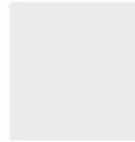
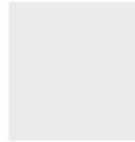
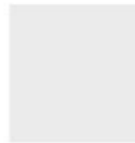
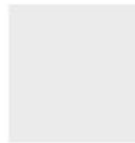
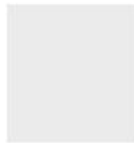
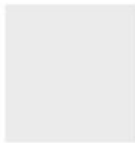


SMART INVESTMENT FUND

Smart Blockchain Trading and Managed Investment Portfolio



Website: SmartIFT.com
Email: ico@smartift.com



Abstract

Smart Investment Fund Token (SIFT) is an ERC20-compliant¹ smart contract within the Ethereum blockchain that pays dividends in ether monthly. Each SIFT represents a single share in a volume-trading investment fund for cryptocurrencies including Bitcoin, Ethereum, Ripple, Dash and Litecoin. In addition to monthly dividends, shareholders will also be able to trade their tokens at market rates allowing them to cash-out as the fund value increases over time.

The SIFT ICO will release an unlimited amount of SIFT tokens for a period of 45 days at an exchange rate of 0.01ETH per SIFT. Each SIFT will represent a single share in the fund directly proportional to the number of issued tokens – giving no shareholder more priority than others. The majority of raised funds will be used for trading purposes, with a small percentage of the fund being held back for prudent reserves and administration. This means that whether the fund launches with 100,000 SIFT or 1,000,000 SIFT the percentage return for an individual will stay the same.

The volume trading algorithms used for SIFT have been developed over the past decade as part of the Smart Trader trading system which is available as a commercial product² and uses proprietary Smart Volume Analysis algorithms. The most recent version of this system has extended the platform, allowing decades of volume trading experience to be brought to cyptocurrency markets.

The fund is to be structured in a risk-averse fashion with a percentage of funds always held back from trades as a reserve. The proportion of the fund allocated to individual investment portfolios (BTC, ETH, etc.) will be weighted based upon currency and signal risk. As an additional measure, all funds are kept in fiat currencies (USD, GBP and EUR) when not actively involved in a trade, meaning that exposure to blockchain assets is kept to a minimum.

The smart contracts that back SIFT include an audit system to show the current reserves of the company and to prove its value. This self-certification will occur daily, with quarterly external audits providing

¹ https://theethereum.wiki/w/index.php/ERC20_Token_Standard

² <https://www.metatrader4.com/en>

further validation to ensure the ongoing confidence of our investors. There are also contracts to pay dividends between shareholders and there will be the addition of voting support to allow investors to have a say in any future direction of the fund.

Investors will be able to enter a managed fund that allows them to take part in the moves of cryptocurrency exchange without the effort and significant capital investment that would otherwise be required. SIFT provides many of the same advantages and protections of a managed mutual fund but is specifically designed for cryptocurrencies.

The SIFT ICO opens August 1st, 2017 and runs until September 15th, 2017. To invest in SIFT you must have an Ethereum balance and can either send funds directly from your wallet or can download the Windows SIFT desktop application to invest. Full instructions showing how to invest in SIFT can be found on our website.

Key Points

- The Smart Investment Fund is a trading fund that uses proprietary Smart Volume Analysis to trade cryptographic funds
- A share in this fund is represented by an ERC-20 compliant token (one share is one SIFT)
- Duration of ICO: 45 days
- 1 SIFT costs 0.01 ETH during ICO
- Unlimited SIFT supply – invested SIFT during ICO defines starting value of trading fund
- Trading fund used to conduct trades in ETH, BTC, LTC, DASH, XRP
- Trading profits returned to investors via monthly dividend payment and appreciation on asset value
- Fund value kept in USD, EUR and GBP for stability and risk-reduction
- Professional risk mitigation strategies in place
- 10+ years of development of proprietary trading algorithms
- Five different smart contracts at launch– including those for transparency and dividend payments with support voting to come soon
- No management fees when there are no profits
- Estimated annual ROI of more than 40% via shares and dividends based on a range of test scenarios and projections

- SIFT is a democratic organisation with voting on all major decisions about the fund's future
- Windows desktop application for easy management of smart contracts and shareholding
- Fully tradeable asset on open exchanges
- Regular third-party auditing of held-funds
- Daily reporting of account balances and fund values

