



Whitepaper **V1.2**  
15<sup>th</sup> February 2021  
[zignaly.com](https://zignaly.com)

## ABSTRACT

People looking for alternative investments either don't find reliable options outside of the conventional financial institutions or can't afford the minimum investment amount and/or the prohibitive management fees. This is even more pressing if they are from developing countries where these options are unexisting. Along with that, talented traders can't monetize their strategies beyond their available cash and exchanges aren't able to access a market outside of the people who are already interested in trading. Through the Zignaly platform, investors across the globe can access a marketplace where expert traders show with total transparency, their results and strategies, gaining in this way the trust of current and potential investors. These experts, managing the capital of all the people who trust them, trade on exchanges that previously could not access all this capital. Zignaly has created a win-win ecosystem with a proven profit-sharing approach where Investors, Traders, Exchanges, and Zignaly can profit. Keeping the interest of all the stakeholders in mind, Zignaly is now launching the first ever insurance protocol for crypto trading, powered by Zigcoin and NFTs.

# INTRODUCTION

## MISSION, VISION

Alternative investments are at times not accessible for people looking for reliable avenues of investing outside of conventional financial institutions. The minimum investment threshold and high management fees prohibit the entry of “new money” into the market as retail investors in emerging markets have even less options thus increasing the number of barriers to entry. Along with this, talented traders are not able to democratize their skillset or monetize upon their strategies beyond their available cash on hand. Furthermore, the challenges of “new money” entering the market, make exchanges unable to target a demographic outside of their current user base. Zignaly, with a vision of ‘Financial Freedom’ being available to everyone, and becoming the industry-leading social investment platform, aims to solve these issues on hand.

## THE CREATION OF A NEW ASSET CLASS: CRYPTOCURRENCY

Over the past 11 years, cryptocurrency, spearheaded by Bitcoin, has seen some astute highs and lows when it comes to the overall value generated (represented by market capitalization). However, it has taken almost a decade for the value of the inherent design of blockchain and its one of many by-products; cryptocurrency to begin being seen as an asset to the everyday investor. However, unlike other types of assets (stocks, bonds, funds, ETFs etc.) that an individual can invest in, cryptocurrencies are inherently different by design. An asset is typically defined by the order of owning anything that produces value and that is held within an economic entity all while being able to produce positive economic value. Cryptocurrency within this, produces value as it represents a stored value. This stored value can then be transacted with on collateral of the most recent stored value. This produces a positive economic value for the parties involved within the transaction, including the economic entity within which the transaction occurred in.

At first it may look like that this scenario is exactly the same as a transaction conducted by any other asset class – but this is not the case. Within all blockchain based cryptocurrencies, the asset under consideration is not issued by a third party.

It is actually issued by the network itself. This network is operated and governed by mathematical models that were used to design the system. Now due to this inherent innovation, and unlike a traditional asset, a cryptocurrency transaction does not require a third party to facilitate and complete the transaction. The same network design comes into play here, allowing the facilitation of the transaction to be conducted in a trust less manner by the network itself. For the first time ever, an asset could be created, bought, sold, transacted with and sent ALL without the need of a third party. Cryptocurrency in a sense is not held by any one economic entity but by the entire internet itself. It was this understanding that took cryptocurrency from just being considered a means of payment to an entirely new asset class. It wasn't just a replacement for the dollar in terms of conducting financial transactions, but a stored value replacement of the dollar where the value of the said cryptocurrency goes up over time, not down.

11 years since the advent of Bitcoin, the market is now seeing institutional changes to the attitude towards cryptocurrencies which are inherently increasing its penetration and subsequent adoption to the masses. The masses in question here are those individuals that don't need to dive into the semantics of how a technology works, but still use it on a regular basis because it makes sense to do so (like the internet). They are the individuals who are risk averse when it comes to investing and only trust traditional ways of doing business. This by virtue constitutes in excess of 99% of the population of the entire world. It is this penetration into the market that Zignaly wants to spearhead when it comes to making it simple for an average everyday investor to get calculated exposure to the new asset class coined as cryptocurrency.

## THE PROBLEM

The emergence of blockchain technology over the past 10 years has allowed the entrance of another type of asset class into the market. Cryptocurrencies like Bitcoin and Ethereum have paved the adoption of blockchain technology into many industries. Cryptocurrencies have begun to be considered as a new type of asset which investors are including within their portfolio of investments. However, as an asset, cryptocurrency is a lot more difficult to understand for the investor than compared to the traditional asset classes as mentioned above. This evidently increases the barrier to entry of cryptocurrency as an investment within the portfolio strategy of an investor. Currently cryptocurrencies are not considered within the globally accepted investment basket for the masses. Change is coming but it is slow as both retail and institutional investing has only really just started to ramp up.

### THE HINDRANCE OF “NEW MONEY” ENTERING THE MARKET

The idea behind Zignaly originated from the pain point of an end user. The idea of a dynamic risk friendly social trading platform existed at large for traditional markets, but not for cryptocurrency exchanges. The connotations surrounding cryptocurrency have largely been negative due to many factors regarding its origins, early use cases, its complex nature and subsequent volatility. This, as mentioned above has led to a high barrier to entry for people getting into cryptocurrency trading and investing. Due to this, the adoption of cryptocurrency in the form of utility has also been slow.

The insurgence of a dynamic risk friendly social crypto trading platform stemmed from the ideology of bringing “new” money into the market. Currently the trajectory of a person’s life is seen by an endless cycle - a rat race - that requires one to exchange their time for money. The escape from this rat race occurs at retirement, but only partially as a pension is then needed to cover the remaining years. In both scenarios, one needs to completely depend on the income being earned and/or received in order to move forward. If this does not change then “new” money will never be able to enter the market.

The people that want to escape this rat race of constantly living in a monotonous cycle realize that they need their money to work for them. However, the vast majority never actually end up investing and/or even saving their money. The individuals that are investing, are aware of the levels of risk associated with the various financial products on the market currently. They simply invest in those financial products (state bonds, pension plans, equities, funds etc.) that match their level of risk tolerance. However, these are controlled by regulators and brokers who are meant to be protecting users but rather only are interested in controlling the influx of capital while being unable to avoid scams. Due to the above reasons and many more, those individuals that have never invested before are unaware of the nuances that investing bodes and hence are very much likely to continue on in such a fashion.

## **CRYPTOCURRENCY COMPLEXITY FOR THE MASSES**

Now with cryptocurrency being a new market, there comes a lot of risk and price volatility within the assets being traded. Such extreme levels of price volatility are very dangerous for the untamed eye and can lead to major losses if acted upon in negligence. For the investor, cryptocurrency is either non-existent or an afterthought due to its high barrier to entry. People within the cryptocurrency trading and investing space are well versed with how the technology operates and the respective value it brings to the market. However even then, only a fraction of those that are well-versed actually have the time needed to conduct trades on a regular basis. This excess time and energy coupled with the high levels of risk makes cryptocurrency investing a too far fetched of an idea for the investor. There is no way of being able to safely invest in and reap the benefits of the growing cryptocurrency market while taking on minimal risk. In addition to that, there is also no way of dynamically controlling the amount of risk that one can take when investing in cryptocurrency.

## **MONETIZATION FOR THE EXPERT TRADERS**

Now amongst expert traders who are looking to commercialize their trading skill sets, there doesn't exist a simple intuitive platform that allows a investor to plug into. Within existing solutions/platforms/services, transparency and flexibility are both amiss which leads to uncertainty, mistrust and increased difficulty for the end user in actually plugging into the said service. There may still be interest for these existing platforms by those that understand the cryptocurrency space and are already invested but not for those that are looking to enter the markets with new money.

## **EXCHANGES LOOKING FOR NEW ENTRANTS**

Crypto exchanges currently have a cap of how many potential customers they can acquire. And that cap is the amount of investors that are currently investing in the crypto market. They can only appeal to those users that know what they are looking for within both trading and investing.. For those users that have no experience in the market, and traditionally use the recommended products from their financial institutions to facilitate their traditional investing, have no platform they can turn to for such a recommendation without exerting an excess amount of time and energy into doing so. In the extremely clouded space of crypto exchanges, there are many variables that one has to overcome before they are able to pick the platform that is right for them. This coupled with the speculative risk averse investor makes investing in cryptocurrency a hard sell for such a potential user. By being limited to a specific type of user base a crypto exchange can appeal to, the growth of the wide scale adoption of the industry will also subsequently be limited.

## THE SOLUTION

### **SOCIAL CRYPTO TRADING PLATFORM**

It is an undeniable truth that an investor has to conduct their own due-diligence research before deciding to invest. Now there is no limit to the amount of research you can do – but rather an upper limit, which requires time, energy, and a level of interest within the playing field. There are hundreds of assets that one can invest in. Typically, these are distinguished by their asset class, the length of investment (short-term/long-term) and the level of risk friendliness of the investor. For the investor, it can get very complicated very quickly and this is a huge barrier to entry for those that aren't as well-versed with the market and/or those that do not have the time to learn the ins and outs of investing.

