptocurrency market experienced at the end of 2017 [12]. Recent reports from Japan and Korea suggest that there are at least 5 million crypto holders in those two countries alone [9, 13]. Binance has reported that its platform has 9 million users, and continues to grow [14]. A conservative estimate puts this target audience at 22,000,000, with Quantfury targeting 25% of the audience – 5,500,000 users.

Quantfury estimates its total available market (TAM) is 65,500,000 users globally. The key value proposition for this audience is Quantfury's unmatched trading conditions, which are vastly superior to any traditional brokerage on the market.

In addition to early adopters, cryptocurrency holders, and the first wave of retail traders, the TAM includes the remainder of the retail trader audience worldwide that fits Quantfury's target demographics. This retail trader audience that fits Quantfury's target demographic is estimated to be 60 million people worldwide out of 200 million total retail traders. The early adopter retail traders will have to learn about the basics of owning cryptocurrency and, specifically, how to buy cryptocurrency to fund their collateral account with Quantfury and start trading.

Retail traders that currently use traditional brokerages are paying commissions, leverage fees, and trade using adjusted market spreads all of which puts them at a constant disadvantage against the market. The Quantfury app offers superior trading in terms of cost to trade, real unadjusted market prices, and a flawless user experience.

While Quantfury focuses on cryptocurrency holders to be the early adopters, it envisions that a significant share of retail traders using traditional retail brokerages will seek to buy cryptocurrency, onboard, and take advantage of Quantfury's unmatched trading conditions. Having a good understanding of the obstacles that each of the groups is facing, Quantfury will use a comprehensive go-to-market strategy and provide appropriate tools and facilities to onboard users.

Quantfury operates on the assumption that it will have 70,000 daily active users or more within the 12 months following its trading app launch. It is estimated that this number of users may generate approximately $700,000,000 of daily trading volume, based on a comparison of "number of users/volume generated" data available for BitMEX, BitForex, and OKEx.

• Quantfury Advantage Matrix

The Quantfury trading app was made to be the platform of choice for cryptocurrency and traditional markets trading, to offer an undeniable value proposition for crypto traders and holders, as well traditional brokerage clients.

Quantfury vs. Cryptocurrency Exchanges Offering Margin Trading

	Quantfury	BitMEX	BitForex	OKEx
Leverage fee	$0	0.0222% every 8 hours	0.5% daily to buy 0.1% daily to sell	0.02% daily
Trading fee	$0	0.075% taker fee	0.05% taker fee	0.015% taker fee
Spreads (difference between bid and ask prices)	0.035% for equities 0.13% for crypto 0.005% for fiat pairs 0.015% for commodities	0.007%	0.042%	0.02%
Leverage X account balance	At least 20x for all markets Remains constant regardless of user trade losses	100x for BTC 20x for rest of crypto Requires constant addition of funds to cover trade losses & maintain leverage	20x for crypto Requires constant addition of funds to cover trade losses & maintain leverage	20x for crypto Requires constant addition of funds to cover trade losses & maintain leverage
Asset types	Equities Cryptocurrencies Fiat pairs Commodities	Cryptocurrencies	Cryptocurrencies	Cryptocurrencies
Platform	Mobile App	Web	Web	Web
Account currency	Crypto	Crypto	Crypto	Crypto

Quantfury vs. Traditional Brokerages

	Quantfury	IG Markets	AvaTrade	Plus 500
Leverage Fees	$0	5% annual leverage fee	0.08% daily	6% annual leverage fee
Other Fees	$0	18$ monthly inactivity fee	50$ monthly inactivity 100$ annual admin	10$ inactivity fee
Trade Commissions	$0	$5-$15 per trade	$0	$0
Spreads (difference between bid and ask prices)	0.035% for equities 0.13% for crypto 0.005% for fiat pairs 0.015% for commodities	0.77% for crypto 0.005% for fiat pairs 0.33% for rest	0.75% for crypto 0.13% for rest	0.25% for equities 0.9% for crypto 0.005% for fiat pairs 0.03% for commodities
Leverage X account balance	At least 20x for all markets Remains constant regardless of user trade losses	20x for equities 2x for crypto 200x for fiat pairs 50x for commodities Requires constant addition of funds to cover trade losses & maintain leverage	20x for equities 20x for crypto 400 x for fiat pairs 100 x for commodities Requires constant addition of funds to cover trade losses & maintain leverage	300x for equities 20x for crypto 300x for fiat pairs 150x for commodities Requires constant addition of funds to cover trade losses & maintain leverage
Asset types	Equities Cryptocurrencies Fiat pairs Commodities	Equities Cryptocurrencies Fiat pairs Commodities	Equities Cryptocurrencies Fiat pairs Commodities	Equities Cryptocurrencies Fiat pairs Commodities
Platform	Mobile App	Web App (limited)	Web App (limited)	Web App (limited)
Account currency	Crypto	Fiat (via credit card, web wallets, bank transfer)	Fiat (via credit cards, web wallets, bank transfer)	Fiat (via credit cards, web wallets, bank transfer)

◉ Token Launch

• Introduction

The QTF token issuer is Quantfury TGE Ltd., a British Virgin Islands limited company. Quantfury TGE is part of the Quantfury Group, which has operations in Canada and Singapore.

The Quantfury asset-backed QTF token represents the Quantfury trading platform economy and its business model. The QTF token holders share ownership of the platform's digital assets and proportional rights to Quantfury Data Token (QDT). Every time a trade position is closed within the Quantfury app, a QDT token is created, that pays owners of QTF tokens the average spread value between the bid and ask prices for all trade positions closed by Quantfury trading app users.

There is a fixed amount of QTF tokens, while QDT tokens are minted in perpetuity to the number of trade positions closed and are burned upon its sale back to Quantfury. Holding QTF tokens gives a proportional share in the 100% of spread values of all positions closed by Quantfury app users on a monthly basis.

Data Publishing
Quantfury Trade Positions Closed Data Posted in IPFS, Hashed and Anchored
1

Token Distribution
QTF Token Holders Receive QDT Tokens Minted per Position Closed by Quantfury User
2

Data Validation
Key to Access Trades Data is Posted
3

Registry Publishing
QTF Token Holders Registry Published
6

Consensus
QDT Token Value Calculated and Set
5

Revenue Reporting
Total $ Spread Value for Closed Positions is Posted
4

Token Buyout
QTF Token Holders Sell QDT Tokens to Quantfury
7

Token Burning
Quantfury Burns Purchased QDT Tokens
8

Withdraw
QTF Token Holders Receive Funds for Sold QDT Tokens
9

As Quantfury expands its user-base, and its economy grows, the company plans to offer QTF token holders additional ways to earn a return from QDT token transactions, such as investing in Quantfury's quantitative trading strategies, and rewarding research and technical analysis publishers.