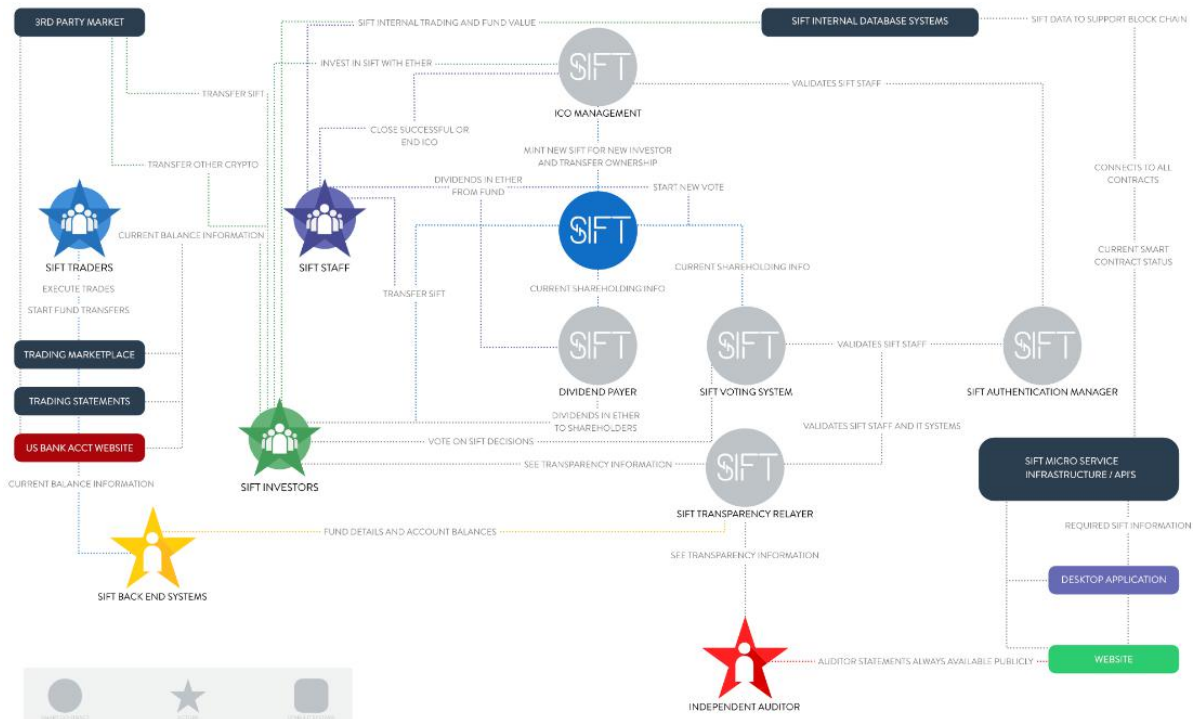


Figure 1 - Overview of SIFT Contracts

History

Volume spread analysis is a technique of trading in markets that assesses what the “professional money” is doing. The huge sums of money involved in professional trades ultimately define the market that everybody else invests in. By analysing the volume and range of each bar on a chart it is possible for our systems to detect when professional players move in a market – if there is abnormally large movement of volume in a chart bar it could indicate professional movement of funds whilst smaller bars indicate that professionals are holding their position. The concept works across different trading markets whether it be oil, forex or Bitcoin.



SIFT ICO HISTORICAL TIMELINE

- **2007 Development and testing of volume analysis trading systems begin**
 Software, Machine Learning and Algorithm Development Based on Standard Volume Spread Analysis Begins
- **2008 Development of proprietary smart volume spread analysis software and automated systems begins**
 It became clear fairly quickly that standard Volume Spread Analysis was too inconsistent as taught. We found during the development phase that our own methods and concepts built upon the foundation of Standard VSA could be developed into a much better and more reliable investment and trading methodology,
- **2011 Smart V1.0 software is released officially**
 The first official release of SMART (Smart Money Analysis in Real Time) after a very long and successful beta-test with a large group of professional VSA traders.
- **2012 Smart V2.0 software is released officially**
 Continuing development of new methods and concepts sees the introduction of groundbreaking advances in trading system development such as our real time profit targets (EOM) and our Machine Learning based Trade Advisor which instantly alerts you to trade setups that may fail based on years of algorithmic data and real world experience.
- **2013 Smart V3.0 software is released officially... Block chain analysis and POC begins**
 New proprietary systems and advanced concepts are released after years of development and refinement using real world trading data and forward testing.
- **2013 First use of proprietary volume analysis systems on cryptocurrency charts**
 The results of our tests were published in an article on the Smart website.
- **2013 Development and testing begin on a large number of major advances to our volume analysis algo's and AI**
 A number of new proprietary systems and concepts begin development and testing after years of market and system data learning.
- **2014 - 2016 Advanced volume analysis signaling algorithms and machine learning system finalized**
 After years of building out and testing, the systems are switched on and deep data analysis begins across many instruments including crypto assets with accuracy unrivaled by any known methods. Many articles are published during this time documenting the results. Early 2016 planning for crypto asset trading and investment fund begins.
- **2017 Smart V5.0 software is released officially**
 In addition to the public version of Smart being released, the final application of our proprietary trading systems and black boxes are completed in advance of our ICO expected to launch in the Summer of 2017.

Figure 2 - Timeline of SMART history as it relates to the SMART Investment Fund Token ICO (SIFT)

Generally, volume and price analysis is considered a difficult trading technique to master because it requires a deep understanding of multiple concepts and a large working set of data. At the start of 2009 work to overcome these difficulties began with the resulting algorithms and techniques forming what is now known as Smart Trader. Smart Trader³ (then known as Pip Builders) is a set of tools that have been developed over the last decade to provide a large degree of certainty when it comes to taking advantage of what the “smart money” is doing. It was built up as part of the Forex Factory community⁴ for training and has since then grown in to a commercial product.

Since its humble beginning, Smart Trader now serves thousands of customers – many of which have made trading using volume trading their livelihood. What started as a series of simple volume spread indicators for

³ <http://www.smartvsa.com>

⁴ <https://www.forexfactory.com/showthread.php?t=157629>

manually trading using volume techniques has evolved into dozens of different proprietary signals and an AI-based advisor system. This set of trading algorithms is known as Smart Volume Analysis (SVA). Our system is even able to accurately predict the win-to-loss ratios for an individual trade and how much a single trade can win or lose depending on the combination of the currency, signal, chart timeframe and AI alerts.

As the technology progressed, it became apparent that Smart Trader could be used for other markets beyond forex – including commodities. Since 2013 Smart has written about how volume analysis can be used to make money out of crypto currencies⁵ and recent innovations have culminated in Smart Trader having specific enhancements that benefit trading crypto currencies. With these proprietary algorithms, we can enter crypto trades with a huge degree of certainty⁶.