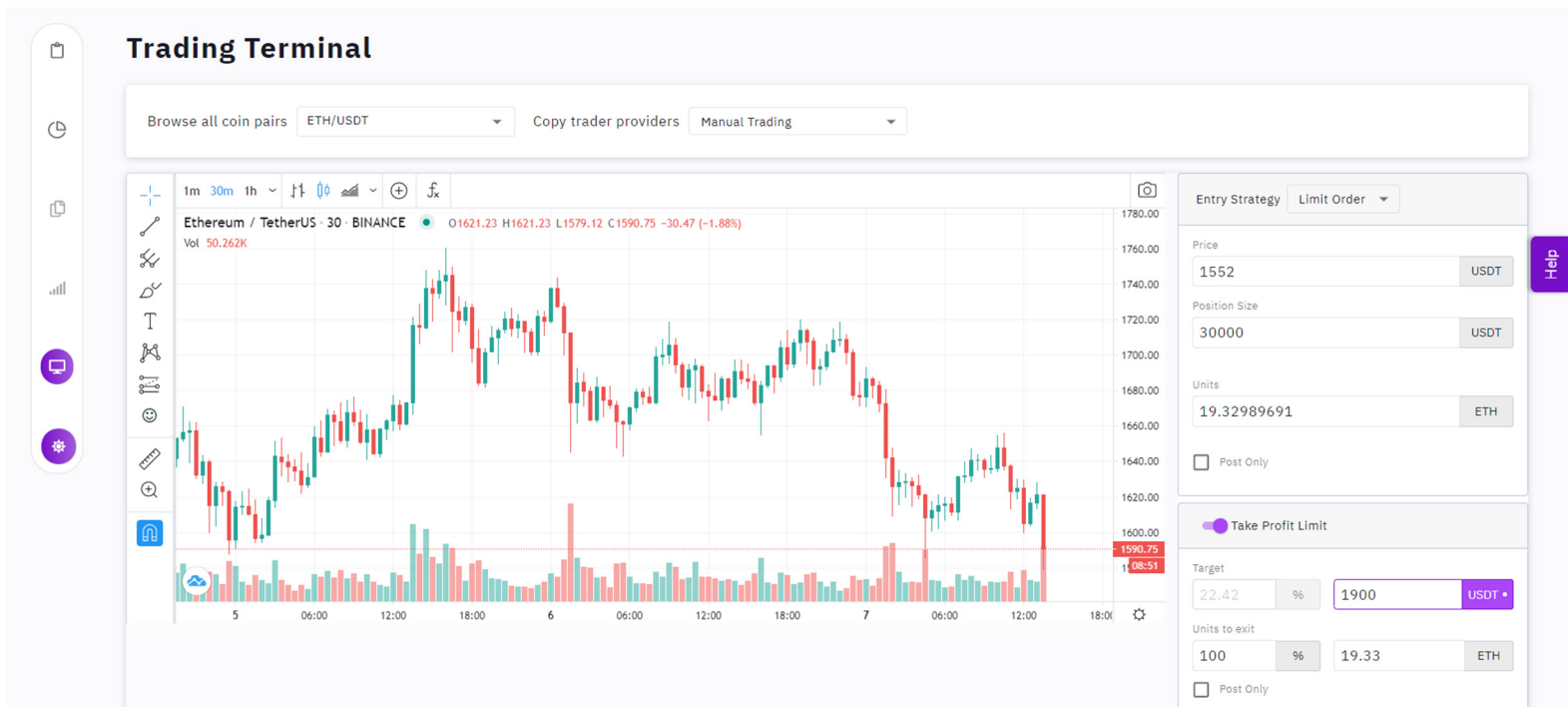
In order to offset this slightly, there are many platforms that offer paid expert trading signals. But even within this, the execution has to be done by someone that essentially knows what they are doing. This is where the idea of “Social Trading” comes into play. Social Trading allows individual investors to copy the trading/investment strategies of expert investors/traders automatically. Whether this is directly copying their exact trades or using expert signals to trade or getting an expert trader to manage your own portfolio, “Social Trading” paves way for the democratization of Wealth Management in a revolutionary way.

### **INTRODUCING SIGNALY-CRYPTO INVESTMENT SIMPLIFIED**

Cryptocurrency markets are currently in the middle of a bull run which means that as the price of Bitcoin continues to increase, while the subsequent value of fiat continues to decrease (due to inflation), a greater amount of institutional activity will be seen as Bitcoin continues to act as a hedge against economies. A network effect to this is the entry of risk averse investors into the cryptocurrency space who have only ever invested in regulated government products like index funds, ETFs, equities etc. However, due to a significant knowledge barrier to entry for almost all blockchain ecosystems the inflow of this “new money” remains limited. With that being said, there is a shift coming with blockchain products attempting to make significantly more streamlined user interfaces; ones where knowledge of the technology is not needed in order to operate the respective product. It is at this cusp of simplicity and innovative technology that Zignaly firmly stands on. The Zignaly platform is designed to take the steps towards the democratization of “Wealth Management” and extend it to the realm of cryptocurrencies. With a mission of financial freedom for all its users, Zignaly wants to remove the barrier to entry for all incumbents that would like to get into the world of cryptocurrency trading and investing. As a platform, Zignaly has 4 distinct service offerings that allow the platform that cater to traders and investors of all skill and risk levels.

## MANUAL TRADING

This first service offering is for the most advanced users who are looking to manage multiple accounts under one window. The Zignaly trading terminal and dashboard are used to manage positions in multiple accounts under one window. Within this, a user personally oversees trades done through their Zignaly or third party exchange account while conducting analysis through the charting integration. Apart from this, the platform also caters to algorithmic trading through the API integrations built-in. The Manual-Trading service offering can be coupled with either Signal Providing and/or Copy trading where the trader is able to monetize on their developed trading skillset. With the Tradingview integration method, Users may link their TradingView strategies and studies to Zignaly using the Webhook URL option in the TradingView alert box. All that the User needs to do is set up webhook alerts on their desired Tradingview strategies or studies, and it not only frees them of manually placing orders but also ensures that the strategy is executed with no human error or delay. Additionally, service providers may use Tradingview integration to completely automate their order execution. Below is a screenshot of the Manual Trading service:





## SIGNAL PROVIDING

While the Manual Trading functionality was simply for expert traders, the Signal Providing vertical caters to both traders who want to copy trading signals or those that want to provide them. For traders and investors that have some experience within the cryptocurrency investing space but are still looking for some guidance for short term investing and chart analysis, the Signal Providing subscription service is recommended. Typically, users subscribe to their preferred signal provider who sends trading signals which the user can leverage at their discretion across their Zignaly or Third-Party account. Within this service as seen below, the user can customize their capital per trade or position size, based on how risk averse they are and only follow those signal providers that directly fall within their bottom line.

### Signal Providers

Set up automatic trading based on trading signals provided by expert traders. This is only recommended for advanced users.

[Offer Your Signal Provider Service](#)

**Browse**

67 Providers

<b>Cqs Free Signals</b> Trades In Spot On ●●● <b>FREE</b> PRICE 84 NEW FOLLOWERS (7D) 4261 people following this provider <a href="#">View Provider</a>	<b>Cqs Scalping Free</b> Trades USDT In Spot On ●●● <b>FREE</b> PRICE 30 NEW FOLLOWERS (7D) 2924 people following this provider <a href="#">View Provider</a>	<b>Aurora Research Colossus A T Bot</b> Trades In Spot On ●●● <b>FREE</b> PRICE 22 NEW FOLLOWERS (7D) 91 people following this provider <a href="#">View Provider</a>	<b>MiningHamster Signals</b> Trades In Spot On ●●● <b>65/mo</b> PRICE 18 NEW FOLLOWERS (7D) 1348 people following this provider <a href="#">View Provider</a>	<b>Cqs Premium</b> Trades In All On ●●●●● <b>105/mo</b> PRICE 14 NEW FOLLOWERS (7D) 858 people following this provider <a href="#">View Provider</a>	<b>Crypto Base Scanner</b> Trades In Spot On ●●●●● <b>95/mo</b> PRICE 11 NEW FOLLOWERS (7D) 2048 people following this provider <a href="#">View Provider</a>	<b>Blockchain Sparrows Signals</b> Trades In Spot On ●●●●● <b>FREE</b> PRICE 9 NEW FOLLOWERS (7D) 2406 people following this provider <a href="#">View Provider</a>
<b>\$ Holiday Half Off Sale \$ Crypto Greenhouse Derivs</b> Trades In Futures On ●●●●● <b>95/mo</b> PRICE 7 NEW FOLLOWERS (7D) 13 people following this provider <a href="#">View Provider</a>	<b>Cqs Binance Futures Usdt Scalping</b> Trades USDT In Futures On ●●●●● <b>105/mo</b> PRICE 7 NEW FOLLOWERS (7D) 136 people following this provider <a href="#">View Provider</a>	<b>Aurora Research Sage M L Bot</b> Trades In Spot On ●●●●● <b>FREE</b> PRICE 6 NEW FOLLOWERS (7D) 28 people following this provider <a href="#">View Provider</a>	<b>Cryptall</b> Trades In Futures On ●●●●● <b>FREE</b> PRICE 6 NEW FOLLOWERS (7D) 18 people following this provider <a href="#">View Provider</a>	<b>All Proxima Free</b> Trades BTC In Spot On ●●●●● <b>FREE</b> PRICE 5 NEW FOLLOWERS (7D) 482 people following this provider <a href="#">View Provider</a>	<b>Swisscryptotrader</b> Trades In Spot On ●●●●● <b>FREE</b> PRICE 5 NEW FOLLOWERS (7D) 18 people following this provider <a href="#">View Provider</a>	<b>Blockchain Sparrows Silver</b> Trades In Spot On ●●●●● <b>195/mo</b> PRICE 4 NEW FOLLOWERS (7D) 838 people following this provider <a href="#">View Provider</a>
<b>Dazzlewave</b> Trades In Spot On ●●●●● <b>95/mo</b> PRICE 4 NEW FOLLOWERS (7D) 1021 people following this provider <a href="#">View Provider</a>	<b>Hirn Crypto Free</b> Trades In Spot On ●●●●● <b>FREE</b> PRICE 4 NEW FOLLOWERS (7D) 826 people following this provider <a href="#">View Provider</a>	<b>Scalp Bitcoin Free</b> Trades In Spot On ●●●●● <b>FREE</b> PRICE 4 NEW FOLLOWERS (7D) 29 people following this provider <a href="#">View Provider</a>	<b>Tradook Signals</b> Trades In Spot On ●●●●● <b>FREE</b> PRICE 3 NEW FOLLOWERS (7D) 7 people following this provider <a href="#">View Provider</a>	<b>Cqs Beast Mode</b> Trades USDT In Spot On ●●●●● <b>FREE</b> PRICE 2 NEW FOLLOWERS (7D) 851 people following this provider <a href="#">View Provider</a>	<b>Hirn Premium Usdt</b> Trades USDT In Spot On ●●●●● <b>135/mo</b> PRICE 2 NEW FOLLOWERS (7D) 102 people following this provider <a href="#">View Provider</a>	<b>Blockchain Sparrows Lavender</b> Trades In Spot On ●●●●● <b>245/mo</b> PRICE 1 NEW FOLLOWERS (7D) 143 people following this provider <a href="#">View Provider</a>

