

DUE DILIGENCE PACK

AlgoTradingResearch – Founder Round Participation Document

Version 1.0 – 2025

1. Executive Summary

This Due Diligence Pack provides a full breakdown of the AlgoTradingResearch Founder Round and the creation of the upcoming BVI-regulated quantitative investment fund.

The purpose of this document is to provide prospective founding participants with:

- A complete understanding of the investment structure being built
- The technology and methodology powering the fund
- Operational, compliance, and governance standards
- Transparency on risk, performance methodology, and execution infrastructure
- The economic benefits reserved exclusively for founders

The founding raise finances the creation of the full BVI investment vehicle. In return, founders receive:

- Lifetime preferential terms
- A monthly **profit-sharing cashback** derived from the fund's performance
- Priority access to all future sub-funds, strategies, and new launches
- Strategic, long-term alignment with the fund's growth

This is not a traditional investment into a company. Founders do **not** receive equity or shares. They receive **profit participation tied to the trading performance** once the fund becomes operational.

2. Organizational Overview

2.1 About AlgoTradingResearch

AlgoTradingResearch is a quantitative research and algorithmic trading entity focused on AI-driven execution systems and risk-controlled automated trading infrastructure.

The mission:

To democratize access to institutional-grade quantitative strategies through regulated,

transparent and professionally managed investment vehicles.

2.2 Vision of the Fund

The fund will operate as a fully regulated structure under BVI jurisdiction with independent service providers, ensuring:

- Regulatory oversight
- Independent NAV verification
- Segregated investor accounts
- High operational standards
- International accessibility

2.3 Founder Round Objective

To finance the creation, licensing, and deployment of the BVI infrastructure required to onboard investors and scale trading operations.

Target: **USD 735,000**

3. Fund Structure Overview

3.1 Jurisdiction

The fund is being established in the **British Virgin Islands** (BVI), chosen for:

- Regulatory robustness
- International recognition
- Suitable framework for systematic trading funds
- Efficiency and compliance-friendly environment

3.2 Legal Architecture

The structure will include:

- BVI Professional or Private Fund (depending on regulator recommendation)
- Management entity
- Custodian/brokerage relationships
- Administrator (independent)
- Auditor (independent)
- Segregated account architecture

3.3 Investor Account Model

Each investor will operate through:

- Segregated account or sub-fund structure

- Individual performance tracking
- Unified risk engine
- Pooled strategy execution

3.4 Liquidity Terms

The fund implements a dual-layer liquidity framework designed to balance investor flexibility with responsible capital management:

Quarterly Redemptions (Principal Withdrawals)

- Investors may request **redemption of their invested principal on a quarterly basis**.
- Requests must be submitted before the cut-off date defined by the administrator.
- No lock-up period applies beyond standard regulatory onboarding requirements.

Monthly Withdrawals (Profit Withdrawals)

- Investors may withdraw **realized net trading profits on a monthly basis**.
- Monthly performance statements will indicate the amount available for withdrawal.
- Profit withdrawals do not affect an investor's capital base unless requested.

Reporting & Transparency

- Full monthly performance reporting
- Administrator-verified NAV calculations
- Clear visibility of capital balance, accrued profits, and liquidity windows

This structure provides **predictable liquidity for principal** while allowing **more flexible access to gains**, supporting both investor convenience and long-term fund stability.

4. Trading Strategy & Technology

4.1 Core Strategy

The fund is powered by proprietary AI-driven quantitative trading systems optimized for:

- Short- to medium-term systematic execution
- Adaptive volatility modeling
- Multi-asset environments
- Strict risk budgeting

4.2 Market Coverage

- Gold
- Indices

4.3 Execution Infrastructure

The technology stack includes:

- Multi-model AI decision layers
- Automated trade execution
- Robust fail-safe mechanisms
- Liquidity Providers-agnostic routing
- 24/7 automated monitoring

4.4 Awards & Industry Recognition

The trading systems have received:

- **Best AI-Driven Trading Solutions Provider – UK (Worldwide Finance Awards 2025)**
 - **Investment Platform of the Year 2025–2026 (LiveWire Corp)**
-

5. Performance Foundation

5.1 Track Record

AlgoTradingResearch maintains:

- Fully verifiable trade history
- Third-party LPs statements
- Daily performance logs
- Verified historical strategy benchmarks

5.2 Methodology

Performance calculations follow:

- Realized PnL
- Net of transaction costs
- No mark-to-model components
- Full transparency once the fund launches

5.3 Capacity Limits

The strategies have defined capacity ceilings to:

- Prevent performance decay
 - Maintain optimal execution efficiency
 - Ensure scalability without degrading returns
-

6. Founder Profit-Sharing Model

6.1 Overview

Founders receive a **lifetime monthly performance rebate** from the fund's net trading profits.

This is not equity.

This is not ownership of the company.

It is a **perpetual performance-right mechanism**.

6.2 Formula

Your share of the founder pool:

$\text{Your Ownership \%} = (\text{Your Investment} / 735,000 \text{ USD}) \times 50\%$

Example:

Investment of \$10,000 → **0.68% lifetime profit-share**.

6.3 Distribution Rules

- Paid monthly
- Based on net trading performance
- No lock-up beyond regulatory onboarding
- Lifetime benefit

6.4 Why This Model Exists

Founders finance the entire creation of the regulated fund and therefore receive a performance-linked reward unavailable to future investors.