With the most recent platform and algorithmic improvements to Smart Trader having been released in June 2017 after months of extensive testing (including by Smart's own customers) we are now ready to offer our years of experience in trading and algorithms to make SIFT available to invest in. SIFT not only combines the technology that powers Smart trader but will only ever be traded manually by our experienced traders that know the exact methodologies of our trading signals – allowing advanced judgements on top of artificial intelligence when making trades. An investment in SIFT is not just an investment in the underlying technologies but also in the people that have developed these algorithms over the past decade.

SIFT ICO

The ICO for SIFT will run for a period of 45 days. During this time, an unlimited number of SIFT will be available for a purchase at a rate of 0.01 ETH per SIFT. Users will be able to purchase SIFT by sending ether to the ICO smart contract address. Their address will then be credited with the corresponding amount of SIFT and any change ether will be sent back to them. Users can purchase as many times as they like during the ICO.

⁵ <http://www.smartvsa.com/news/smart-volume-analysis-can-be-used-on-any-chart-even-bitcoin>

⁶ <http://www.smartvsa.com/news/bitcoin-trading-using-smart-volume-spread-analysis>



Figure 3 - Representation of Purchase of SIFT via Smart Contract

The ether raised as part of the ICO will be held in the smart contract until the ICO is closed. The closing will occur manually at the end of 45 days and can be closed by a nominated administrator account. The details of all fund administrators are available in an audited smart contract. Once the ICO is closed the funds will then be extracted from the contract and exchanged to fiat currencies. All ether will be extracted and exchanged only once the ICO has successfully closed.

To ensure that SIFT does not have a crashing effect on the value of the currency, withdrawals to fiat currency will be staggered and spread across different exchanges over a period of days, or potentially weeks, depending on the volumes of investment raised and the specific market conditions within different exchanges at the time of withdrawal. Balances will be audited during this period and trading will be able to commence as soon as initial withdrawals have been made. With a long-term interest in the stability of cryptocurrencies, it is not SIFT's intention for a rapid fund withdrawal that may depress market conditions. The fund's initial value will be determined as the total USD-equivalent sum at the various exchange rates that ether has been withdrawn at.

Once the ICO has successfully completed, the fund will be move into its trading phase and will be served by the token contract (for transferring SIFT between investors) as well as dividend payment and auditing contracts.

Although it is not envisaged that it will be required, there remains functionality within the smart contract to abort the ICO and return all ether to investors prior to the time that the ICO has been closed. Due to the immutable nature of smart contracts SIFT believe that this functionality built into the blockchain provides further guarantees to investors. The ICO contract also forbids any money to be removed from the contract by SIFT

staff until the ICO has ended successfully. This ensures that if the ICO is aborted for any reason investors are guaranteed access to their funds. If this does happen investors are able to withdraw their funds back to their original account at the full value of ether. One of the reasons we keep the full balance locked inside the fund in ether, rather than allowing multiple funding options or withdrawing on a more regular basis to USD, is to ensure that until the fund begins trading everybody has visibility of, and access to, their funds.

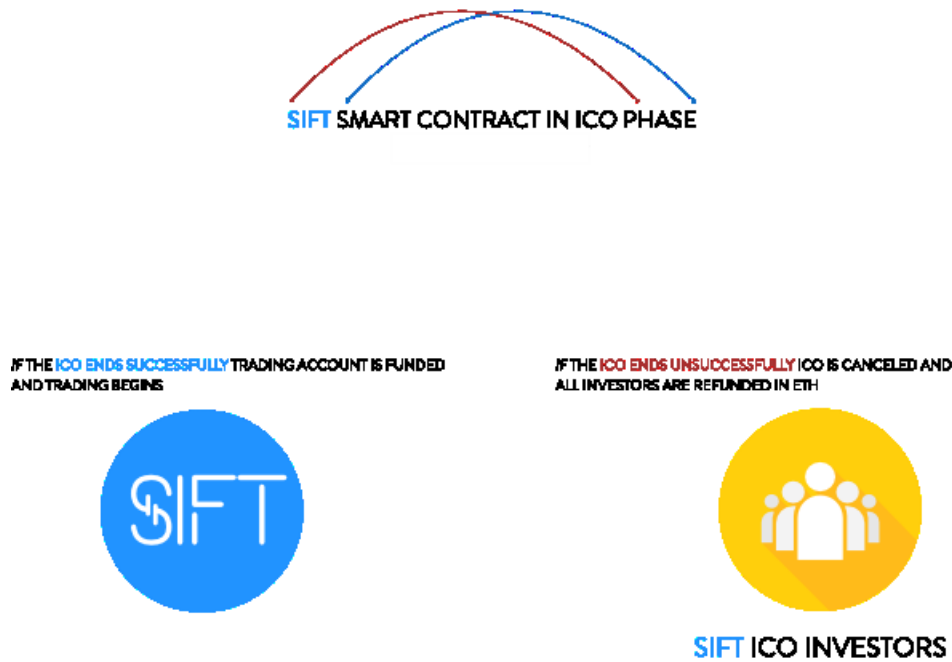


Figure 4 - Representation of ICO Phase Completing

As ether is cashed out to fiat currencies the fund value will be published and announced on the blockchain and the trading phase will be able to begin.

Trading Phase

The trading phase will commence once funds start being withdrawn from the ICO and will continue indefinitely. At any moment in time the company will operate a trading fund. Initially this fund's value will be made exclusively of 85% of the initial ether investment converted to fiat currencies and quoted in USD. The remaining 15% will be allocated to operating and management costs. This 15% operation cost allocation will be returned to investors over the course of trading where we will not take a management fee until this has been paid back. The trading fund itself will be always split

up in to two constituent components – a prudent reserve and the investment fund itself.



