



TRACTO Whitepaper (v2.0)

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ABSTRACT

With the unprecedented rise of cryptocurrencies and blockchain technology, new opportunities are arising in the field of investment. As the traditional type of economy is reshaping its form, the money will flow into cryptocurrencies, either for the speculative purposes of gaining capital profit or by supporting projects that are built on decentralised platforms. Importantly, individual investors with little knowledge of cryptocurrency content do not want to miss opportunities.

1. INTRODUCTION

The economic model that many governments in the world deploy as we know, are heavily flawed. The citizens are made to pay the price for something that is beyond their control. The citizens on the other hand prior to cryptocurrencies, do not have much of a choice but to continue using the legal tender provided by the government. No real information is provided to them about the total supply, deflationary or inflationary figures and even the validity of the statistics provided by the governments are in question.

People on the other hand; contribute to the economy of a country, by using the country specific currency in their daily trades. Without the daily trades, there is no real value of the currency. Questions should also be asked if any governments are backing the currencies with any real assets like gold which used to be the case.

2. CRYPTOCURRENCY

There are more than 1,000 new cryptocurrencies and assets created which are traded daily. Some have proven to have gained trust and support among people in the community, whereas some have ended up in “pump and dump” territory. Still, when analysing the price movement of 100 cryptocurrencies and assets in the first half of 2017, the average yields achieved was as much as 5,000% and only a limited number of coins yielded negative returns. However, returns can be misleading and expertise in the investment field as well as an understanding of crypto coin content is needed to gain optimal exposure into the crypto investment universe.

Cryptocurrencies are evolving investment assets that should not be overlooked by investors who are willing to diversify their portfolio. Therefore, assets from the new economy are serving as a natural hedge as they are disconnected from the traditional market and represent an alternative. Cryptocurrencies can be split into at least two types of assets:

- One group consists of pioneer currencies based on blockchain technology such as Bitcoin. This type of digital asset serves as an alternative for the transfer of wealth across the globe, being fully transparent, secure and effective.
- The second group consists of “app tokens” that are more reminiscent of traditional company shares/securities that can be seen in Ethereum (with ERC20) where the company acts as a decentralised autonomous organisation. Such organisations have been growing exponentially in the last year as the community perceives the new economy as similar to the sharing economy.

We believe that the second group of cryptocurrencies, better known as “tokens”, with the help of smart contracts such as the ones used in Ethereum ERC20, will replace the traditional way of payment for products and services or even beyond just financial transactions. Growing interest in such assets may promise something big, perhaps a revolution similar to the one the Internet provided in the early 90s. It is no coincidence that cryptocurrencies especially those running on ERC20 are coined as Internet 2.0. In the early 90s, there wasn't an option to invest in a service such as the Internet. Now, we believe is the best time to ride the wave and not be left behind by diversifying traditional assets via an investment vehicle in cryptocurrencies.

3. TRACTO

3.1 What is TRACTO?

We envisioned a new cryptocurrency that can be used everywhere by a peer-to-peer community that serves the need of the community itself by fulfilling their daily demands.

We call our coin:

TRACTO - Technology for **R**apid **A**nonymous **C**oin (crypto) **T**ransaction **O**rganisation.

The plan is so that it can be used for daily transactions, with low fees, and hassle free for our users who value their privacy. Initial target market of users for TRACTO is the Asian market; then moving globally.

The benchmark that we have set for TRACTO is:

- **Secure:**

Users are able to use it without doubting the security of the platform.

- **Anonymous:**

Users are assured that all TRACTO transactions are completely compliant with the Ethereum platform.

- **Fast Transactions:**

Transactions are fast with confirmation of a transaction happening within a few seconds.

3.2 The Technology

While historically, TRACTO had its own blockchain with the increasing pressure from authorities globally for Know Your Customers (KYC) and to ease the creation of the new decentralised applications running on a blockchain, we have decided to migrate TRACTO to Ethereum ERC20. So TRACTO is now an ERC20 compliant cryptocurrency running on a private Ethereum blockchain. The plan is to list TRACTO in a few exchanges in the near future and it will be introduced to public Ethereum blockchain just before it is being listed.

Ethereum is a decentralised platform that runs smart contracts: applications that runs exactly as programmed without any possibility of downtime, censorship, fraud or third-party interference. In the Ethereum protocol and blockchain there is a price for each operation. The general idea is, in

order to have things transferred or executed by the network, you have to consume or burn Gas. The cryptocurrency is called Ether and is used to pay for computation time and for transaction fees.