## COPY TRADING

If an expert trader can make money through trading, then that skillset can be monetized further and be sold as a service to those investor who want to copy and conduct expert level trades but without having to analyse the markets themselves. Once connected, the copy trader has non-custodial access through APIs of the user’s account. This means that the copy trader is now able to execute trades on the user’s account with respect to the allocated balance and position size of the original trade being conducted. This tool is the first step in the process of bringing “new money” into the market, as without any knowledge of the cryptocurrency market, a investor can tap into a Copy Trading service and automatically invest and reinvest their money whenever, wherever. Moreover, the platform allows expert traders that are sharing their market expertise, to gain market insight from the trading activities of other expert traders. Transparency is key within the Zignaly platform, which is why both investors and expert traders always have the most up to date analytics on the performance of all copy traders on the platform. With a customizable search mechanism, investors are able to find the copy trader that befits their investing ideologies and the subsequent level of risk friendliness. For copy trading, risk is currently managed by the option of choosing futures or spot trading. Below is a snapshot of the Copy Trading service on the Zignaly platform:

**Copy-Traders**  
Copy experienced traders who trade with the currencies you own.

Browse Analytics [Offer Your Copy Trading Service](#) 4

50 Traders Returns Timeframe Last 7 Days

Trader Name	Trades	Price	Return (7D)	Open Positions	People Copying
Neural Ninja	Trades USDT In Spot On	35\$/mo	1.16%	20.99%	182 people
Waves-usdt Pumps	Trades USDT In Spot On	10\$/mo	0%	19.17%	10 people
Patrick - Spot Trader	Trades USDT In Spot On	10\$/mo	17.25%	0.36%	49 people
Power Of Pi Multicoin 2	Trades USDT In Spot On	10\$/mo	1.62%	12.73%	14 people
Zil-usdt Pumps	Trades USDT In Spot On	10\$/mo	0%	13.25%	-
Tfuel-usdt Pumps	Trades USDT In Spot On	10\$/mo	0%	12.87%	-
Favourites (usdt)	Trades USDT In Spot On	10\$/mo	18.19%	-5.7%	-
Phibots Eth Forever	Trades USDT In Spot On	5\$/mo	0%	11.97%	-

## PROFIT SHARING – WEALTH MANAGEMENT

So far all of Zignaly’s service offerings have led to this point. Every single service had an innate increase in autonomy for the investor. However in order to maximise efficiency, and value add for both the expert traders and investors, the implementation of a Wealth Management module was the obvious next step. Currently, wealth managers are typically restricted to high net-worth individuals/accredited investors who are able to afford to pay the exorbitant fees associated with the service. However, with the implementation of the Profit Sharing service offering,

Zignaly aims to bring Wealth Management to the everyday investor in an autonomous, efficient, affordable and risk averse manner. The Profit Sharing module allows an expert trader also known as a “Wealth Manager” to directly invest an investor’s funds using their expert market analysis. And just like the name suggests, both profits and losses are realised by all participants’ funds including that of the expert trader. Like copy trading, a wealth manager has non-custodial (wealth manager being unable to withdraw user funds) access to user funds, within a single Zignaly controlled account. Overall, Zignaly as a platform is catering towards the everyday investor that likes automation and risk mitigation within their portfolios.

This essentially makes the Copy-trading and Profit Sharing features a relatively safe investment for those looking to make their money work for them. By increasing the chances for investors to invest and win in the cryptocurrency markets, Zignaly is paving the way to become the Social Crypto Trading and Investment Platform that people can trust. Like the other services, Profit Sharing is also currently live and a glimpse of it can be seen below:

**Profit Sharing**  
Invest in expert traders and pay only a portion of the profits.

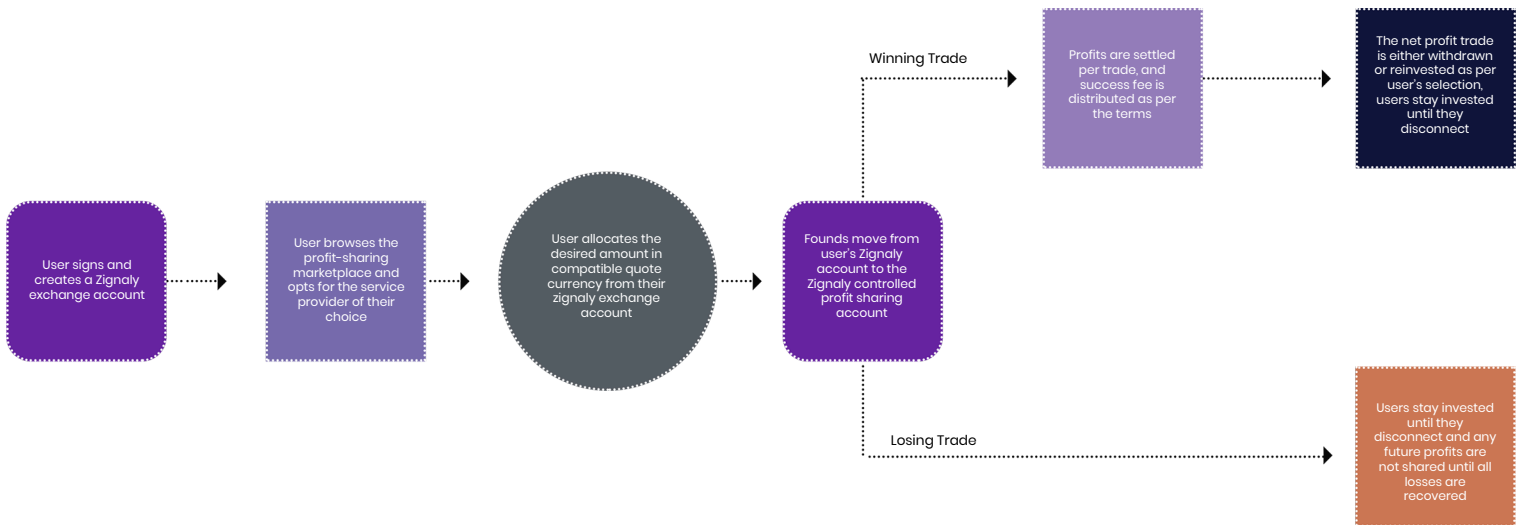
Browse Offer Your Profit Sharing Service 1

Filters: All Coins, Futures,  User Owned CLEAR ALL HIDE

32 Traders Returns Timeframe: Last 90 Days

Trader Name	Success Fee	Return (90D)	Open Positions	Copiers
Ultr Trading - Profit Sharing	30%	220.76%	0%	384
Digicrypto Futures - Profit Sharing	30%	152.92%	-1.13%	194
Medallion Spartan - Hades	30%	149.18%	0%	156
Medallion Spartan - Defi	30%	141.35%	0%	168
Medallion Spartan - Elite	30%	-	-	-
Easy 5x Scalper	20%	-	-	-
Crypto Livermore - Btc Futures	30%	-	-	-
Algo Scalping 5x	20%	-	-	-