Figure 5 - Trading Fund Allocations

The fund aims to proactively manage risk. One strategy that will be taken is ensuring that the all funds are kept in fiat currencies when not engaged in a trade. SIFT will not hold cryptocurrencies other than for the durations of trades. This is to ensure that, other than the intended volatility provided by a trade, the fund itself is not susceptible to market fluctuations and instead backs itself ultimately against the USD.

When trading we will allocate a percentage of the active trading aspect of the fund against each of the traded crypto currencies. This allocation will be based upon perceived stability and risk in that currency in much the same way that a mutual fund spreads its portfolio risk. The individual currency risk will then be further weighted against signal risks (which are unique to each currency). This gives an overall maximum exposure of the fund that any one trade could take – meaning that the whole trading fund is never exposed to a single risk.

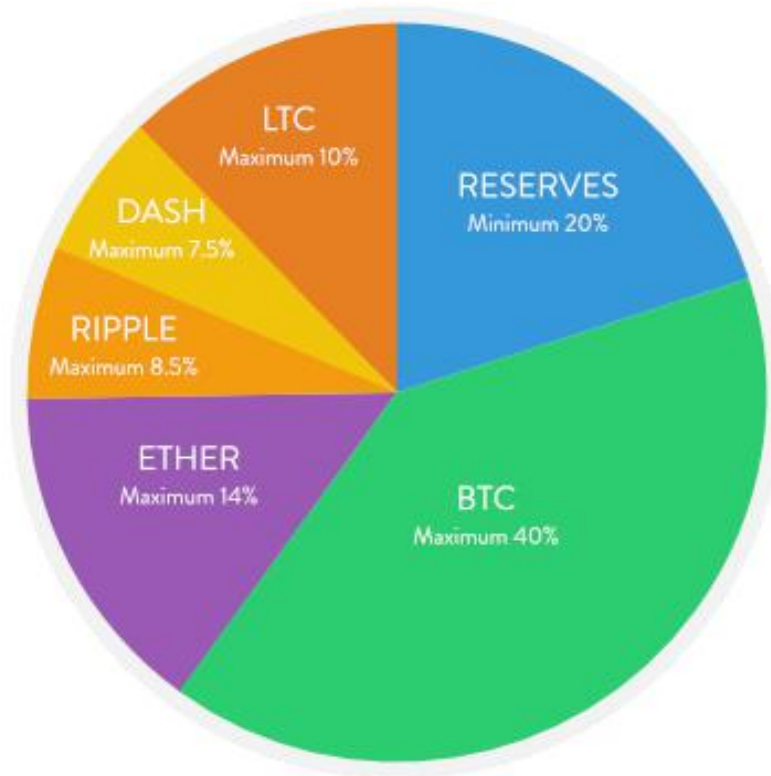


Figure 6 - Example of Trading Fund Allocation

For example, using the spread indicated in the example above with a fund value of \$1,000,000 and Bitcoin’s current risk portfolio allocating it to 40% of the trading fund we would never enter a Bitcoin trade with more than \$320,000.

Many other risk-mitigation strategies will be employed including spreading investments between exchanges, only using low levels of leverage (never more than 5x and normally none) during extremely high-certainty trades and trading solely during the normal Monday to Friday market hours when SVA performs its best in the crypto markets.

Large levels of investment in SIFT could mean that the fund’s value is sufficient to influence market direction. Whilst this could be leveraged for short-term gain of the fund, it would have a much more negative long-term impact on profitability and interfere with the very concepts of volume analysis. The allocation of currencies to different weightings will help mitigate this to some extent. Additionally, the fund will spread its trading across multiple exchanges to not artificially reduce or increase prices beyond the natural levels of market demand. Where appropriate, less funds will be traded using margin instead (so that no funds beyond our tolerated risk level are traded) where this may have less of an impact on the market. Rather than continuous trading, the fund’s actions will be designed for a few

select actions per day that support the long-term growth of both the currencies and the fund’s investors.

The pairs that have been selected to trade with at launch are those that we consider that we hold significant data on, allowing us to perform reliable, low-risk trades. The fund may expand to different cryptocurrencies at a future date depending on ongoing risk assessments. Any decisions to expand to additional currencies or trading markets would be put to a vote of SIFT shareholders that would be performed via smart contract.

Dividends will be paid out of the fund monthly when the fund has made a profit on that month. Profits are determined as the amount the fund is worth now (after tax deductions) minus the amount it was worth at the end of the previous month and any management fees. If there was no profit then no management fees will be charged. Management fees are charged in profitable months at the lower of either 1.5% of the total fund value or 15% of profit. The management fee is not charged at all until the original 15% operating costs fund is repaid to investors.

Figure 7 - Example of Fee Structure shows an example of how fees and dividends would be paid out if there were a combination of growth and loss months within a year. This illustration shows the restrictions in place that ensure the fund grows over time. In this example, the fund returns a 22% growth in shareholder value and 22% dividend payment over the course of the year. For simplicity, this chart does not include the initial operating costs being returned to investors however there is an online calculator that also shows this⁷.