Ethereum based coins rely on a well-established Ethereum infrastructure, benefiting from several advantages:

- Security and predictability;
- Use of robust and well-supported clients (Ethereum-based coins can be managed with official Ethereum clients);
- Easier listing on exchanges with infrastructure are already in place;
- Ethereum smart contracts enable a very transparent and secure way of profit-sharing among the Coin holders.

Ethereum differs from Bitcoin in 7 main ways:

- In Ethereum the block time is set to 14 to 15 seconds compared to Bitcoins 10 minutes. This allows for faster transaction times.
- Ethereum has a slightly different economic model than Bitcoin.
- Ethereum has a different method for costing transactions depending on their computational complexity, bandwidth use and storage needs. Bitcoin transactions compete equally with each other.
- Ethereum has its own Turing complete internal code.
- Ethereum was crowd funded whilst Bitcoin was released and early miners own most of the coins that will ever be mined.
- Ethereum discourages centralised pool mining through its Ghost protocol rewarding stale blocks.
- Ethereum uses a memory hard hashing algorithm called Ethash that mitigates against the use of ASICs and encourages decentralised mining by individuals using their GPU's.

3.3 TRACTO ECOSYSTEM

The real value of any currency is in the number of its users and the usage of the currency in their daily lives and the volume of the transactions. This is what we truly believe at TRACTO.

Most of the successful digital communities are based on social networking and common interest such as content sharing, entertainment and ecommerce. In the case of TRACTO, as a privileged member, the common binding interest is international exchanges among members with the use of cryptocurrencies. The exchanges can be in the form of international remittance, ecommerce, and possibly payment medium for unique opportunities or services offered by members and affiliates.

TRACTO community will be formulated with the following values to attract and maintain high number of members.

- Reciprocity – member contribute and receive value
- Consistency – member should receive consistent financial rewards
- Liking – importance of having members attract friends
- Cryptocurrency-friendly – opportunity to own and use cryptocurrencies
- Scarcity/Privilege – being a member is a privilege



The following serves as the key areas in the consumer market space which TRACTO are developing whereby the cryptocurrency will be fully utilised.

3.3.1 Community/Merchants Reward System

The community will be able to utilise TRACTO in selected stores and both merchants and members will be rewarded with free TRACTO for every transaction. There will be a reward mechanism for members participating in online or physical stores.

3.3.2 International Remittance

For members who are working beyond their shores, TRACTO will provide a fast and safe way to transfer back their funds to their homelands. Each member could potentially become a mobile remittance agent working across international borders with minimal remittance cost and maximise its uses via online top-up system.

3.3.3 Online Shopping for New and Preloved Items

Members will enjoy the benefits of exclusive stores whereby items are from members themselves in various countries.

3.3.4 Members Trust Based Transaction

The power of peer-to-peer is fully utilised by allowing 3rd party owner to use the peer-to-peer network to validate any online purchases within the e-commerce site, allowing only trusted quality products by its members to be available through the site.

4. TECHNICAL SOLUTION

4.1 Components

The technical solution for the TRACTO consists of three main elements: User interface portal, backend service for asset management and smart contracts on Ethereum blockchain.

4.2 Backend Service

Backend service is responsible for storing wallet addresses for investors and for interacting with Ethereum Smart Contracts. It takes the current coin supply from TRACTO smart contracts and calculates last Coin price based on the fund portfolio asset value. After that, it acts as an oracle by publishing the latest price of the Coin on the TRACTO smart contract.

5. TRACTO SUPPLY

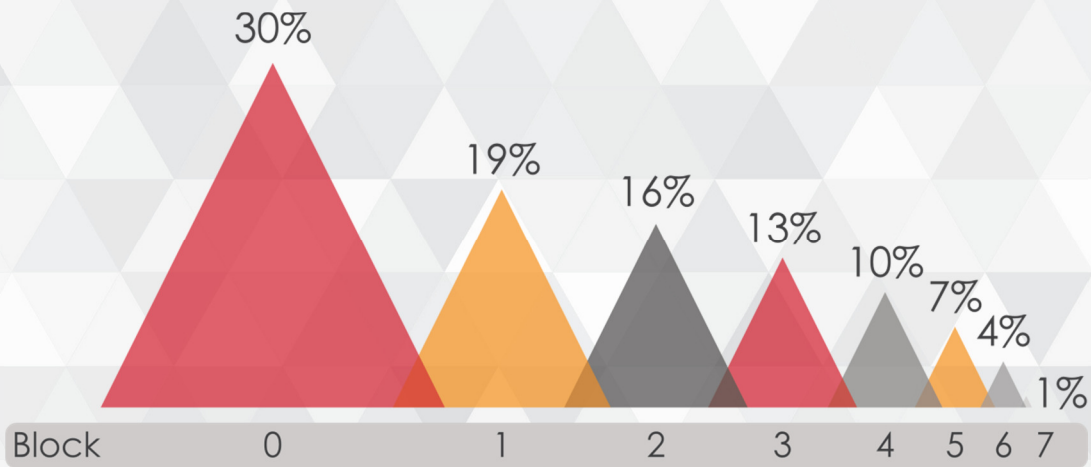
Supply of TRT will be limited to Seventy Million Coins Only (70,000,000). Currently the price is pegged during the ICO period and once it goes to an exchange it will be floated based on supply and demand.