- **Improvement Over Standard Valuation Model**

A common way to value the token price is through the equation of an exchange formula. The equation of exchange has also been suggested by Vitalik Buterin [15].

Buterin's formula uses the total number of tokens, the holding time, and the quantity transacted in dollars.

Buterin's formula:
$$C = H*Q/M$$

Where:
C: Represents the price in terms of the valuation in dollars (actual price may vary)
H: The holding time (determined in some unit of time)
Q: The total quantity of transactions (in $)
M: The total amount tokens circulating

This equation of exchange formula suffers from two fundamental issues:

1. It assumes the economy is in equilibrium;

2. It assumes that all variables are independent.

The first point means that it can be used only for a snapshot of the economy. The second point means that future changes of the formula variables cannot be reflected by this equation.

The equation of exchange becomes even more complicated when we try to apply it in the case of the 2–token economy that Quantfury represents. QTF is a token backed by an asset, that is ultimately represented by a QDT token. The equation of exchange cannot accommodate for this structure. Furthermore, the element of time is critical in the case of QTF. Therefore, we deemed it necessary to devise a new valuation model that will reflect the true value of Quantfury's platform economy and its business model.

- **Valuation**

Valuing QTF is challenging because of the nature of the Quantfury 2-token economy. It is clear that any valuation of QTF market cap must be based on QDT, and this is the approach that was taken here.

These are the following principles followed for the QTF market cap valuation:

1. Since QTF token represents an asset that generates revenue, then any future valuation should be based on that;

2. The expected dollar ($) revenue to be generated by selling QDT tokens to Quantfury should be the base for the QTF valuation;

3. Given that the total amount of QDT and their buy-and-burns by Quantfury is in theory infinite, we need to assume that the token holder investing in a QTF token is discounting future values of QDT amount generated and its total dollar ($) value received.

Given these assumptions, we define the QTF valuation as follows:

$$QTF_{market\ cap} = \sum_{t=1}^{k} \frac{1}{(1+r)^t} * QDT * N_t$$

Where r is the discount rate and takes values in [0, 1], k is the maximum time horizon, QDT is the average value of QDT, N is the number of closed positions and t is the time period. The market cap is projected as the price of QDT valued and paid by Quantfury, multiplied by the total number of QDT tokens in circulation and to be generated.

In turn the QDT value is set by the following formula:

$$QDT = \frac{TSR}{N}$$

Where:

QDT QDT Token value

TSR   Total Spread Revenue for Closed Positions

$$TSR = \frac{\sum_{n=1}^{N}\left(V_n(OpenSpread_n + CloseSpread_n)\right)}{2}$$

N Number of full or partial closed positions.

Where for every position:

$OpenSpread$

$$OpenSpread = \frac{\sum_{m=1}^{M}\left(V_m(OpenAsk_m - OpenBid_m)\right) + \sum_{k=1}^{K}\left(V_k(CloseAsk_k - CloseBid_k)\right)}{\sum_{m=1}^{M}(V_m) + \sum_{k=1}^{K}(V_k)}$$

$CloseSpread$ $CloseSpread = CloseAsk - CloseBid$

M Number of opened and added positions

K Number of closed and reduced positions

$OpenAsk$ Position opened or added Ask Price

$OpenBid$ Position opened or added Bid Price

$CloseAsk$ Position closed or reduced Ask Price

$CloseBid$ Position closed or reduced Bid Price

Where for all positions:

V Size of full or partial closed positions

As Quantfury QTF token market cap valuation is driven by trading activity of the app users, we forecast that they will close approximately $5,000 in trade positions per day and the average spread between the bid and ask prices for financial instruments traded on Quantfury is estimated to be 0.04%. Therefore one daily active Quantfury app user is estimated to generate approximately $520 annually (assuming 260 days of trading per year), all of which will be paid to QTF token holders through the issuance of QDT tokens and their buy-and-burns by Quantfury.

We project Quantfury will reach a peak number of users of around 2 million over a 5 year period. The period of 5 years is also a reasonably reflective ramp up time for this number of users relative to the SAM and anticipated adoption rate. We assume that the number of users will rise exponentially as shown in the plot below.
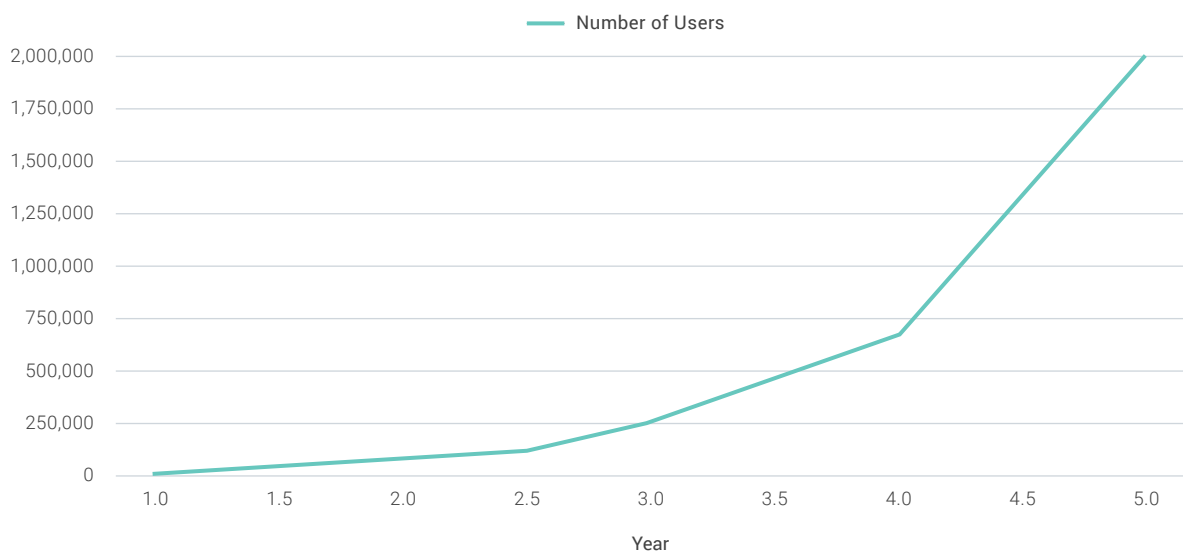
Based on the Monte Carlo Method, a total of 100 simulations were executed in order to estimate different scenarios for the price of QDT. The price of QDT is determined by the total spread revenue for closed positions divided by total number of closed positions, conducted by Quantfury trading app users.