Month	Open (millions)	Close (millions)	Gross Profit	Gross Profit %	Fee	Net Profit	Hold Back	Paid Out
1	\$ 2.50	\$ 2.58	\$ 80,000.00	3%	\$ 12,000.00	\$ 68,000.00	\$ 34,000.00	\$ 34,000.00
2	\$ 2.53	\$ 2.60	\$ 66,000.00	3%	\$ 9,900.00	\$ 56,100.00	\$ 28,050.00	\$ 28,050.00
3	\$ 2.56	\$ 2.56	\$ -2,050.00	0%	\$ -	\$ -2,050.00	\$ -	\$ -
4	\$ 2.56	\$ 2.55	\$ -10,000.00	0%	\$ -	\$ -10,000.00	\$ -	\$ -
5	\$ 2.55	\$ 2.60	\$ 50,000.00	2%	\$ 7,500.00	\$ 42,500.00	\$ 21,250.00	\$ 21,250.00
6	\$ 2.57	\$ 2.59	\$ 18,750.00	1%	\$ 2,812.50	\$ 15,937.50	\$ 7,968.75	\$ 7,968.75
7	\$ 2.58	\$ 2.73	\$ 150,781.25	6%	\$ 22,617.19	\$ 128,164.06	\$ 64,082.03	\$ 64,082.03
8	\$ 2.64	\$ 2.85	\$ 206,699.22	7%	\$ 31,004.88	\$ 175,694.34	\$ 87,847.17	\$ 87,847.17
9	\$ 2.73	\$ 2.92	\$ 188,852.05	6%	\$ 28,327.81	\$ 160,524.24	\$ 80,262.12	\$ 80,262.12
10	\$ 2.81	\$ 2.95	\$ 138,589.93	5%	\$ 20,788.49	\$ 117,801.44	\$ 58,900.72	\$ 58,900.72
11	\$ 2.87	\$ 3.02	\$ 149,689.21	5%	\$ 22,453.38	\$ 127,235.83	\$ 63,617.91	\$ 63,617.91
12	\$ 2.93	\$ 3.22	\$ 286,071.30	9%	\$ 42,910.69	\$ 243,160.60	\$ 121,580.30	\$ 121,580.30

⁷https://docs.google.com/spreadsheets/d/16BQS3VPRp_lAyYuOw2sXyZHk8NIE_F5Xz-XXPVXyiZk

Figure 7 - Example of Fee Structure (close values post-tax deductions)

Ether Cost at Open	200
Shareholders	1250000
Cost per Share	\$ 2.00
Annual Profit	\$ 1,323,382.95
Fees Taken	\$ 200,314.94
Dividends Paid	\$ 567,559.01
Per-Share Payout	\$ 0.45
Fund Value	\$ 3,055,509.01
Fund Increase	\$ 555,509.01
Share Value	\$ 2.44
Share Value Increase (%)	22%

Figure 8 - Example Yearly ROI Summary

Of the total amount of profit 50% will be held-back and reinvested in to the fund for future growth. This method allows both regular dividend payments and asset appreciation to investors. Payments to investors will be made in ether through a smart contract on the first Monday of each month. As soon as a payment is sent to the dividend contract it will immediately be made available to the current investors in SIFT who can withdraw it at a time of their choosing.

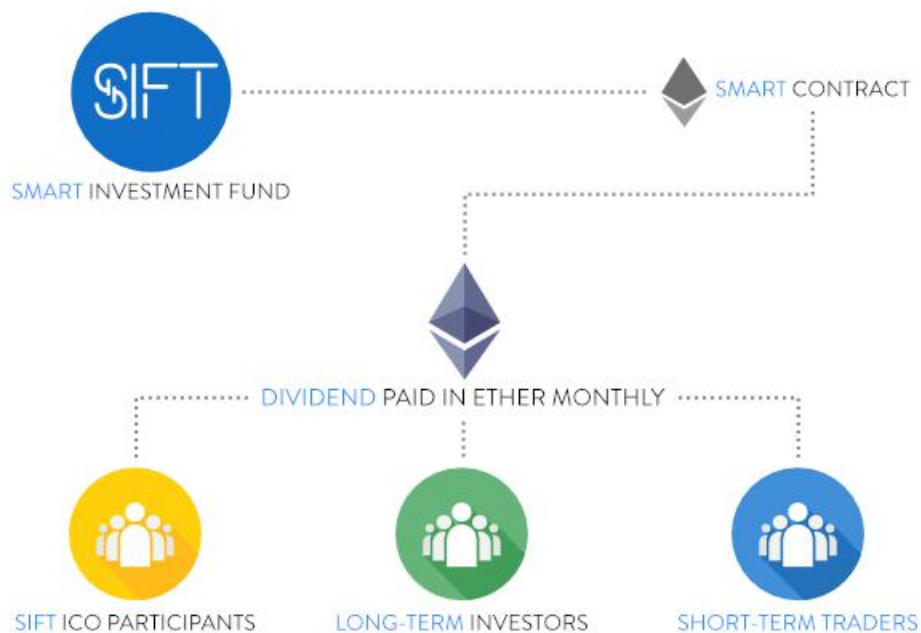


Figure 9 - Visualisation of Dividend Payments

Like any other ERC20-compliant token it is possible to trade SIFT with other investors on the Ethereum network. There are many different exchanges available for this and rather than act as market-makers for our own fund, SIFT will be free to trade on any of these markets. This allows investors to

sell all or a part of their shareholding in SIFT should they wish to cash-out at any point.

The final component of SIFT is the right for shareholders to vote. Except for day-to-day trading activities, any major decisions affecting SIFT will be subject to a vote. This means that investors will be able to vote on major changes in trading patterns, - for example if the fund sought further investment or wanted to provide an exit route for investors at a future date. Shareholders will be able to vote directly on the blockchain or via the SIFT Windows Client application and each share will count as a single vote. A majority of those that take part in a vote will be needed to carry any decision and all votes will be clearly visible at any point on the blockchain.