## EXISTING PROFIT SHARING USER JOURNEY

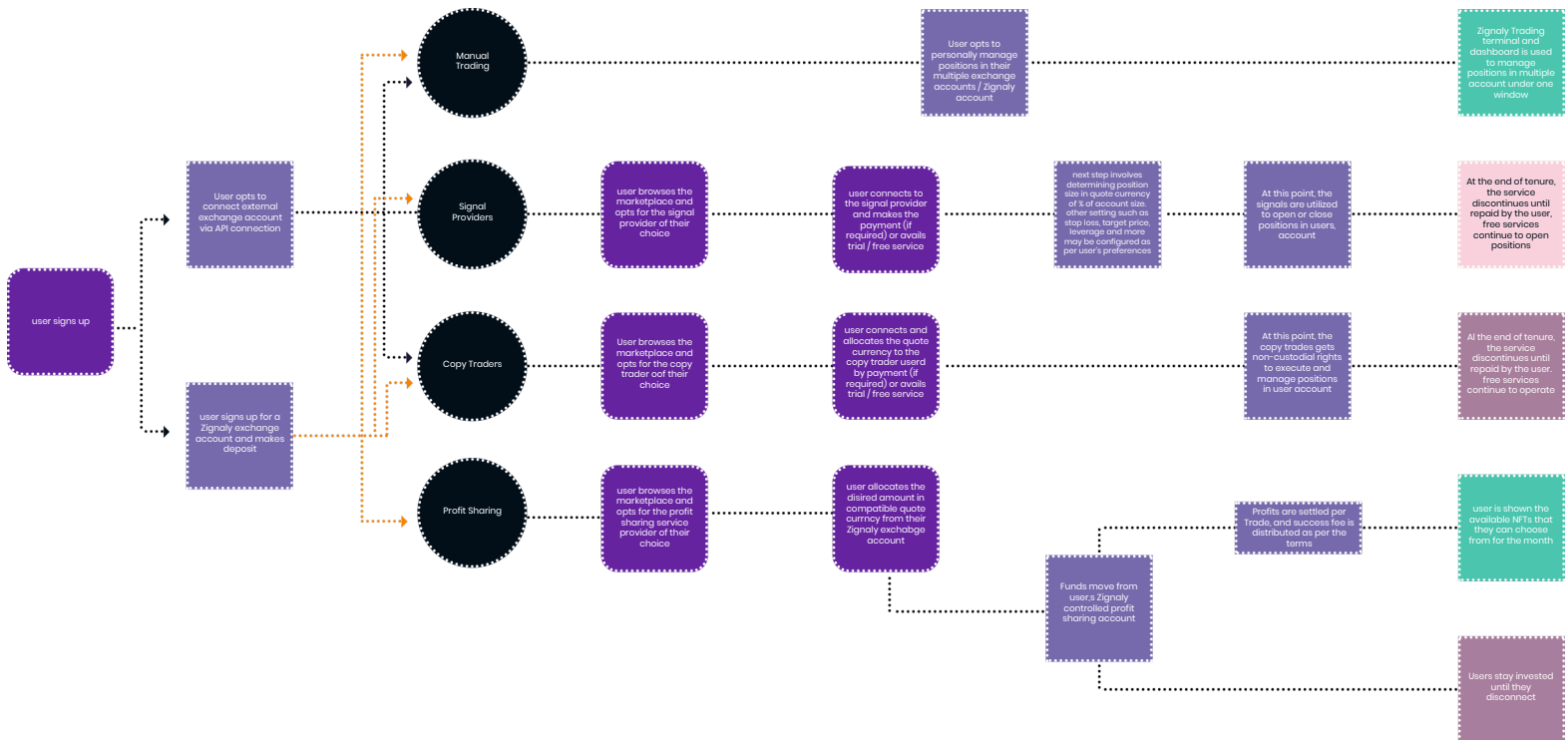


## THE ZIGNALY PLATFORM AND THE OPPORTUNITIES FOR EXPERT TRADERS AND CRYPTO EXCHANGES

Since Zignaly makes the entrance of new money into the market as frictionless as possible, cryptocurrency exchanges whose only target market was the cryptocurrency community, are now able to acquire users that are beyond their traditional target market. This opportunity for market expansion for exchanges is huge as it is all done in a seamlessly automated manner. Additionally, Zignaly enables expert traders to monetize their skill set through the marketplace within the platform - with great ease.

## ZIGNALY SERVICE OFFERINGS USER JOURNEYS

See figure below which succinctly combines the 4 different service offerings that Zignaly provides and how the user can interact with them:



## TRACTION

(AS OF 15<sup>th</sup> FEBRUARY 2021)

Ever since Zignaly has launched, it has seen exponential growth due to the innovation in its service offerings. By virtue of providing the end user with meaningful data about their copy trading, signal providing and profit sharing services, along with offering a vast array of platform unique features; Zignaly has garnered significant organic growth and continues to do so as the crypto markets head into a bull run.

## ZIGNALY METRICS

Current Users

**55,001**

Linked Balance

**\$67.62M**

Last 30D Volume

**\$249.6M**

DAU

**1371** (+48%)

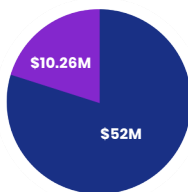
MAU

**3070** (+35%)

DAU/MAU

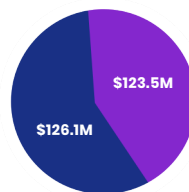
**44%** (+10%)

LINKED BALANCE BY TYPE



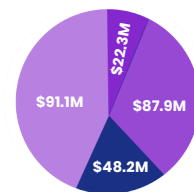
● SPOT: \$52M  
● FUTURES: \$10.26M

LAST 30D VOLUME BY TYPE



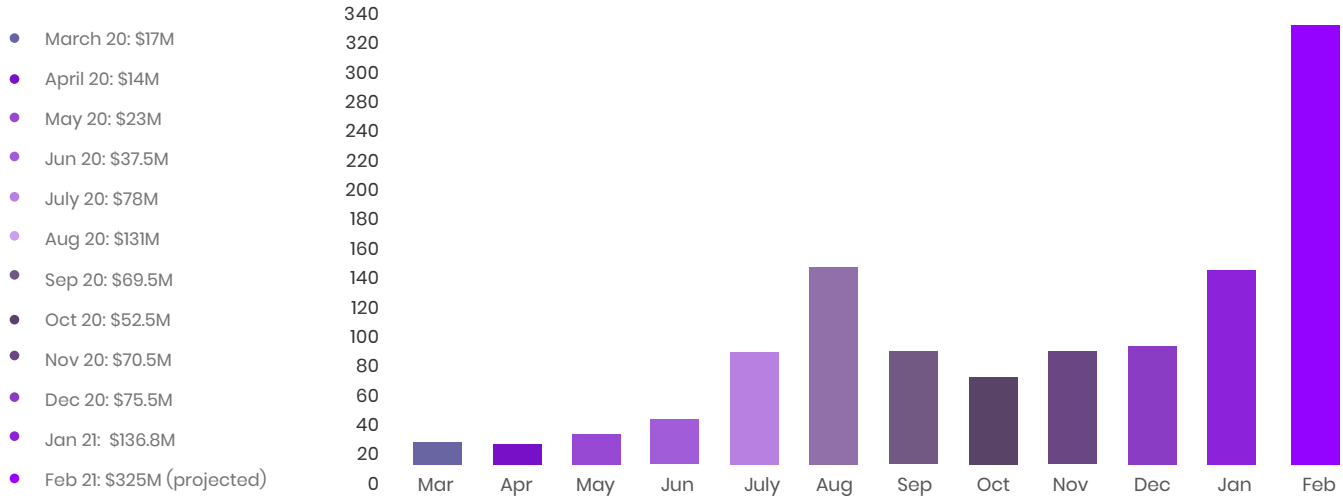
● SPOT: \$123.5M  
● FUTURES: \$126.1M

LAST 30D VOLUME BY SOURCE



● MANUAL: \$22.3M  
● SIGNALS: \$87.9M  
● COPY TRADING: \$48.2M  
● PROFIT SHARING: \$91.1M

## TOTAL VOLUME GROWTH



## KPI METRICS

**GROWTH SINCE LAUNCH - PROFIT SHARING ALLOCATED: 1885%**

30<sup>th</sup> Nov 20

**\$69.5K**

31<sup>st</sup> Dec 20

**\$338.6K**

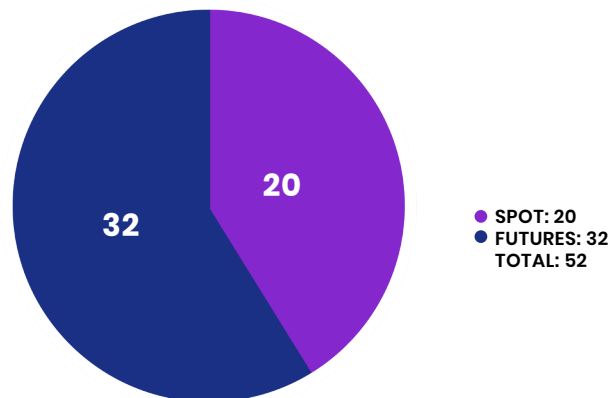
31<sup>st</sup> Jan 21

**\$737.4K**

15<sup>th</sup> Feb 21

**\$1.38M**

## PROFIT SHARING SERVICES LISTED



## PROFIT SHARING

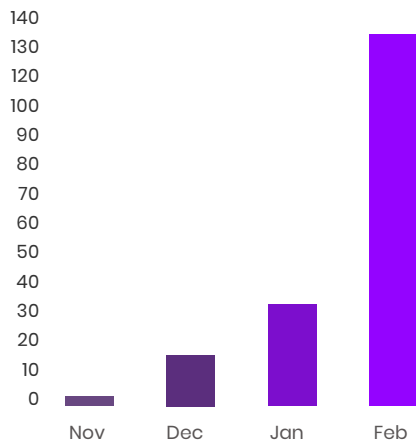
November  
**\$1.8M**

December  
**\$15M**

January  
**\$31.5M**

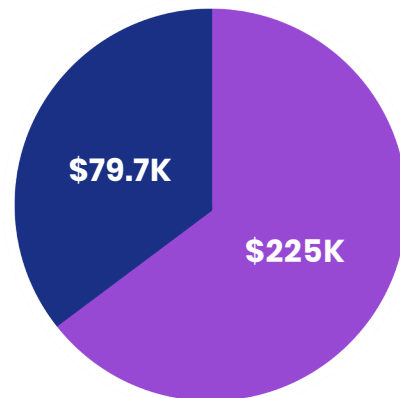
February Projected  
**\$136M**

### PROFIT SHARING VOLUME EVOLUTION



- November: \$1.8M
- December: \$15M
- January: \$31.5M
- February Projected: \$136M