The histogram below shows the average price of the QDT which has a mean of around $1.38 and a standard deviation of $0.11.
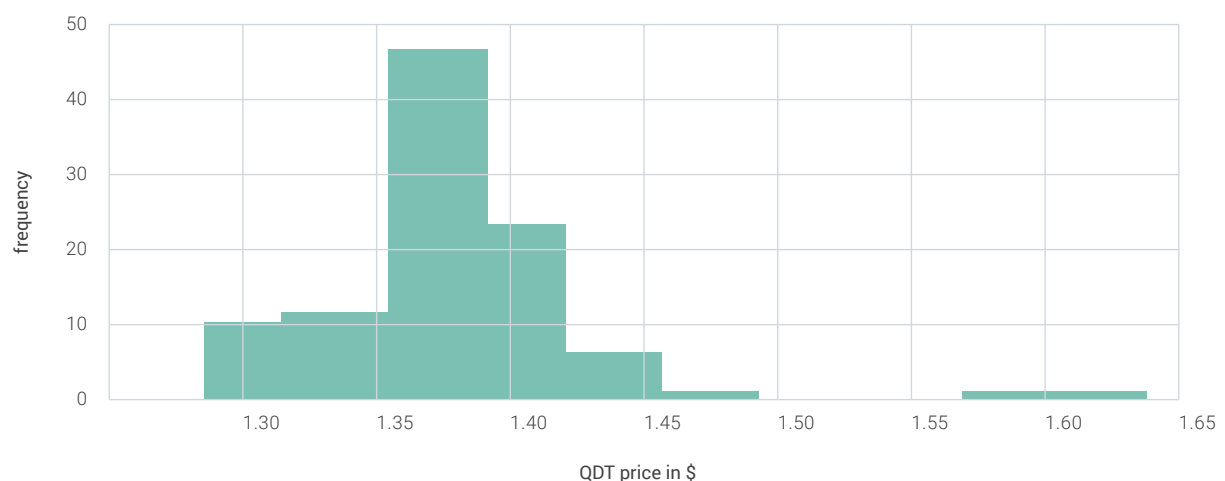
Histogram of QDT price paid by Quantfury to QTF token holders

The QTF market cap implied here by QDT is nearly equal to the spread revenue. This QDT market cap is based on the assumption that the QDT is sold back to Quantfury (as was the assumption for the model) and burned. The histogram below shows the valuations produced from different simulations based on reaching 2 million users in 5 years.

Minimum market cap as implied by Quantfury QTF valuation formula

• Offering

Quantfury's goal is to raise a maximum of $2,75 million USD in a token pre-sale.

• Token Pre-Sale
Maximum financing: $2,750,000 USD
Total tokens available for sale: 5,000,000
QTF token price: $0.65 USD (Price updated at May 1, 2019 from $0.55 USD per token)
Minimum participation amount: $1,000 USD
Start date: December 1st, 2018
Token Generation Event: By June 15, 2019 (Date updated from May 15, 2019)
Vesting period: 12-month lockup

• Public Token Sale
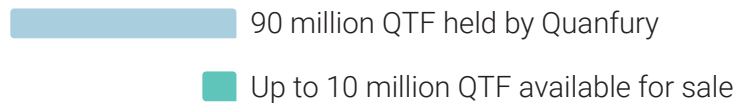Total tokens available for sale: TBD
QTF token price: TBD
Token sale date: TBD
Token contribution period: TBD
Token contract address: TBD (Published through various channels 48 hours before the crowdsale launch date)

• Distribution

Total QTF tokens available 100,000,000

▬▬▬▬▬▬▬ 90 million QTF held by Quanfury

■ Up to 10 million QTF available for sale

• Budget Allocation

Token Pre-Sale

• Platform Liquidity: 25% of budget
These funds will be directed for liquidity and support of Quantfury's current beta users.
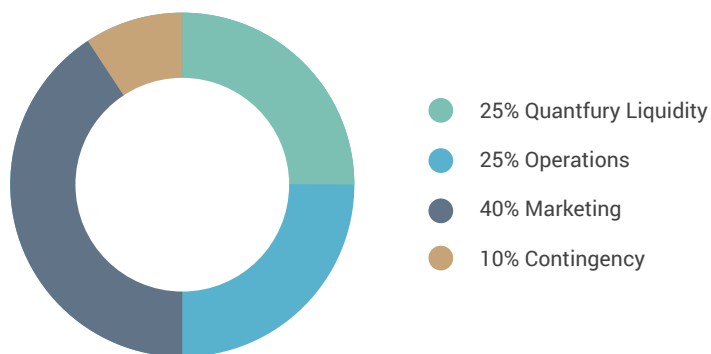
• Operations: 25% of budget
The Quantfury team currently consists of 22 engineers and professionals. These funds will enable Quantfury to maintain and strengthen this team of full-time professionals to support the upcoming global app launch and public token sale.
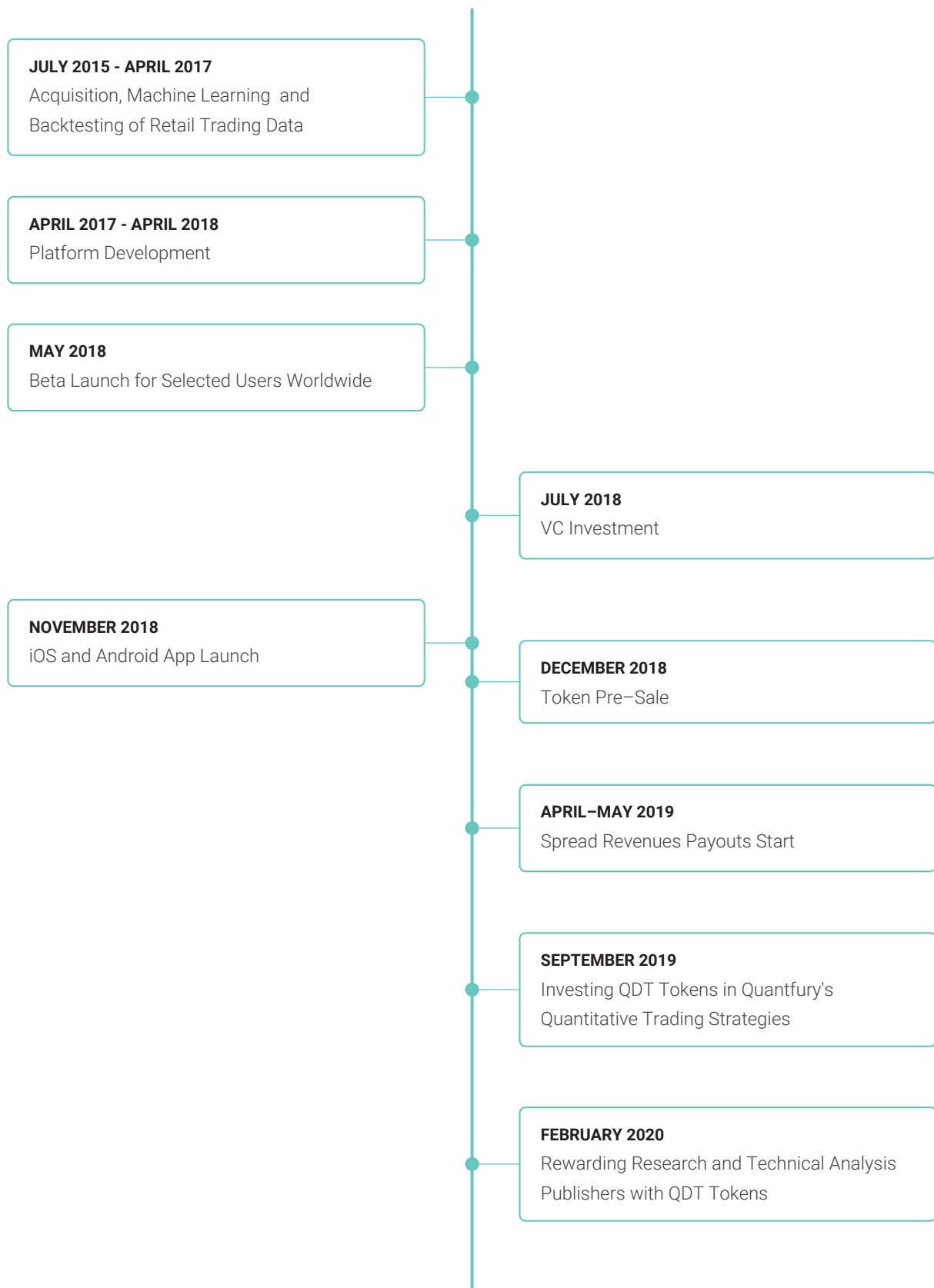
• Marketing: 40% of budget
Build brand and product awareness and grow the Quantfury trading app user base.