Technology

Despite being a financial product, SIFT is first and foremost the product of a technology company. The two founders have both worked in the tech sector for the past two decades and this influences the practices and ethos of SIFT.

From a solely technical standpoint SIFT is an ERC20-compliant token embedded as a smart contract within the Ethereum blockchain. There are other contracts that support additional functionality such as managing the ICO, dividend payments, transparency and voting. The source code for contracts is completely open source and freely accessible for anybody to inspect⁸ and can be validated against deployed binaries on the blockchain.

Within the ICO phase, the contracts deal with the issue of SIFT in exchange for tokens and allows for the ICO to either be gracefully wound-down and funds returned to investors or for the ICO to successfully close and have the ether withdrawn to commence the trading phase.

During the trading phase, the contracts contain the ability for investors to transfer SIFT between each other and exchanges, to pay dividends to investors, ways for investors to query the fund's reserves and market value at any moment in time and in the future support for taking part in votes will be added.

⁸ <https://github.com/smartift/smartift-contract>

As well as interactions with the smart contract there is a substantial amount of auditing sent from the contract for the blockchain to see.

The smart contract itself is supported with a Windows client application which allows for easy use and clear visibility of the state of the fund. During the ICO phase this ensures that there is an easy route to buy and sell SIFT. In the trading phase, the application will allow investors to see current fund information, take part in votes and check auditing information with ease.

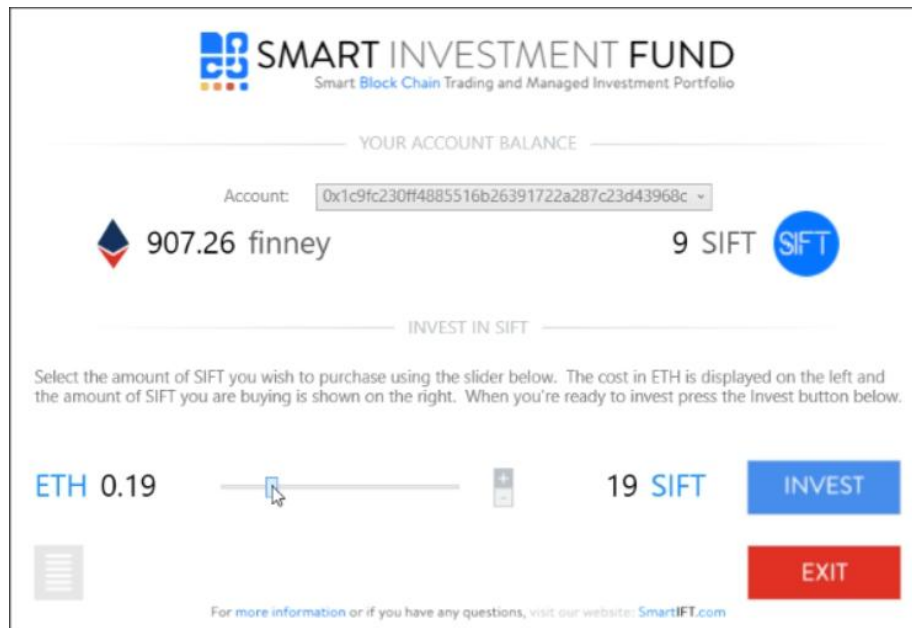


Figure 10 - SIFT Windows Application During ICO

During the ICO the Windows client connects directly to the Ethereum network via a Geth or Mist's RPC API to purchase SIFT. Future versions will not only communicate directly with the blockchain but will also communicate via the SIFT microservice architecture. This will allow people to view key information about SIFT without the need to be running a local Ethereum wallet. These features will open much of the smart contract functionality to Windows, Linux, MacOS, iOS and Android users in future updates of the application.

Behind the smart contract itself is Smart Trader v5 – the latest incarnation of our proprietary SVA algorithms created over the last decade. This software generates trading signals that indicate when to open and close trades and the expected risk involved. This software is built upon a strong C++ foundation and comes integrated in to various trading platforms. The backend for Smart Trader is a cloud-based microservice architecture that is designed to scale with the platform itself.

Being a technology company at heart, Smart takes software seriously. Whilst a smart contract is immutable, that is not the case with Smart Trader and it's a product that has continued to be enhanced for more than a decade. Behind the scenes there are numerous complete replicas of the Smart Trader architecture that allow development, testing and staging to occur before releases are presented to customers. With any major release, we also conduct user testing prior to a full-blown product release. All of this is encased within an environment of continuous integration and continuous delivery that currently runs on the Microsoft Visual Studio Team Services platform⁹. All public-facing infrastructure is cloud-based with easy scalability whilst our other environments are located on-site with secure VPN links to our production networks. These quality assurance and agile development methodologies combine to ensure that each release we make of Smart Trader comes with minimal risk and clear rollback strategies to provide peace of mind.

The expertise we have built over time factors in to our build and releases processes for SIFT. The product versioning and release management – for example – ensures that updates to the Windows SIFT application can be quickly delivered as features are added whilst our agile lifecycle gives our more technical investors a glimpse into product development as we move forward.

Experience

The founders of SIFT have both worked in the technology and financial service sectors since the late 1990s and first met whilst working on internet merchant payment systems and ID verification systems around this time.

James May worked as a financial trader starting in the late 1980s. James excelled in his trading career and retired from the firm he worked and traded for. After this, James became heavily involved in advanced analysis and more complicated instruments and trading and investment strategies as well as trading in and out of IPOs. It was around this time that James also started using and learning about the internet. The web was still text based at this stage and things like Archie and Gopher were how information was shared. In the mid-90s, while living in The Netherlands, James took part in what

⁹ <https://www.visualstudio.com/vso/>

would be the catalyst for what the internet is today. James invested in an IPO for a company named Netscape. A chance meeting and a long discussion with a successful entrepreneur from The Netherlands about how this innovative technology could change people's lives was instrumental in the next two decades of his life.