### TOTAL PROFIT SINCE LAUNCH FROM PROFIT SHARING



- For Users: \$225K
- Expert Success Fee: \$79.7K



## **INTRODUCING ZIGCOIN – TRADING INSURANCE PROTOCOL**

Earlier it was noted that Signal's service offerings cater to investors of all risk levels. However, even though risk aversiveness is built into the practices and procedures of qualifying expert traders onto the platform there is still a level of risk that is associated with the market – that which cannot be controlled. Even with the best trading strategies, the market has a significant impact on the performance of these expert traders. This coupled with the volatility experienced by the cryptocurrency markets, deter those investors that would traditionally only invest in regulated government products like index funds, ETFs, equities etc. The risk cannot be controlled to a point which would allow for the investors of the money markets to then pour money into the crypto markets. However, if there was a way of guaranteeing the remuneration of a loss experienced back to the investor and help mitigate the risk absorbed then we can start seeing a shift in sentiment and approach. With the implementation of a world first trading insurance protocol, Signal as a platform has adopted greater risk management practices such which allows users to further reduce risk by insuring all or a portion of their funds invested in the platform. Through this, the Signal ecosystem sets precedence by allowing risk averse users or those that do not have any investments whatsoever, to invest their money while maintaining their risk averse approach.

In doing so Signal will be launching a brand-new way of looking at risk within cryptocurrency trading and investing. With the vision of becoming truly dynamic in terms of having greater control over the level risk a user is exposed to, Signal is implementing the world's first "Non-Fungible Token based Insurance Protocol for its profit sharing line of business.

## **ZIGNALY ECOSYSTEM**

Unlike other blockchain projects whose business model revolves around their native platform token, Zignaly's business model is derived from providing value to both investors and expert traders. This results in a platform that is ripe enough to facilitate a platform token model atop its existing infrastructure to continue to further provide an increasing amount of value for all participants within the Zignaly ecosystem. Now as seen earlier, investors have an entire platform which can help them make money passively, however, it is the expert traders, that can really utilize the platform to not only generate multiple streams of revenue from the various services they can support, but more importantly, they have a platform to build a following and an audience; that converts to paying clients 100% of the time.

For Zignaly, it is a win-win for all parties involved within the transaction. Zignaly gets an immense amount of exposure through the success of their expert traders which then allows investor/investors to make a more consistent stream of passive income and experience a growth in portfolio overall. With the practices put into place, the service offerings – especially the Profit Sharing module – along with the implementation of a trading insurance protocol, Zignaly is well positioned to capture “new money” both from the money markets and externally, onto its platform – in a way that has not been done before.

## **NON-FUNGIBLE TOKEN BASED INSURANCE PROTOCOL**

### **INSURANCE FUND FORMULA AND STRATEGY**

The NFT based Insurance Protocol is the world's first insurance protocol that will insure crypto trading on a platform. With the advent of smart contracts, tokenization of value has become significantly more accessible provided the implementation logic is sound. Tokenizing insurance has been a part of many discussions, but it has never actually been implemented within a working product before in this way. This is significant since the insurance industry is heavily archaic and siloed. Standard insurance in practice consists of an agency (the insurer) and the party being insured. What makes insurance a multi-billion dollar business is the underlying semantics that exist within its operation of “promising” claims to the end user. Typically when it comes time for a claim to be processed, the underlying insurer will attempt to undersell the user's claim by coming up with clauses within the fine print that invalidate the claim. There is a significant tussle between users and insurance companies alike. This is due to a lack of trust and transparency between the 2 entities so much that an increasing amount of 3rd party authentication and government regulation is needed to offset the misalignment.

However this significantly increases the costs of doing business for insurance companies as more time and effort is spent within all the key entities of the insurance framework. This, when extrapolated out, is absorbed by the end user in the form of increased premiums. Increasing costs are not only due to a lack of trust and transparency between the 2 parties but also due to how manual the entire process is. Due to being a siloed industry, most of the insurance processes are company specific and require manual oversight at key areas - especially during issuance and claims.

These costs, from both a time and money perspective are even more prevalent in small transaction times such as renting a car, bike, and an Airbnb etc. These transactions do not last long but require the end user to be protected in the event of an unforeseen circumstance. The insurance policies for short term events produce an equal if not more quantity of paperwork, which drives up the cost for both the company and the end user. Most times 3rd party companies deal with all issuances, cancellations and the subsequent underwriting that occurs if a claim is filed. Since these policies are only in effect for the duration of the activity which could range from a few hours to a month, there is a massive opportunity to make conducting business more efficient.

Through the tokenization of an insurance policy, a lot of the manual paperwork can be automated and not require manual effort. Through the use of blockchain technology and smart contracts; which are simply packets of data with various conditions coded into them, an insurance policy can be issued based on the criteria provided at the time of issuance. Due to this, much of the manual paperwork can now be substituted with a smart contract and its subsequent implementation.

Everything from the issuance, to the claims process, to the relevant underwriting can be coded into the smart contract which is tokenized for ease of issuance, proof of ownership and allocation when necessary.

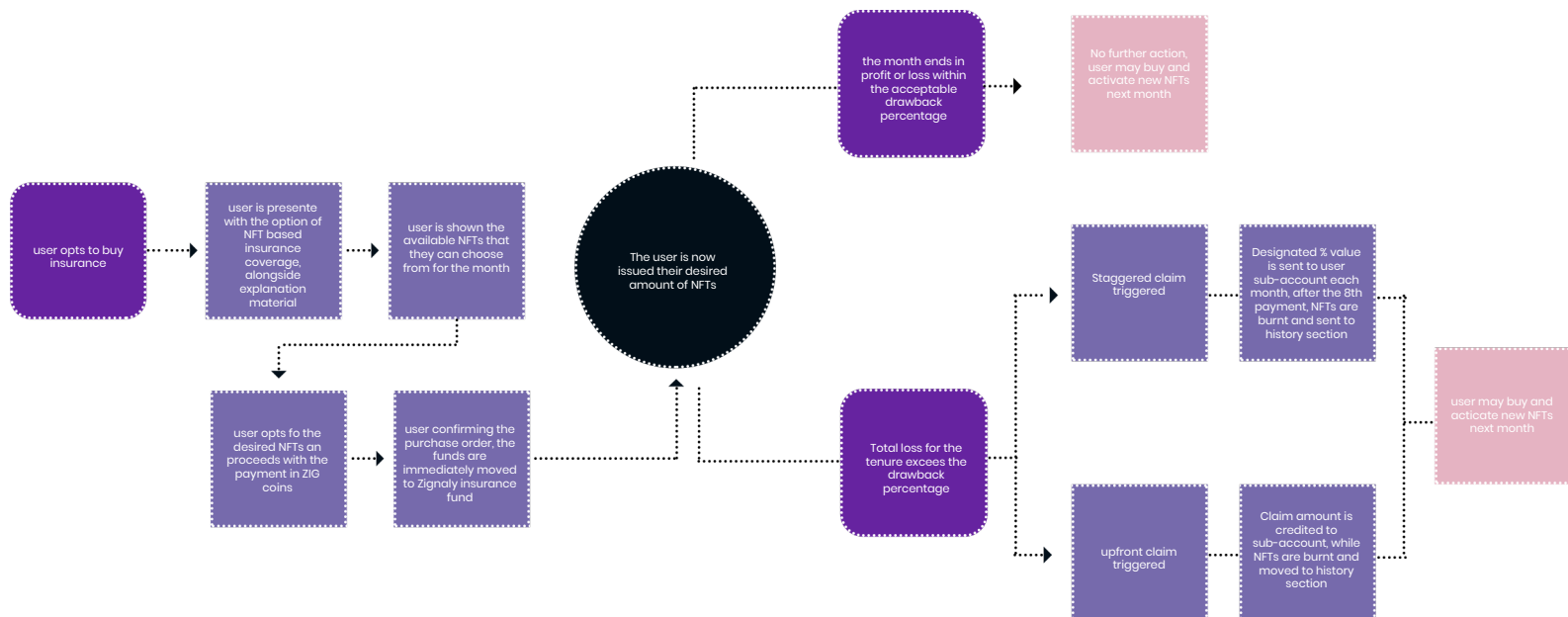
The implementation of this insurance is done through "Non Fungible Tokens" and a regular ERC-20 token called Zigcoin. The NFT based Insurance Protocol is designed with 2 layers - one that houses insurance smart contracts in the form of non-fungible tokens and the other housing the bridge that acts as a transfer of value within the platform - connecting users to Zignaly and its many features.