• Contingency: 10% of budget
This is set aside for unforeseen costs.

- 25% Quantfury Liquidity
- 25% Operations
- 40% Marketing
- 10% Contingency

⊙ Roadmap

JULY 2015 - APRIL 2017
Acquisition, Machine Learning and
Backtesting of Retail Trading Data

APRIL 2017 - APRIL 2018
Platform Development

MAY 2018
Beta Launch for Selected Users Worldwide

JULY 2018
VC Investment

NOVEMBER 2018
iOS and Android App Launch

DECEMBER 2018
Token Pre–Sale

APRIL–MAY 2019
Spread Revenues Payouts Start

SEPTEMBER 2019
Investing QDT Tokens in Quantfury's
Quantitative Trading Strategies

FEBRUARY 2020
Rewarding Research and Technical Analysis
Publishers with QDT Tokens

◎ Team

• Values

The following core values guide us daily to create a truly unique platform for millions of users who need our solution. Our values have been key for daily inspiration, making us to innovate and driving us to develop the next generation product that few thought possible.

OUR USERS & PRODUCT ARE OUR OBSESSION

We are the biggest users of our product. We are the biggest proponents and critics of our product. We pay attention to competition but obsess over our product and our users.

CHALLENGE THE STATUS QUO

We want our team members to have the courage to challenge the status quo and other team members without fear. However, this should be based on logic and evidence that can be validated and defended using research rather than personal bias.

DRIVEN BY ACTION

The speed of execution and efficiency matters in business. What can be done today we do not leave for tomorrow. We appreciate and welcome calculated risk-taking and speed of action.

INNOVATE, CREATE AND IMPROVE

Do not listen to the experts who tell you it cannot be done. Instead, challenge the status quo if it does not make sense to you. Do not reinvent the wheel, when a simple and proven solution will do. Optimize, using cost/benefit principles, to maximize effort on the highest value tasks/deliverables.

COMPETE THE RIGHT WAY

Create your own ideas, work to compete, and challenge others to bring out the best out of our product and people.

• Key Members

Tareck Horchani
Operations Lead

Linked**in**

Recently APAC Head of Sales Trading at Saxo Capital Markets, Tareck worked at Deutsche Bank, Citibank, and Louis Dreyfus Commodities. Contributor to WSJ and CNBC TV.

SAXO BANK LDC. citibank Deutsche Bank

Gregory Kim
Trading Lead

Linked**in**

Most recently at Bank of America Merrill Lynch, Greg has led G10 currencies market making for the Asia Pacific time zone, working with clients such as Soros Fund, DE Shaw, and Tudor.

Merrill Lynch CRÉDIT AGRICOLE ING RBC

Lev Mazur
Product Lead

Linked**in**

Former Director of Product Marketing RIM Blackberry among other companies in fintech and mobile technologies field, with clients including Motorola, Siemens and Safra Bank.

RIM BlackBerry

Alex Kalenkov
Data Service Lead

Linked**in**

Recently with Credit Dnepr Bank, Alex is a fintech expert in security, data analytics and machine learning fields.

Bank Credit Dnipro

Roman Kashcheev
Brand Lead

Linked**in**

Former founder of his own digital marketing agency, brand building and online presence strategies expert.

MATRESHKA LABS

Brian Konradi
Legal Lead

Linked**in**

Former partner at DLA Piper and General Counsel at KupiKupon Global. Brian holds a BA from Rhodes College and JD from Georgetown University Law Center.

Docentra group DLA PIPER КупиКупон

Alex Dybry
UI/UX Lead

Linked**in**

Caddiesoft

Maxim Lukoshka
Server Lead

Linked**in**

FP TRADE

Dmitry Zheltko
Senior Android Developer

Linked**in**

HiQo EffectiveSoft

FAQ

What is the Quantfury smart contract?

It is a decentralized application based on blockchain technology that is accessed by QTF token holders to withdraw, sell, and transfer their QDT tokens without restrictions.

How is the integrity of the calculation of payments to QTF token holders ensured?