7. Use of Funds & Build-Out Plan

The founding round target of **USD 735,000** finances the complete formation, regulatory approval, and technical deployment of the BVI investment structure. These funds cover all legal, operational, technological, and trading requirements necessary to launch the fund and bring it to full operational readiness.

7.1 Allocation Overview

The capital is allocated across four primary pillars:

1. Legal & Regulatory Framework

Establishing the regulated BVI fund structure, including entity formation, legal documentation, regulatory filings, compliance architecture, and mandatory banking requirements. This includes the legal opinions, offering documents, investor terms, and the deposit obligations required by banking partners.

2. Infrastructure & Technology

Development and deployment of the institutional trading and operational infrastructure, including:

- Dedicated servers and co-located environments
- Liquidity routing and connectivity frameworks (e.g., smart-routing / FIX integration)
- Algorithmic execution environment and proprietary strategy hosting
- Redundant systems, security, and backup environments
- Full investor dashboard and reporting platform

This category also includes external security audits and the build-out of the systems required for automated onboarding, monitoring, and account management.

3. Operations & Trading Capital

Operational runway covering:

- Administrative onboarding
- First six months of operating expenses
- Team and compliance personnel
- External professional services (e.g., PR/communications)
- Initial seed trading allocation for system calibration and live verification

4. Oversight, Audit & Compliance

Engagement of an independent auditor, establishment of ongoing compliance testing, trade reconciliation processes, and implementation of administrator controls.

7.2 Allocation Breakdown (High-Level)

(All figures rounded and grouped; detailed line items available upon regulator or administrator request.)

Category	Allocation Focus
Legal & Regulatory	Fund formation, legal documentation, banking & regulatory obligations
Infrastructure & Technology	Trading infrastructure, smart-routing, FIX, dashboards, algorithm hosting, security
Platform Development	Investor portal, reporting system, automation, UX
Operations & Runway	Team, compliance, administration, PR/communications
Trading Capital	Initial capital required for live deployment and performance ramp-up
Audit & Oversight	Independent auditor, ongoing compliance

7.3 Build-Out Timeline

Estimated completion: **3–6 months**, depending on regulator processing and third-party integrations.

Phase 1 — Legal Formation & Regulatory Setup

BVI entity formation, legal documentation, banking onboarding, regulator filings, and compliance architecture.

Phase 2 — Administrator Integration

Setup of NAV calculation, reconciliation systems, investor onboarding processes, and liquidity workflows.

Phase 3 — Infrastructure & Trading System Deployment

Installation and configuration of trading servers, smart-routing core, FIX connectivity, algorithms, and risk systems.

Phase 4 — Platform & Dashboard Rollout

Launch of the investor portal, reporting dashboard, automated account management system, and security layers.

Phase 5 — Audit, Verification & Pre-Launch Testing

Independent audit setup, data validation, performance environment testing, and operational readiness checks.

Phase 6 — Go-Live & First Trading Month

Full transition to live trading, with monitoring performed jointly by the manager and administrator.

8. Risk Management & Governance

8.1 System Risk Controls

The fund integrates:

- Multi-layer drawdown constraints
- Position-level risk limits
- Automated exposure management
- Volatility-based sizing
- Intraday fail-safe systems

8.2 Governance Model

Key principles:

- No discretionary trading
- Systematic rule-based execution
- Independent oversight
- Transparent reporting

8.3 Administrator Oversight

Independent administrator handles:

- NAV calculation
 - Cash flow monitoring
 - Trade reconciliation
 - Reporting verification
-

9. Regulatory & Compliance Framework

9.1 AML/KYC

All investors undergo full KYC and AML checks per BVI regulations.

9.2 Audits

Annual independent audits ensure accuracy of:

- NAV
- Operational controls
- Performance reporting

9.3 Documentation

Investors will receive:

- Private Placement Memorandum (PPM)
 - Subscription Agreement
 - Risk Disclosure Statement
 - Fund Rules & Operating Guidelines
-

10. Investor Experience

10.1 Features

Investors will benefit from:

- Live performance dashboard
- Segregated accounts
- Monthly statements
- Priority access to new fund series
- Institutional-grade execution

10.2 Service Providers

Final list will be published once onboarded, including:

- Administrator
- Auditor
- Legal counsel
- Brokerage/custody partners

10.3 Transparency Commitments

The fund commits to:

- Clear communication
 - Monthly reporting
 - Zero hidden fees
 - **No conflicts of interest**
-

11. Founder Advantages & Lifetime Benefits

Founders receive:

- **Lifetime performance rebates**
- Priority allocation in capacity-limited strategies
- Preferential fee structure
- Early advisory access
- Guaranteed participation rights in future launches

This tier will **never** be offered again.

12. Closing Statement

The AlgoTradingResearch Fund is designed to merge:

- Institutional-grade quantitative trading
- Full regulatory compliance
- Operational transparency
- Strong risk governance
- A unique founder reward system

Founders enable the creation of a regulated vehicle accessible to global investors.

In return, they earn a long-term share of the trading performance that the fund generates.

AlgoTradingResearch commits to the highest standard of professionalism, transparency, and operational excellence.