Typical insurance is usually driven by diversification of risks, due to the clubbing of individual risks together to achieve an overall lower amount of capital required to make sure all claims can be made at any time<sup>1</sup>. However the NFT-based Insurance Protocol implements a slightly more unorthodox approach. Instead of striving to have a minimum amount of capital available in the insurance pool, the minimum value of the fund will be at least equivalent to the value of the insurance policies active at any given time - this is also known as the "total exposure" of the fund. This is done to make sure that the fund is not going to over-extend itself and take on more risk than it is capable of handling. Another reason for the insurance pool being designed in such a way is to cater to events of mass volatility and subsequent liquidation. In the scenario of such an event occurring,

<sup>1</sup>: [https://en.wikipedia.org/wiki/Law\\_of\\_large\\_numbers](https://en.wikipedia.org/wiki/Law_of_large_numbers)

the company would want all users using the insurance protocol to be able to get paid without it affecting company cash reserves. Such an event is unlikely to occur, but being prepared for the worst case scenario helps put trust within both the users buying insurance and the platform offering it - Zignaly. By being transparent in the nature of the design and workings of the insurance fund, the NFT based Insurance Protocol plans to break down the lack thereof of both trust and transparency that is usually found within traditional insurance ecosystems.

By virtue, these non-fungible insurance tokens will be offered for sale to users on the Zignaly platform. However only a select few of the best traders will be able to offer this insurance to their audience. Each expert trader that is eligible to offer insurance to their followers gets a “drawback percentage” assigned to them. The drawback percentage (explained below in detail) provides a snapshot of the trading history of the trader along with a measure of how market sentiments/volatility affect them. Combined, the drawback percentage provides a buffer zone for acceptable losses to take place. If a expert trader incurs a loss greater than their drawback percentage in one month then the insurance is automatically triggered and the claimant is provided with options as to how they would want to be paid out. The idea here is to be able to bring a greater range of risk tolerance to cryptocurrency trading and make it even more lucrative for first-time crypto investors to begin using the platform. By being able to cater to the risk averseness of these brand new investors, Zignaly aims to bring “new money” into the market and become one of the first cryptocurrency trading products to be able to provide risks similar to that of the traditional money markets while providing gains that supercede their traditional investment counterparts.



As you can see the above figure provides a sample journey of the user going through the process of buying insurance in the form of NFTs on the platform with Zigo coin.

To start, the insurance NFT available for sale on the platform, will provide a preliminary amount of coverage at a fixed cost. The coverage amount and its related cost are dynamic in nature and can change depending on fund operating mechanics. The user will be able to buy the insurance NFT and add as much coverage to their account as the Insurance fund allows or upto the maximum value of their total allocated account - whichever comes first. The entire model runs on the premise of making sure the combined value of the number of active insurance policies are less than the insurance fund value itself.

Below is the derivation of the formula that determines the health of the insurance fund. It gives a snapshot of how the entire fund will be able to sustain itself and mitigate risk when needed. In totality if that formula is breached during the operation of the protocol then the insurance pool will be overexposed and risk would need to be recovered or removed. Since this formula guides how the insurance protocol interacts with both the user and Zignaly itself; there can be instances in the future where different operational metrics are realised, which can inherently alter the working principle behind the formula. This change would better serve the ecosystem and provide for more

### **BEGINNING OF PREVIOUS MONTH**

Coverage per basic NFT = NFT  
Total fund value Beginning of the Previous Month = am  
Number of NFTs Active = a  
Total value of Active NFTs = (NFT \* a)

### **END OF PREVIOUS MONTH**

Upfront Claims = x  
Staggered Claims where (NFT value > Calculated Loss) = y  
Total Claims end of current month = x + y  
Total NFT staking payments (NFT value < Calculated Loss) = sp  
Fund value end of past month = am - (x + y + sp)  
Zignaly fund contributions = z  
Sponsors contributions = s  
NFT Insurance Premium = u  
Total fund value end of month = [am - (x + y + sp)] + z + s + u

### **FUND VALUE AVAILABLE FOR NFT ACTIVATION**

$$[(am - (x + y + sp)) + z + s + u] > [(NFT * a)]$$

## **ZIGCOIN – PLATFORM UTILITY TOKEN**

The NFT based Insurance protocol will be supported by a platform native token called Zigcoin. Acting as Zignaly's native platform utility token, Zigcoin will assist in implementing Zignaly features. By introducing a platform wide currency, Zignaly aims to get closer to its users by providing them with different opportunities to engage, either through platform wide discounts, early exclusive access to new features for all token holders, loyalty based incentives for holding the coin or providing avenues for risk mitigation and insured investing. Below is a breakdown of the 4 distinct use cases of Zigcoin and how it will operate within Zignaly.

### **GOVERNANCE**

Zigcoin holders get to be a part of an exclusive governance structure where they can give community feedback on updates and vote on key integration decisions. Holders also get to beta test new features and cumulatively improve the overall platform.

### **INSURANCE & RISK MITIGATION**

By transacting with Zigcoin, users are able to interact with the Insurance Protocol where they can protect and hedge their investments with policies that begin from 10% and scale to 100% of the original principal.

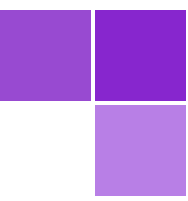
### **PROFIT SHARING & PREMIUM**

As co-op participant owners of Zigcoin users get to leverage the benefits of Zignaly's profit sharing service through a premium paid through fund-manager profits.

### **LOYALTY & REWARDS**

Exclusive non-fungible tokens (NFTs) unlock loyalty and reward incentives for qualified Zigcoin stakers, players, and borrowers/lenders.

For the first stage however, all NFTs will be insurance based and they will be paid for in Zigcoin. Zigcoin acts as a transfer of value within the platform whereas the NFT acts as transfer or distributor of risk - as it enforces the insurance and alleviates the risk from the expert trader to the Insurance fund itself.



## **TRADING FEE REBATE**

Users using the Zignaly exchange account which is currently based on the Binance broker API program, will get a trading fee rebate with regards to holding Zigcoin in the platform wallet. The rebate will be offered in a tiered approach, where the more Zigcoin you hold the higher the rebate would be. These rebate tiers will be announced closer to the launch date.

This will apply to everyone, either trading manually, running a service or following an expert trader. Upon the integration of the Zigcoin wallets, the trading fee rebate will go live. As of now the expected completion date for this integration as part of the technical roadmap is within the first half of Q3 2021. The Zignaly team is working on an alternative, which might speed up the implementation.

## **PAYMENT OF SUCCESS FEES**

Currently, investors are charged a percentage (%) of the profit they make under the profit-sharing model. These profits are deducted on a per trade basis for all parties including within both cases of investors either opting for the “withdraw” or “reinvest” profit functionality. Upon the integration of Zigcoin wallet, investors will have the option of paying the success fees in Zigcoin. This way, investors will be able to benefit from the long-term potential value accretion of Zigcoin as it continues being adopted within our ecosystem. Holding Zigcoin will lead users to paying their success fees with a lower amount of Zigcoin (proportionally) as the calculation is done on the bases of notional currency. Zignaly will be rolling out incentive programs for the traders to start accepting Zigcoin as a mode of payment.



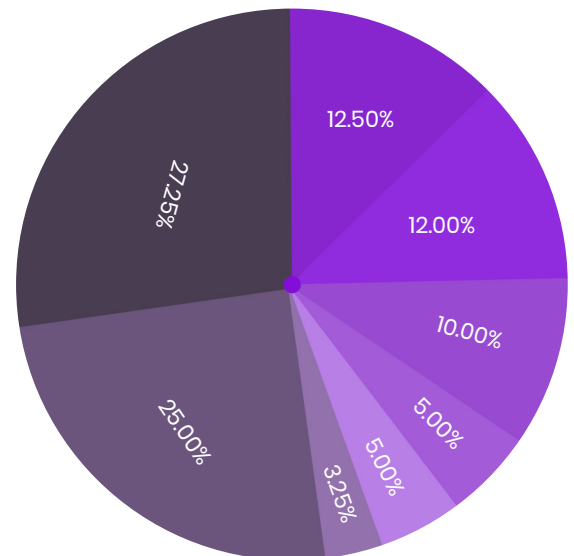
## TOKEN ECONOMICS

The total circulating supply for Zigcoin will be 2,000,000,000 where 250,000,000 tokens will be allocated towards a private sale. This is a tentative breakdown as private allocation might change.

Below is a breakdown of the token distribution for Zigcoin -

### Total Capitalization

● Private Round	12.50%	250,000,000
● Liquidity Provider Incentives	12.00%	240,000,000
● Partnerships	10.00%	200,000,000
● Future Campaigns and Community	5.00%	100,000,000
● Expert Trader Incentive	5.00%	100,000,000
● Advisors	3.25%	65,000,000
● Operations Reserve	25.00%	500,000,000
● Founders/Team	27.25%	545,000,000
<b>Total</b>	<b>100.0%</b>	<b>2,000,000,000</b>



The private sale and advisor token allocations will be subject to a vesting period as follows:

- 30% unlocked upon Zigcoin listing on an exchange
- 30% unlocked at 3 months after listing
- Remaining 40% unlocked at 6 months after listing

The tokens allocated to the founders are locked till 6 months after initial listing on an exchange. After which the allocated tokens will then be linearly released monthly over a period of 30 months - back to the founders.