Anybody can retroactively check the prices of executed trades by Quantfury trading platform users have made during the previous month by accessing https://dapp.quantfury.com. Thus, anybody can verify the correct value of QDT tokens and the number of QDT tokens generated.

What is user trade?

It is a basic economic concept for short-term gains involving a buying or selling of equities, cryptocurrencies, fiat pairs, and commodities.

What is spread?

It is the difference between the bid and the ask price quoted for a specific asset type instrument, available to buy or sell.

What is liquidity?

It is the capital required for trades execution and risk management.

What is market making?

It is an activity of constantly quoting bid and offer prices of financial instruments, always ready to buy and sell at quoted prices to fulfill the execution of the incoming trade orders.

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KYC and AML Policies

1. KYC

KYC (Know Your Customer) is the process of a business identification and client's identity verification. KYC includes procedures of primary identification of customers from financial institutions and companies acting as cryptocurrency exchanges. Strict compliance with the KYC policy protects the customers and us from criminal elements such as money laundering or terrorism financing. As security of transactions is our main priority, we keep a high standard of customer identification and provided information verification. If we have a reasonable basis to believe that our customer might be involved in any kind of criminal activity, we reserve the right to refuse cooperation and reject their funds without any additional explanation. KYC will be based on current market standards and will comply with applicable laws. All KYC information will be kept confidential.

2. AML

Quantfury recognizes the importance of preventing money laundering and terrorism financing, and commit to the highest standards of Anti-Money Laundering and Combating Terrorist Financing ('AML/CTF'). The Token Generator is subject to British Virgin Islands legislation designed to prevent AML/CTF. To fulfill this commitment, the Token Generator establishes internal policies and procedures and conducts an anti-money laundering risk analysis. The latter defines risk associated with different types of contributors and transactions. To comply with AML/CTF principles, the Token Generator will implement processes and procedures to conduct appropriate customer due diligence, customer identification, and customer's identity verification on the basis of the following KYC principles:

• Customer-provided documentation (Verification Checking).

• Customer information obtained from reliable and independent sources (Ownership Checking).

Unusual activity during the customer due diligence process or customer engagement will be immediately reported to the designated Money Laundering Reporting Officer or the Deputy Money Laundering Reporting Officer.

The Token Generator will not conduct business with persons with a high-risk profile, including but not limited to the following:

• Individuals included in certain official lists of sanctions.

• Individuals indicating possible involvement in criminal activities, based on available information.

• Individuals with businesses where activity or source of fund legitimacy cannot be reasonably verified.

• Individuals refusing to provide required information or documentation.

• Entities whose shareholder/control structure cannot be determined.

Customer documentation can either be submitted in physical or electronic form. An appropriate record of received documentation, copies, or reference to the customer's documentation will be kept in accordance with the relevant data protection regulation. Records will be kept for as long as the relationship endures with the customer or is needed for fulfilment of the relationship and for at least five years after the relationship ends. In jurisdictions where this period exceeds the established period of time, the legally established time period will be considered to comply with applicable laws.

Disclosure Schedule

The acquisition of Tokens involves a high degree of risk. Before acquiring Tokens, it is recommended that each Purchaser conduct his, her, or its own careful examination of all relevant information and risks about the Token Generator, Platform and Tokens and, specifically, the disclosures and risk factors set out below and in the Legal Disclaimer at the beginning of this White Paper. If any of the following risks actually occurs, the Platform, Tokens, and Purchaser's Tokens may be materially and adversely affected, including the Purchaser's Tokens being rendered worthless or unusable.

1 Disclosures Regarding this White Paper

1.1 Accuracy of Information, no consent of Parties Referenced in White Paper

This White Paper includes market and industry information and forecasts that have been obtained from internal surveys, reports, and studies, where appropriate, as well as market research, publicly available information, and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. Save for the Token Generator and its directors, executive officers, advisors, and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in this White Paper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates on the same. Neither the Token Generator nor any of the Token Generator Parties has conducted any independent review of the information extracted from third party sources, verified the accuracy or completeness of such information, or ascertained the underlying economic assumptions relied upon therein. Consequently, neither Token Generator nor its directors, executive officers, advisors, and employees acting on its behalf makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

1.2 Terms Used

To facilitate a better understanding of Tokens being offered for purchase by the Token Generator and the businesses and operations of the Token Generator, certain technical terms, descriptive terms, and abbreviations have been used in this White Paper. These descriptions and their assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

1.3 Forward Looking Statements

All statements, estimates, and financial information contained in this White Paper, or made in any press releases or in any place accessible by the public, and oral statements that may be made by Token Generator or any Token Generator Parties that are not statements of historical fact, constitute "forward-looking statements" Some of these statements can be identified by forward-looking terms such as "aim", "target", "anticipate", "believe", "could", "estimate", "expect", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "would", "will" or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding the Token Generator's financial position, business strategies, plans, prospects, and future prospects of the industry in which the Token Generator exists are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Token Generator's revenue and profitability, prospects, future plans, other expected industry trends, and other matters discussed in this White Paper regarding Token Generator are matters that are not historic facts: they are only predictions and are based on the beliefs of Token Generator, certain assumptions made by Token Generator, and information available to it that Token Generator considers reasonably reliable under the circumstances.

Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual events or results, performance, or achievements to differ materially from the estimates or the results implied or expressed in such forward-looking statements. These factors include, among others:

(a) changes in political, social, economic and stock or cryptocurrency market conditions;

(b) changes in the regulatory environment in the jurisdictions in which the Token Generator conducts its respective businesses and operations;

(c) the risk that the Token Generator may be unable or execute or implement their respective business strategies and future plans;

(d) changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;

(e) changes in the anticipated growth strategies and expected internal growth of the Token Generator;

(f) changes in the availability and fees payable to the Token Generator in connection with their respective businesses and operations;

(g) changes in the availability and salaries of employees who are required by the Token Generator to operate their respective businesses and operations;

(h) changes in preferences of customers of the Token Generator;

(i) changes in competitive conditions under which the Token Generator operate and the ability of the Token Generator to compete under such conditions;

(j) changes in the future capital needs of the Token Generator and the availability of financing and capital to fund such needs;

(k) war or acts of international or domestic terrorism;

(l) occurrences of catastrophic events, natural disasters, and acts of God that affect the businesses and/or operations of the Token Generator;

(m) other factors beyond the control of the Token Generator; and

(n) any risk and uncertainties associated with the Token Generator and its business and operations, Tokens, the Token Generation, and the underlying assets (each as referred to in the White Paper).