James immediately saw how interconnected technologies could unite and change the world. He began to fund start-ups over the following years with technologies ranging from proprietary anti-spam solutions, to large scale international person to person payment and merchant banking systems. With many of his ventures funded from personal wealth built with his trading successes, thanks in large part to his deep understanding of volume analysis, James was eager to "pay it forward" by helping to promote volume analysis as it relates to trading in the forex markets for others to benefit as he had.

Smart Trader was one project that came out of this period. Volume spread analysis of financial markets and instruments and the methods to target them has taken up fair amount of his time during the last decade. It was his in-depth discussions with his fellow SIFT-founder, and long-time friend Guy, exploring the issues surrounding large scale trading and transactional business' that led to his keen interest in cryptocurrencies. When he started applying his market analysis systems to crypto charts he knew he was on to something important. James is excited to take this next step in his personal and professional life with the culmination of what has been a great journey thus far.

Currently, in addition to trading, James likes to spend time with his three children, wife and army of Rottweilers while he relaxes with his nice selection of koi.

Guy Powell¹⁰ is a technologist at heart who wrote his first line of code at the age of seven on his Commodore 64. Since that time, technology has been part of his life and as the internet grew through the 1990s Guy focussed his technical skills in that direction. By the late 1990s Guy was already working on large-scale billing systems for e-commerce sites and originally met James during such a project. During the early 2000s Guy worked with many internet start-ups and created his first web-startup - an online music magazine which resulted in a brief detour into the music industry where he

¹⁰ <https://uk.linkedin.com/in/guytp>

grew the magazine to over fifty members of staff, 250,000 unique visitors per month and put on an alternative-music festival in the UK.

After moving on from this, Guy went on to co-found a retail start-up that catered to medium-sized retailers and provided a complete solution to their IT needs including in-store and head office point of sale and reporting systems. This company even pioneered mobile point of sale applications at a time before the iPad and tablet computing had even been announced.

Taking a break from start-ups to focus on his family, Guy started working in a transformative role with a wide range of clients on many high-profile projects from 2010 onwards. His work covered everything from at-scale real-time systems to embedded computing. He has worked with many blue-chip companies including HP and Symantec and led the mobile architecture team at Capgemini UK where his work saw him architecting bespoke CESG-compliant security solutions for UK government departments and where he co-wrote the company's mobile security whitepaper in 2013¹¹. The largest project of the past five years saw Guy completely lead the re-engineering of a bespoke software system at De Beers for high-end diamond grading that saw huge increases in productivity and cost reduction.

In 2016 Guy decided to move away from working with other clients so that he could spend more time at home and move away from the city. As well as working with James on both Smart Trader and SIFT, since that time Guy has started a PhD in Robotics and Autonomous Systems at Bristol University¹² where he is researching how socially assistive robotics can help people with mental health problems.

Guy has been interested in blockchain technologies since 2012. During that time Guy has written platforms on-top of multiple blockchain technologies, written his own mining software for Burstcoin that can run across platforms and operating systems¹³ and has developed smart contracts on the Ethereum platform using Solidity. He actively mines Riecoin just for the fun of using spare CPU cycles to solve large prime numbers. His personal passion for cryptocurrencies combined with his great working relationship with James led to the decision to found SIFT.

¹¹ https://www.capgemini.com/resource-file-access/resource/pdf/mobile_security_pov_final.pdf

¹² [http://research-information.bristol.ac.uk/en/persons/guy-t-powell\(499bd086-e42f-45f9-9198-688e8edb0b53\).html](http://research-information.bristol.ac.uk/en/persons/guy-t-powell(499bd086-e42f-45f9-9198-688e8edb0b53).html)

¹³ <https://github.com/guytp/burst-sharp>

Outside of work Guy lives in South Wales with his wife, three-year-old daughter, two Maine Coon cats, one moggy, two guinea pigs and nearly 100 CPU cores churning away at any moment in time. He also runs a YouTube channel¹⁴ and blog¹⁵ to share his varied adventures in technology.

Trust and Risk Mitigation

There is no doubt that much of the anonymity and privacy provided by blockchain technologies can result in a reduction in trust. From its inception SIFT has been structured to try and counter these concerns. We welcome transparency and are open to any further innovations in transparency that our shareholders desire. Ultimately this is a fund run for our shareholders and if we can do anything to engender further trust, we will.

To reduce risk, we will follow some basic financial strategies:

- Invested funds are not accessible to SIFT until the end of a successful offering so that investors can access their money if the ICO is cancelled
- Strategies to prevent sell-off of ICO funds depreciating the value of Ethereum
- Trading fund to be kept in fiat currencies when not involved in a trade – whilst the fund will not benefit from potential huge swings upwards that being based in a cryptocurrency could provide it also means that the only risks that are taken are those that are calculated and based on SVA and we won't see unexpected huge swings down
- Currency amounts kept in exchanges for short-periods with the fiat currencies held in bank accounts when they are not being traded
- Only use exchanges that are either regulated as a traditional forex marketplace or have proof of reserves (such as Poloniex and Kraken)
- Multi-exchange trading policy to spread risk and to reduce impact that large trades have on the overall market using leverage where appropriate to balance risk and market impact
- Each currency will be given a risk weighting determining a maximum percentage of the fund that can be exposed at any point in time for a trade