## INSURANCE PROTOCOL DESIGN

The Insurance Protocol allows users to buy insurance to potentially mitigate their losses. The tentative cost of one NFT is 1 USDT (SBD) and is payable in the equivalent amount of Zigcoin only. The fund will always be in a stable coin denomination to ensure value is maintained over the course of the trading month. As stated above, the pool will be split up with qualified expert traders in proportion to their working capital. This is maintained to mitigate risk for the pool itself.

The coverage for the insurance NFT is 10 USDT and can be projected to go up over time as the insurance fund value increases. Once the overall insurance fund increases in value by 100% the value of all NFTs goes up by 50% and its subsequent price increases proportionally. As mentioned before, the numbers associated with cost and its respective coverage amount will be finalized closer to the date of the launch of the protocol itself.

Following the launch, these numbers may change depending on the operating mechanics of the Insurance Protocol. A user can buy as many NFTs as they would like at any given time however they can only activate up to the maximum of their total account value, pertinent to the availability of funds in the Insurance fund. On the user's end they will simply "buy" the amount of NFTs they want and the insurance coverage will begin at the stipulated time (if bought before the beginning of the month then automatically get activated at the start of the month OR if bought after the start of the month then immediately get activated after purchase). NFTs will be locked to certain expert traders such that after purchase, they will only be used for the expert trader with whom the user initially connected to. Below is the breakdown of the NFT based Insurance Protocol:

Price	Coverage	Coverage Multiple
\$1.00	\$10.00	10

An example of a possible scenario is as follows:

Number of expert traders:	5
Insurance fund value:	50 000 USDT
Number of NFTs available for purchase:	5 000
Cost per NFT:	1 USDT worth of Zigcoins
NFT coverage:	10 USDT

Since the pool is distributed proportionately to the 5 expert traders based on their working capital, there is a chance that there are NFTs available for purchase in relation to some but not all eligible expert traders (as the latter may have sold out in their offering). For now, the NFTs available for purchase are nontransferable, but in the future expert traders may trade them with each other depending on the supply and demand.

## **NFT DESIGN**

The view will have 3 parts, one for the active NFTs that are enforced in the specific month, one for the NFT wallet which showcases the list of unused NFTs and one called collection where users will be able to view their expired tokens. These expired tokens will not grant any coverage from the insurance pool but could still give some advantages or be valuable as a collectible item.

Each time users buy a new NFT, this token will be created in a unique way, combining predefined characteristics, colors, design, and name. This NFT will be stored in the NFT wallet as mentioned above.

The following are potential sections that can be added to the identity of a specific NFT.

### **NFT Card Sections**

#### **Cost**

States the price of the NFT. The history of the item will be printed on the blockchain.

#### **Name**

Used for identification purposes but can be used for marketing and sponsorships as well. Can link NFT names to sponsors and anyone else looking to promote.

#### **Value**

The amount of coverage that the NFT has along with its coverage history. .

#### **Image**

Logo from sponsor, could be a chart – can be used for marketing and sponsorships.

#### **Burnt**

If a specific NFT is used for covering a loss, then it will be marked with an “ugly” stamp, indicating it.

#### **Identity**

Indicates whether an NFT is associated with a trader, the platform itself (agnostic) and or promotional events - where it is associated with exchanges for sponsorships, special events etc.

The overall Zignaly Insurance fund will be funded by Zignaly revenues along with periodic contributions from Zignaly at their discretion, temporary deposits made by the sponsors during campaigns and all user paid insurance premiums. (see fund value formula above)

## DRAWBACK PERCENTAGE AND FORMULA

The drawback percentage is a unit of measure of the acceptable percentage loss of the overall fund value over a specific period – i.e. a month. It is a dynamic metric which will be based on the eligible 3 month moving average of the trader. Within this Insurance Protocol, the drawback percentage acts as the underwriter for all insurance contracts issued through NFTs. Typically in traditional insurance, underwriting is done through a lot of manual process which at times is met with skepticism and lack trust due to the untransparent demeanor that is upheld between the insurer and the insured. By transforming underwriting from a highly subjective process to one that works on pure logic and transparent code, the Insurance Protocol aims to bridge the gap between users and the subsequent service offering. The drawback percentage is one of the 3 pillars of this protocol; with the other 2 being the fund value formula and the inherent design of the NFT itself. Due to this, it is vital that the entity that authorises and underwrites all insurance claims is constantly referred to and improved upon. Below is the formula, depicting the factors that are taken into consideration when designing the drawback percentage.

### DRAWBACK PERCENTAGE FORMULA

$$\text{DB\%} = \left( \frac{\text{sum of positive profits from allocated}}{\text{no. of total trades}} * \frac{\text{sum of negative profits from allocated}}{\text{no. of total trades}} \right) * \left( \frac{\text{sum of negative open trades at month end}}{\text{no. of total trades}} \right) * (\text{factor of safety})$$

The formula has 3 components which are all functions of each other in order to come up with the most accurate representation of both trader performance and market sentiment. The first component realises the number of positive trades as a ratio to the total number of trades conducted. The second factor realises the same ratio but for negative trades. The third factor is built into the system to assess trader performance in the most pessimistic way possible. The third factor consists of the ratio between the sum of all negative unrealised open trades (assumed closed at the market price on month end) over the total number of trades conducted. It is vital that this is factored into the equation as it provides a better baseline for what the drawback percentage could look like in the worst possible case scenario for that month.

The factor of safety is intended to measure the level of risk associated with the provision of insurance under current market conditions, and takes into consideration factors such as the volatility of the market and major price-affecting events during the relevant month.

#### Criteria for expert traders

If an expert trader triggers the Insurance Protocol in one month, then, based on the circumstances (market-driven or not), the expert trader following month may/may not be allowed to offer insurance to their users. Zignaly qualifies expert traders based on the drawback percentage but also the following criteria:

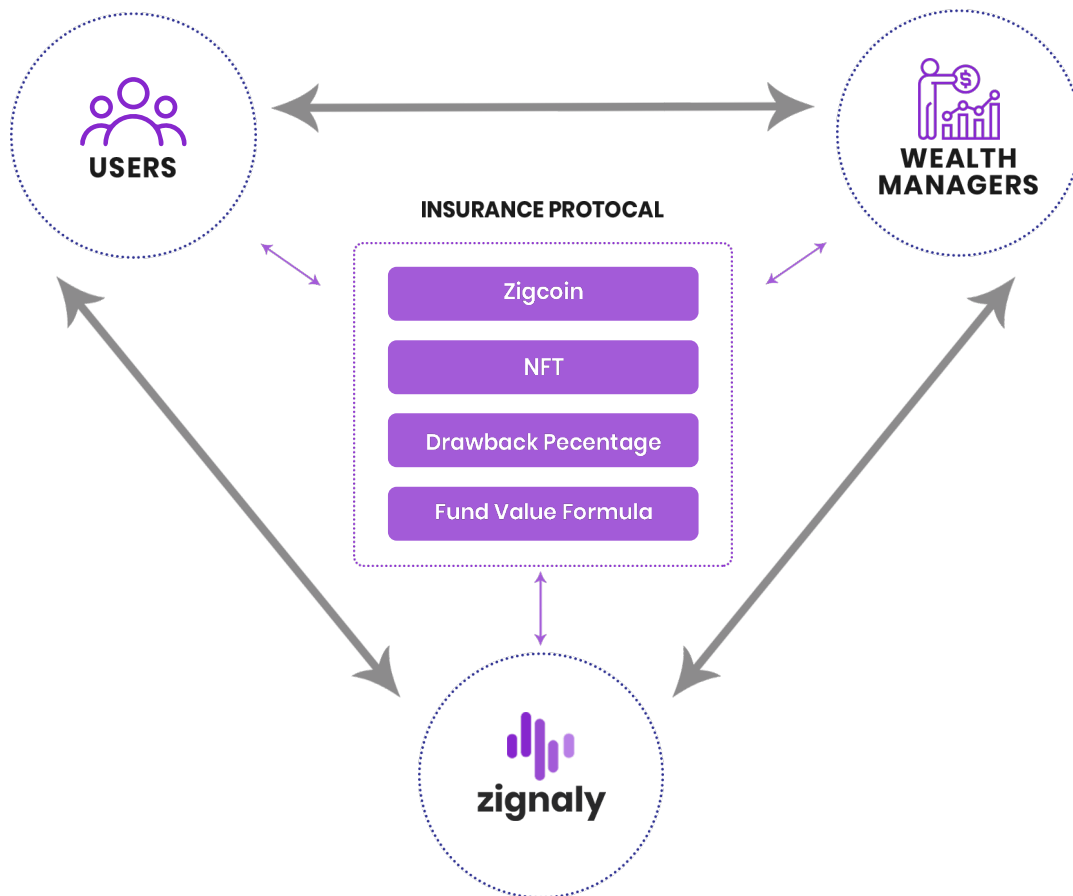
1. Minimum capital under management
2. Profitability over past 6 months
3. Number of followers
4. Capital following
5. Number of trades
6. Volume traded
7. Minimum personal capital invested
8. Position size (for spot)
9. Leverage size (for futures)

The drawback percentage will represent a buffer for the trader to play within. If losses beyond the drawback percentage are realized, the insurance smart contract will be triggered. The drawback percentage also represents the amount of risk a trader takes along with if he/she is trading options or spot. A spot trader will have significantly lower DB percentages than compared to a futures trader, as the latter involves leverage and hence takes on more risk while yielding higher rewards comparatively. The drawback percent will help guide and educate new and existing users of their own levels of risk tolerance/friendliness.