Nothing contained in this White Paper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of the Token Generator. Further, the Token Generator disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

1.4 No Further Information or Update

No person has been or is authorized to give any information or representation not contained in this White Paper in connection with the Token Generator and its business and operations, Tokens, the Token Generation and the underlying assets (each as referred to in the White Paper) and, if given, such information or representation must not be relied upon as having been authorized by or on behalf of the Token Generator. The Token Generation (as referred to in the White Paper) shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions, and prospects of Token Generator or in any statement of fact or information contained in this White Paper since the date hereof.

1.5 Restrictions on Distribution and Dissemination of White Paper

The distribution or dissemination of this White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements, and rules of any jurisdiction. In the event that any restriction applies, you are to inform yourself about and observe any restrictions that are applicable to your possession of this White Paper or such part thereof (as the case may be) at your own expense and without liability to the Token Generator. Persons to whom a copy of this White Paper has been distributed or disseminated, provided access to, or who otherwise have the White Paper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this White Paper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

1.6 Language of White Paper

This White Paper may have been prepared in multiple languages. In the event of any inconsistencies between one version and another, the English language version shall control.

2 Disclosures Regarding Tokens

2.1 Nature of Tokens

It is the position of Quantfury that the Tokens are utility tokens. The Tokens are digital utility tokens that afford Tokens holders to benefit from the Quantfury Smart Contract in accordance with the Terms and Conditions. Tokens do not represent a loan to Token Generator nor do they provide Purchaser with any ownership or other interest in or to Token Generator. For greater certainty, the purchase of Tokens does not provide Purchaser with any form of ownership right or other interest in or to Token Generator or

its present or future assets and revenues, including, but not limited to, any voting, distribution, redemption, liquidation, revenue sharing, proprietary (including all forms of intellectual property), or other financial or legal rights.

2.2 Tokens are Non-Refundable

Token Generator is not obliged to provide Tokens holders with a refund for any reason, and Tokens holders will not receive money or other compensation in lieu of a refund. Statements set out in the White Paper are merely expressions of the Token Generator's objectives and desired work plan to achieve those objectives. No promises of future performance or price are or will be made in respect to Tokens, including no promise of inherent value, and there is no guarantee that Tokens will hold any particular value.

2.3 Tokens are Provided on an "As is" Basis

Tokens are provided on "as is" basis. The Token Generator Parties and each of their respective directors, officers, employees, shareholders, advisors, affiliates, and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding Tokens, including any warranty of title, merchantability or fitness for a particular purpose or any warranty that Tokens and Platform will be uninterrupted, error-free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by applicable law, the Token Generator Parties and each of their respective directors, officers, employees, shareholders, advisors, affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage, or trade.

2.4 Not an Offering of Securities, Commodities or Swaps

The sale of Tokens and Tokens themselves are not securities, commodities, swaps on either securities or commodities, or a financial instrument of any kind. Purchases and sales of Tokens are not subject to the protections of any laws governing those types of financial instruments. This White Paper and all other documents referred to in this White Paper including the Terms and Conditions do not constitute a prospectus or offering document, and are not an offer to sell, nor the solicitation of an offer to buy an investment, a security, commodity, or a swap on either a security or commodity.

2.5 Non-Investment Purposes

Purchaser acknowledges and agrees that Purchaser is not purchasing Tokens for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes. Tokens are not designed for investment purposes and should not be considered as a type of investment.

2.6 Force Majeure

The Token Generation and the performance of the Token Generator's activities set out in the White Paper development roadmap may be interrupted, suspended, or delayed due to force majeure events. For the purposes of this White Paper, a force majeure event shall mean any extraordinary event or circumstances which could not be prevented by Token Generator and shall include: hardware, software or other utility failures, changes in market forces or technology, software or smart contract bugs, changes in

blockchain-related protocols, acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies or other circumstances beyond Token Generator's control, which were not in existence at the time of Token Generation. Purchaser understands and agrees that Token Generator shall not be liable and disclaims all liability to Purchaser in connection with a force majeure event. Purchaser agrees to waive the right to asserts any claims or actions against Token Generator and releases Token Generator for all such claims and action in connection with a force majeure event.

2.7 Insurance

Unlike bank accounts or accounts at financial institutions, Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Token Generator to offer recourse to Purchaser.

3 Governmental Disclosures

3.1 Risk of Unfavorable Regulatory Action in One or More Jurisdictions

The regulatory status of cryptographic tokens, digital assets, and blockchain technology is undeveloped, varies significantly among jurisdictions, and is subject to significant uncertainty. It is possible that certain jurisdictions may adopt laws, regulations, policies, or rules directly or indirectly affecting the Bitcoin and Ethereum network, or restricting the right to acquire, own, hold, sell, convert, trade, or use Tokens. Developments in laws, regulations, policies, or rules may alter the nature of the operation of the blockchain network upon which Tokens are dependent. There can be no assurance that governmental authorities will not examine the operations of Token Generator Parties and/or pursue enforcement actions against Token Generator Parties. All of this may subject Token Generator Parties to judgments, settlements, fines or penalties, or cause Token Generator Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Token Generator Parties' reputation or lead to higher operational costs, which may, in turn, have a material adverse effect on Tokens and/ or the development of the Platform.

3.2 Purchaser Bears Responsibility of Legal Categorization

There is a risk that Tokens might be considered a security in certain jurisdictions, or that they might be in the future considered to be a security. The Token Generator does not provide any warranty or guarantee as to whether Tokens will be a security in the jurisdiction of the Purchaser. Each Purchaser will bear all consequences of Tokens being considered a security in their respective jurisdiction. Every Purchaser is responsible to confirm if the acquisition and/or disposal of Tokens is legal in its relevant jurisdiction, and each Purchaser undertakes not to use Tokens in any jurisdiction where doing so would be unlawful. If a Purchaser establishes that the purchase or use of Tokens is not legal in its jurisdiction, it should not acquire Tokens and immediately stop using or possessing Tokens. Acquiring Tokens in exchange for cryptocurrencies will most likely continue to be scrutinized by various regulatory bodies around the world, which may impact the usage of Tokens. The legal ability of the Token Generator to provide or

support Tokens in some jurisdictions may be eliminated by future regulation or legal actions. In the event the Token Generator determines that the purchase or usage of Tokens is illegal in a certain jurisdiction, the Token Generator may cease operations in that jurisdiction, or adjust Tokens or the Platform in a way to comply with applicable law.