¹⁴ <https://youtube.com/GuyRobotTV>

¹⁵ <http://GuyRobot.TV>

- Human oversight and control of all trades – artificial intelligence is used only to enhance, rather than replace, decades of human expertise
- Prudent reserve fund to ensure that the whole fund is never exposed at any point in time
- Only perform trades during traditional market trading hours where SVA performs the best
- Base trading on over a decade of research into SVA which includes bespoke algorithms

To help support transparency we will do the following:

- Provide public details about the company and its founders
- Provide personal details of founders
- Publish details to the blockchain of any cryptocurrency accounts that are used for holding balances or depositing to exchange
- Provide read-only API keys to account balances where an exchange permits it and to otherwise publish details of transactions and balances on our website and the blockchain
- Provided notarised versions of company bank accounts using TLSNotary¹⁶ showing held balances in fiat currencies each Friday once all trades have been closed out
- Publish notarised details of account history to the blockchain
- Have an external audit once every three months which confirms that the balances published to the blockchain have been accurate over that time
- Provide open-source implementations of all SIFT applications, contracts, services and websites (this excludes Smart Trader which remains proprietary)

¹⁶ <https://tlsnotary.org/pagesigner.html>

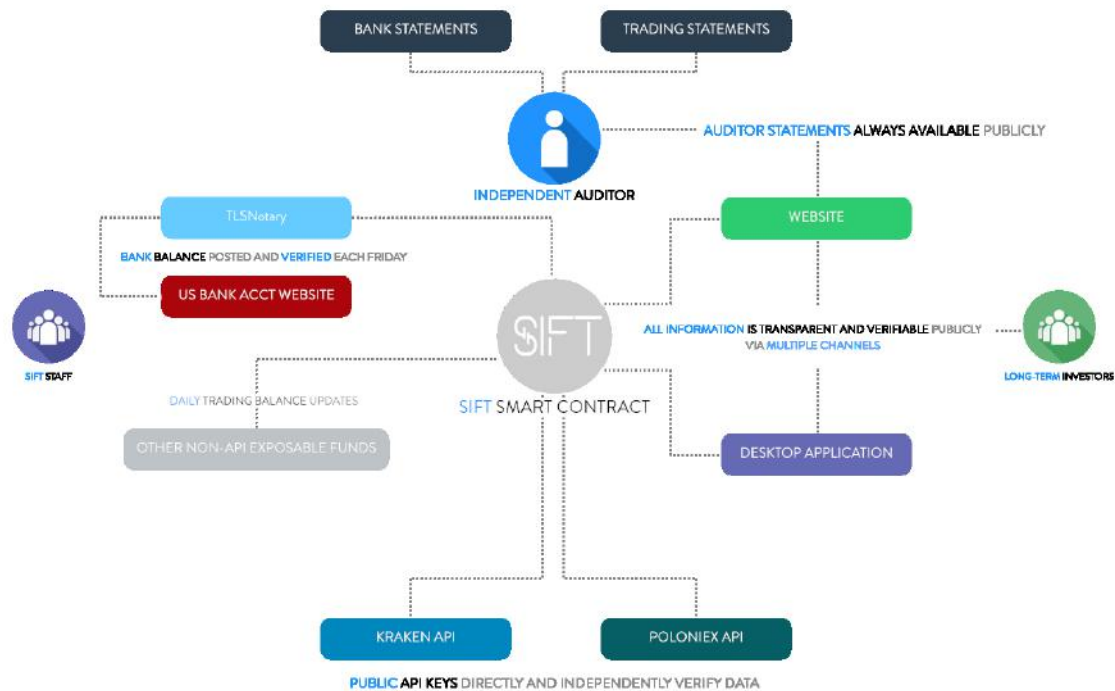


Figure 11 - Summary of Financial Transparency Processes

It is hoped that these actions will mitigate any concerns that potential investors may have. SIFT will always be happy to answer any questions that investors may have and is willing to revisit any of these options to provide further certainty and clarity where appropriate.

The Future

Smart Trader will continue to grow and develop outside of SIFT. Some innovations that are planned during the next fiscal year include a new volume analysis system that will use further artificial intelligence to recognise patterns in trading sessions and times of year to detect whether volume changes are as strong as they appear. Any advances that come to Smart Trader will be made available to SIFT providing they make sense in a blockchain context.

Once SIFT is well established we are looking to launch additional funds that expose other base currencies and trading pairs. Some of this includes building out our own trading platform to aggregate the many different smaller altcoin exchanges that are currently present. Once these capabilities have been built for both Smart Trader and our internal systems we will be looking to launch further investment funds based off the success of SIFT. We

will be looking at how we can provide investors in SIFT with special benefits when we launch these future portfolios.

Summary

The Smart Investment Fund is a trading fund based on proprietary volume analysis techniques known as Smart Volume Analysis that have been developed over the last decade. Despite being a well-known name within forex trading markets, Smart has only recently started to promote its algorithms within the cryptocurrency space and is now offering an investment vehicle that brings its combination of human trading and artificial intelligence to blockchain technology.

Investors will be able to purchase Smart Investment Fund Tokens (SIFT) during the 45 day ICO with each SIFT costing 0.01 ETH on the Ethereum network. Each SIFT will act as a single share in the fund and will receive dividends as well as the ability to trade ownership of the shares on open-markets allowing investors to benefit from both asset-value increases and dividends.

A combination of transparency, external auditing, risk-mitigation techniques and proprietary trading algorithms mean that SIFT provides investors with one of the easiest ways to become involved in the blockchain asset trading markets.

Investors are welcome to field any further questions they may have to ico@smartift.com.