In order to get started however, a user will typically only buy insurance which exposes them to the concept of 'risk absorption'. Risk absorption refers to the lowering of risk by actively preparing for it in advance. If an insurance contract is triggered, the insurance would lower a user's total losses. At payout, the user will be paid out up to the maximum of the policy value. The idea here is that even though the user lost a certain amount, they get a portion of their losses back and so their overall net loss is lower than what it would have been originally without insurance.

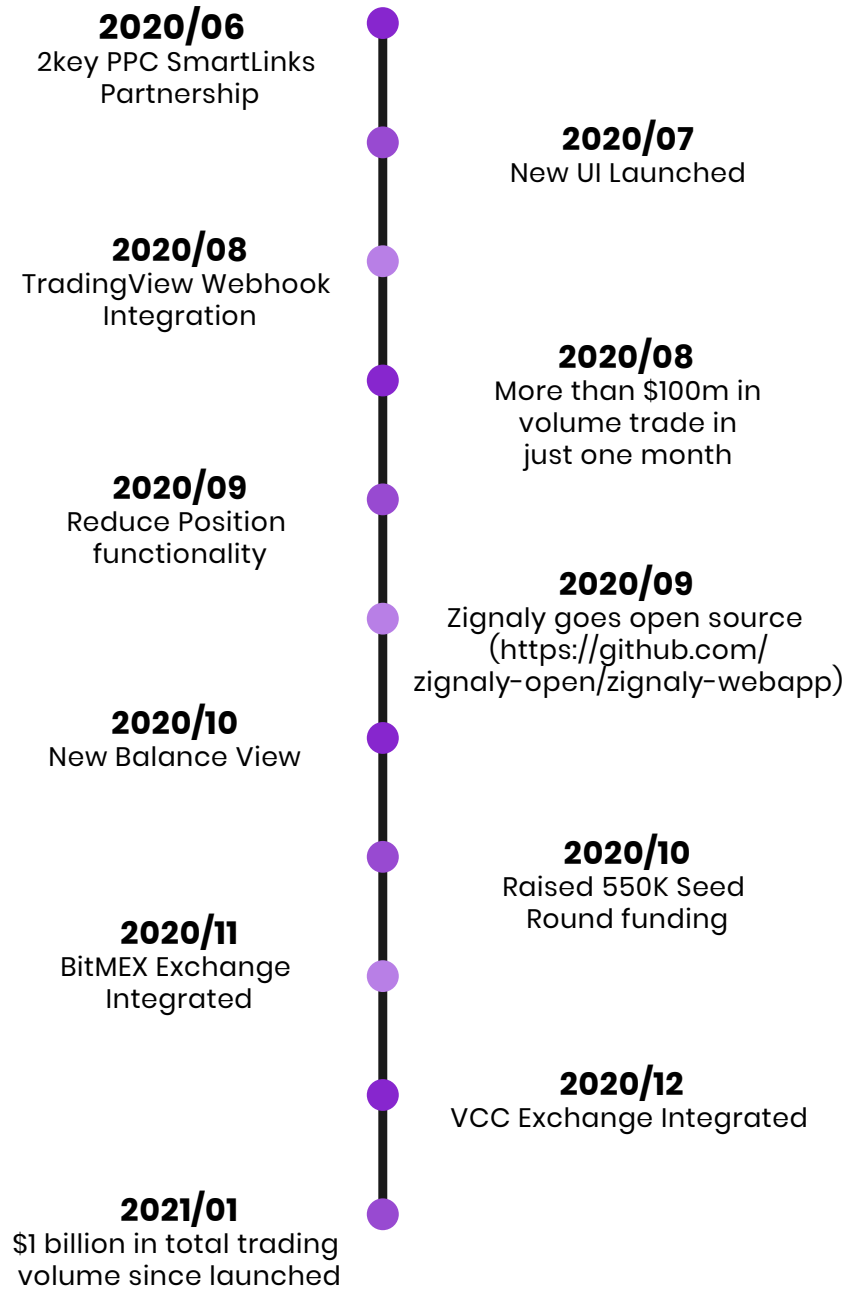
## INSURANCE PROTOCOL SUMMARY

Illustrated in the diagram below, the Insurance Protocol is seen as acting as the central point of interaction with all the relevant stakeholders combined. The fundamental pillars that the protocol is built upon; Zigcoin, NFTs, the Drawback Percentage and the fund value formula, are key to its successful design and implementation.

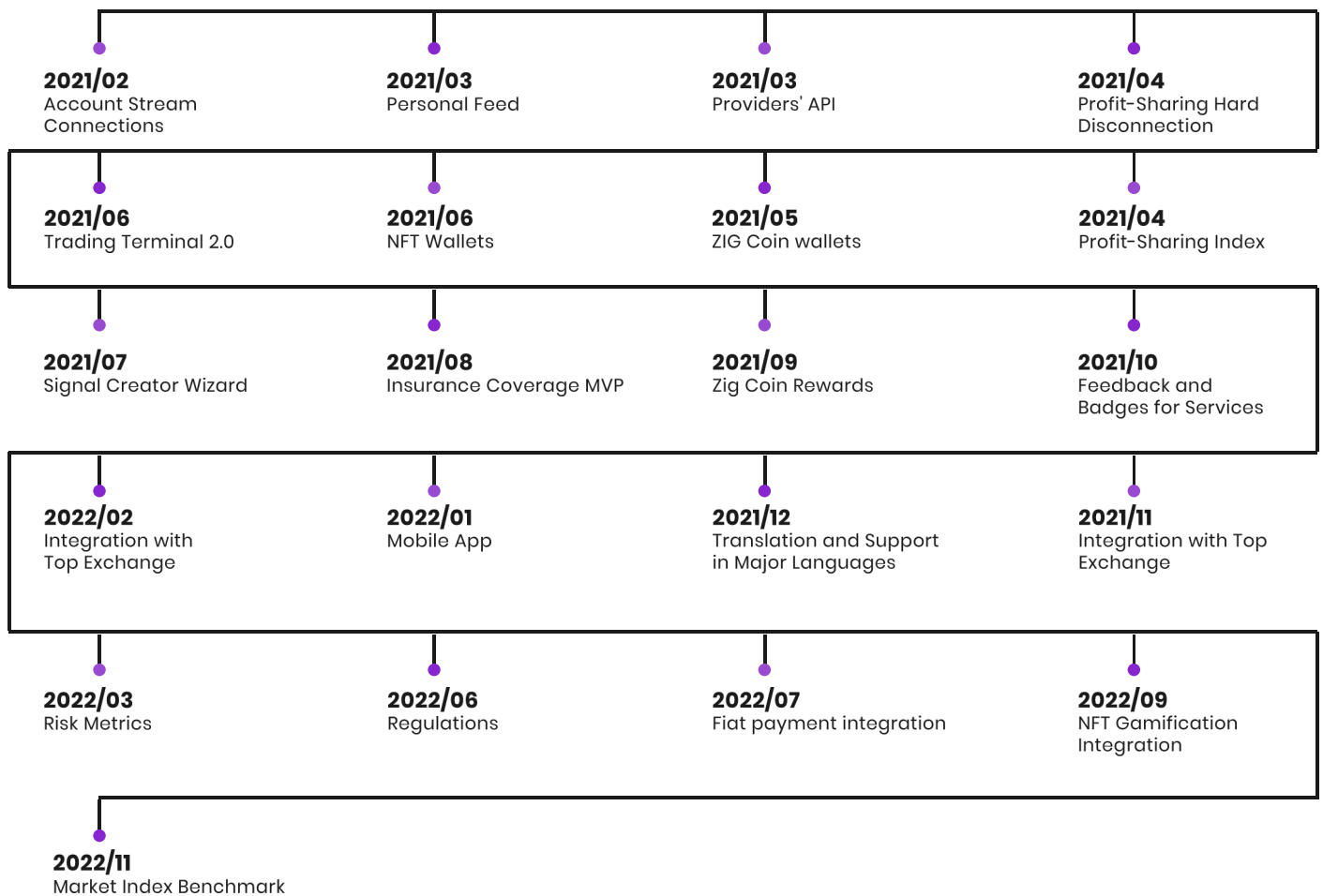


With this being said, as the Insurance protocol is further developed upon, and Zigcoin sees greater adoption, the performance of individual expert traders will be grouped together within an Index, which would result in a significant evolution of how the NFT based Insurance Protocol is further designed and innovated upon.

## MILESTONES



## ROADMAP



## TEAM

### EXECUTIVE TEAM



**Bart R. Bordallo**  
Founder & CEO



**David Rodriguez**  
Founder & CMO



**Abdul Rafay Gadit**  
Founder & CFO

### ZIGNALY TEAM



**Kamila Lipska**  
Growth & PPC



**Miguel Angel Garzon  
Maldonado**  
Full Stack Developer



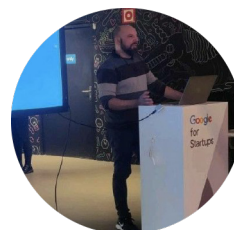
**Axia Grant**  
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