3.3 Purchaser bears responsibility for complying with transfer restrictions

Tokens may be placed on third-party exchanges, giving future purchasers and users an opportunity to openly buy Tokens. A user seeking to enter the Platform following the Token Generation will have to buy Tokens on such exchanges. Conversely, Tokens may be sold on such exchanges if the holder of Tokens would like to exit the Platform ecosystem. Existing laws on the circulation of securities in certain countries, such as the United States of America, Canada, and Singapore, may prohibit the sale of Tokens to the residents of those countries. When buying Tokens, Purchaser should be aware of the restrictions on their subsequent sale.

4 General Security Risks

4.1 Risk of Theft and Hacking

Token generation events and initial coin offerings are often targeted by hackers and bad actors. Hackers may attempt to interfere with the purchaser's wallet (Purchaser's Wallet), the Token Smart Contract, or the availability of Tokens in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. Any such attack may result in theft of Purchaser's Tokens. Transparency is inherent in a blockchain framework, such as the Ethereum protocol. Although transactions are stored in a hashed format to conceal their contents, metadata is always available to participants in the network. Analysis of that metadata may reveal information about activity at a particular public address. Thus, in addition to the regulatory risk and uncertainty identified in these disclosures, there also is uncertainty as to how various jurisdictions will view issues or privacy and data protection that are implicated in the Purchaser's transactions that occur in and around the Quantfury platform and the Token Generator.

4.2 Private Keys

Tokens purchased by Purchaser may be held by Purchaser in Purchaser's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key(s) associated with Purchaser's digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service Purchaser uses, may be able to misappropriate Purchaser's Tokens. Token Generator is not responsible for any such losses.

4.3 Failure to Map a Public Key to Purchaser's Wallet

Failure of the Purchaser to map a public key to the Purchaser's Wallet may result in third parties being unable to recognize buyer's Tokens balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the Platform.

4.4 Exchange Risks

If Purchaser sends Ether to the Token Generator from an

exchange or an account that Purchaser does not control, Tokens will be allocated to the account that has sent Ether; therefore, Purchaser may never receive or be able to recover Purchaser's Tokens. Furthermore, if Purchaser chooses to maintain or hold Tokens through a cryptocurrency exchange or other third party, Purchaser's Tokens may be stolen or lost.

4.5 Risk of Incompatible Wallet Services

The wallet or wallet service provider used for the acquisition and storage of Tokens has to be technically compatible with Tokens. The failure to assure this compatibility may result in the Purchaser not being able to gain access to its Tokens.

4.6 Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography

Advances in cryptography, or other technical advances such as the development of quantum computers, could present fundamental risks to cryptocurrencies, Ethereum, and Tokens, which could result in the theft or loss of Tokens.

4.7 Internet Transmission Risks

There are risks associated with using Tokens including, but not limited to, the failure of hardware, software, and internet connections. The Token Generator shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using the Platform and Tokens, howsoever caused. Transactions in cryptocurrencies may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. Cryptocurrencies transactions are deemed to be made when recorded on a public ledger, which is not necessarily the date or time when the transaction is initiated.

5 Platform and Token Smart Contract Disclosures

5.1 Platform Description

Quantfury operates a trading app that quotes real time prices of financial instruments such as stocks, commodities, currencies, and cryptocurrency pairs with respect to which users may select a preferred exposure and price entry ("User-Directed Exposures"). Such selection may result in a profit or avoided loss due to fluctuation in the prices of the relevant financial instruments.

No fee or commission of any kind will be charged to a user on Quantfury's platform, including with respect to initiation of User-Directed Exposures, resulting price fluctuations and/or profits and losses ("Commission-Free Contracts"). Quantfury provides real market bid and ask prices, with no markups, delivered directly from third-party ECNs (Electronic Communication Networks) and exchanges.

Quantfury is able to accomplish Commission-Free Contracts because the financial instruments available on the Quantfury platform are derivative-based products (contracts), which allows users to obtain economic exposure to the price movement of an underlying instrument, such as a stock, without the need for ownership and physical settlement of the underlying instrument. As such Quantfury users never incur the costs of physical settlement of the underlying instrument, nor any clearing, settlement, custody or stock borrowing charges or costs.

Quantfury is an "execution-only platform" or "self-directed trading platform," and Quantfury does not give any investment advice.

As users generate "trades" (which, as described above, are in actuality user-directed exposures to positions of various financial instruments that undergo price fluctuations), Quantfury's proprietary machine learning technology analyzes such "trades" to create and constantly update real time trading strategies based on the expected performance of users' market positions. Pursuant to such strategies Quantfury may invest similarly to a user or contrary to the user by acquiring of the actual underlying instruments relating to the relevant User-Directed Exposure positions, which is intended to result in a profit or avoided loss by Quantfury.

Only cryptocurrencies (no "fiat" or conventional currencies) are accepted for users to fund the collateral accounts required to begin operating the Quantfury platform. Such collateral accounts secure potential losses incurred by users as the result of price fluctuations in connection with User-Directed Exposures.

The derivative nature of the Quantfury platform (meaning that users do not have ownership of the underlying instrument with respect to which User-Directed Exposures are made), is prominently disclosed to Quantfury's users via the Quantfury website and user agreements.

5.2 No Guarantee that Platform or Token Smart Contract will be Developed

Purchaser acknowledges, understands, and agrees that Purchaser should not expect—and in fact there is no—guarantee or representation or warranty by Token Generator or Platform Operator that: (a) the Platform and Token Smart Contract will be adopted as developed and not in a different or modified form; (b) a final blockchain utilizing or adopting the Token Smart Contract will ever be launched; and (c) a final blockchain will ever be launched with or without changes to the Token Smart Contract and with or without a distribution of tokens matching the fixed initial balances of Tokens recorded on the Token Smart Contract. Furthermore, Tokens issued under the Token Smart Contract will not have any functionality on the final blockchain and holding Tokens is not a guarantee, representation or warranty that the holder will be able to use the such final blockchain, or receive any tokens actually utilized on the Platform with the final blockchain is created, even if the Platform is launched and the Token Smart Contract is adopted, of which there is no guarantee, representation or warranty made by Token Generator.

5.3 Risks Associated with the Token Smart Contract and Associated Software and/or Infrastructure.

(a) Malfunctions

The Token Smart Contract is based on the Ethereum blockchain. As such, any malfunction, unintended function, or unexpected functioning of the Ethereum protocol may cause Tokens and/or the Platform to malfunction or function in an unexpected or unintended manner, including but not limited to a breakdown or fork for technological or regulatory reasons, which also may have a material adverse effect on the protocol that underlies the Token Smart Contract.