From the 70 million coins, 30% will be held by TRACTO for future development whilst the remainder will be released in blocks.

The 7 major blocks, one after the other.

Block	Percentage	Amount (TRT)
Block 0	30%	21,000,000 (Held By TRACTO)
Block 1	19%	13,300,000 TRT
Block 2	16%	11,200,000 TRT
Block 3	13%	9,100,000 TRT
Block 4	10%	7,000,000 TRT
Block 5	7%	4,900,000 TRT
Block 6	4%	2,800,000 TRT
Block 7	1%	700,000 TRT



The subsequent block will only be open for sale, once the previous block is 95% sold.

6. ICO PROCEED DISTRIBUTION

The breakdown of the proceeds from ICO is as follows:

- Operations: 15%
- Marketing: 15%
- Development of Eco-System Applications and Networks: 70%



7. OWNERS

The target group of owners consists of individuals who either have some understanding about the cryptocurrency world or those who mainly want to diversify a small part of their assets into the new economy.

It is expected that the large majority of people outside the community are still sceptical about cryptocurrencies and that it will take time to gain support among them. Nevertheless, inflated equity valuations, negative yields and a lack of alternative opportunities to invest in the current environment will force investors to take part in cryptocurrencies and businesses created upon blockchain technology.

The exponential rise of blockchain technology used in real businesses is already delivering visible value-added effects to the economy. Undoubtedly such a revolution, although gradual, will not be overlooked by the retail investors.

8. BUSINESS STRATEGY

The primary business focus is on solutions that enable the essential autonomous infrastructure for supranational economy: decentralised computation, data storage and communications, decentralised exchanges, investment solutions, prediction markets, pegged assets protocols, cross chain gross settlement systems, identity protocols, DAO and smart contract frameworks, reputation systems and social networks.

In practice, creating an index which will be implied in the TRACTO portfolio structure is usually done by setting a structure according to market capitalisation of known currencies.



Being the most dominant currency by market cap, Bitcoin recently had a market share of around 50% of all portfolios. That is why certain limits have to be imposed on the structure. Market cap should not be the only factor affecting the index structure. Traded volume should play an important role, as well as the “free float” of the currencies.

The TRACTO weighted by its market cap targets conservative owners. Note however, that cryptocurrencies such as these have extremely high volatility in practice compared to traditional financial instruments and are without a doubt, risky investments. Daily volatility (standard deviation) in many cases exceeds 10%. On the other hand, cryptocurrencies have very low correlation (in many cases close to 0) when compared with one another. This is a very positive sign for fund efficiency at delivering risk diversification.

Seeking the optimal structure of the TRACTO portfolio is more art than science. As mentioned, currencies should be added to the portfolio based mostly on their market cap by applying some limitations.

Once the portfolio structure rules are set, rebalancing rules should be defined. Namely, the TRACTO structure becomes very dynamic with the daily movement of prices, and the structure can become a non-representative of the market. Some currencies could add a lot of value and gain weight, whereas some lose it.

9. RISKS

Any investment carries a significant risk. Purchasers and fund managers are exposed to the following risks: inherent risk, loss risk, theft risk, regulatory risk, miscomprehension risk. By sending Bitcoins or any Altcoins to any address the owners agree that he or she understands and accepts these risks and potential losses of all funds without a possibility to restore. Fund managers do not hold any risks except for risk of losing personal investments.

10. CONCLUSION

The consumer market in Asia is booming, with the rapid rise in income of people from countries like China, India, Indonesia and especially Vietnam. This has opened up a new opportunity to maximise and leverage on each other's strength through peer-to-peer community powered by a cryptocurrency. The members will enjoy additional benefit from their typical daily transactions by joining this movement. TRACTO will pave the way to empower the community forward. Come and join us today.



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