(b) Bugs and Weaknesses

The Ethereum blockchain rests on open source software, and accordingly there is the risk that the Token Smart Contract may contain intentional or unintentional bugs or weaknesses which may negatively affect Tokens or result in

the loss or theft of Tokens or the loss of ability to access or control Tokens. In the event of such a software bug or weakness, there may be no remedy and Tokens holders are not guaranteed any remedy, refund or compensation.

(c) Delays and Congestions

On the Ethereum blockchain timing of block production is determined by proof of work so block production can occur at random times. For example, Ether contributed to the Token Smart Contract in the final seconds of a distribution period may not get included for that period. Purchaser acknowledges and understands that the Ethereum blockchain may not include the Purchaser's transaction at the time Purchaser expects and Purchaser may not receive Tokens the same day Purchaser sends Ether. The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens. Purchaser acknowledges and understands that Ethereum block producers may not include Purchaser's transaction when Purchaser wants or Purchaser's transaction may not be included at all.

(d) Value of Ether

Ether, the native unit of account of the Ethereum, may itself lose value in ways similar to Tokens and also other ways. More information about Ethereum is available at http://www.ethereum.org.

5.4 Irreversible Nature of Blockchain Transactions

Transactions involving Tokens that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Tokens, the transaction is not reversible. Further, at this time, there is no governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen Cryptocurrencies and Tokens. Consequently, the Token Generator may be unable to replace missing Tokens or seek reimbursement for any erroneous transfer or theft of Tokens.

5.5 Amendments to Protocol

The development team and administrators of the source code for Ethereum blockchain or the Token Smart Contract could propose amendments to such network's protocols and software that, if accepted and authorized, or not accepted, by the network community, could adversely affect the supply, security, value, or market share of Tokens.

5.6 Risk of Mining Attacks

As with other decentralized cryptocurrencies, Ethereum blockchain, which is used for Tokens, is susceptible to mining attacks, including but not limited to double spend attacks, majority mining power attacks, "selfish mining" attacks and race condition attacks. Any successful attack presents a risk to Tokens, including the expected proper execution and sequencing of Tokens and Ethereum contract computations in general. Despite the efforts of the Token Generator and Ethereum Foundation, the risk of known or novel mining attacks exists. Mining attacks, as described above, may also target other blockchain networks, with which Tokens interact with and consequently Tokens may be impacted also in that way to the extent described above.

6 Token Generator and Platform Operator Disclosures

6.1 Legal Structure of Token Generator and Platform Operator

The Token Generator is an exempted company incorporated in the British Virgin Islands pursuant to the Companies Law. A holder of Tokens is not entitled to any shares of Token Generator nor to any other right or interest in or to Token Generator (including any debt or equity interest therein) and will have no rights to appoint or remove the board of directors or operators of Token Generator. As a holder of Tokens, you are not entitled to any shares of Platform Operator nor to any other right or interest in or to Platform Operator (including any debt or equity interest therein) and will have no rights to appoint or remove the board of directors or operators of Platform. Because Tokens confer no governance rights of any kind with respect to the Token Generator, Platform Operator or the Platform, all decisions involving the Token Generator's and Platform Operator's products or services, including the services provided on the Platform will be made by Token Generator and/or the Platform Operator in their sole discretion. These decisions could adversely affect the platform and the utility of any Tokens owned.

6.2 Relationship Between Token Generator and Platform

Token Generator and Platform Operator are not partners under any partnership arrangement; accordingly, neither party may contractually bind the other as its partner.

6.3 Dependence on Management Team

The ability of each of the Token Generator's and Platform Operator's project teams, which are respectively responsible for maintaining competitive position of the Tokens and Platform, is dependent to a large degree on the services of their management teams. The loss or diminution in the services of members of such senior management team or an inability to attract, retain, and maintain additional senior management personnel could have a material adverse effect on the Tokens and Platform. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this competition may seriously affect such entity's ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the Tokens and Platform.

6.4 Risks Related to Reliance on Third Parties

Even if completed, the Platform will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third-parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, any of which might have a material adverse effect on the Platform.

6.5 Insufficient Interest in the Platform and Tokens

It is possible that the Platform or Tokens will not be used by a large number of individuals, businesses, and organizations and that there will be limited public interest in the creation and development of its functionalities. Such a lack of interest could impact the development of the Tokens and Platform.

6.6 Platform Development Risks

The development of the Token Smart Contract and/or Platform be abandoned for a number of reasons, including lack of interest from the public, insufficient funding, insufficient commercial success or prospects or departure of key personnel.

6.7 Changes to Platform

The Platform is still under development and may undergo significant changes over time. Although Platform Operator intends for the Platform to have the features and specifications set forth in this White Paper, changes to such features and specifications may be made for any number of reasons, any of which may mean that the Platform does not meet expectations of the Purchaser.

6.8 Other Projects

The Token Smart Contract and Platform may give rise to other, alternative projects, promoted by parties that are affiliated or unaffiliated with the Token Generator Parties and such projects may provide no benefit to the Tokens or Platform.

6.9 Licenses and Approvals not Assured in all Jurisdictions

Platform Operator intends to operate in full compliance with applicable laws and regulations and obtain the necessary licenses and approvals in key markets. This means that the development and rollout of all the features of the ecosystem described in this White Paper are not guaranteed. Regulatory licenses and/or approvals are potentially to be required in a number of relevant jurisdictions in which relevant activities may take place. It is not possible to guarantee, and no person makes any assurances, that any such licenses or approvals will be obtained within a particular timeframe or at all. This means that Platform Operator and other features of the proposed ecosystem may not be available in certain markets, or at all. This could require restructuring of that ecosystem and/or its unavailability in all or certain respects.

6.10 No Auditing

The Token Generator and Platform Operator are not required to and will not provide Purchasers with any accounting regarding the use of the proceeding from the sale of the Tokens. The use of such proceeding will not be subject to any audit.

7 Other Disclosures

Purchases of Tokens should be undertaken only by individuals, entities, or companies that have significant experience with, and understanding of, the usage and intricacies of cryptocurrencies, including cryptographically secured digital tokens, and blockchain based software systems. Purchaser should have a functional understanding of storage and transmission mechanisms associated with other cryptographic tokens. While the Token Generator will be available to assist purchasers of Tokens during the sale, the Token Generator will not be responsible in any way for loss of BTC, ETH or Tokens resulting from actions taken by, or omitted by purchasers. If you do not have such experience or expertise, then you should not purchase Tokens or participate in the sale of Tokens.

Cryptographic tokens such as Tokens are a new and untested technology. In addition to the risks included above, there are other risks associated with your purchase, possession, and use of Tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed above.