1. Introducing Mercor Finance

1.1 The Problem and Opportunity

1.1.1 Mercor’s Mission
Mercor’s mission is to disrupt and democratize the global algorithmic trading market by building a bridge between algorithmic trading and everyday investors worldwide. Over 80% of all market transactions are currently done with the use of algorithms and trading automation tools. These types of trades leverage computational resources and speed to outperform human traders. However, algorithms are becoming more complex with the advancement of machine learning and artificial intelligence. Aside from speed, these algorithms are now also becoming extremely successful in making the right decisions. Many different strategies exist, ranging from relatively simple, trend-following strategies all the way to advanced AI trading algorithms, reacting to live world events, weather, Twitter sentiment, and more.

Increasing demand for reliable, high-frequency and effective order execution as well as a growing demand for reduced transaction costs, are expected to further accelerate the algorithmic trading market. The expected CAGR of the algorithmic trading market over the years 2020-2025 is 11.23% [1]. At the beginning of 2020, the corona crisis caused stock markets worldwide to plunge. Algorithmic trading has been contributing to market rebounds after the March lows. Thus, algorithmic execution tools in foreign exchange increased significantly since March 2020 [2]. In crypto markets this dominance is not yet as strong. The consensus is that crypto markets are moving in that direction, playing into the hands of large institutional investors currently entering the market. Mercor aims to diminish this advantage and offer similar capabilities to individuals worldwide.

1.1.2 Current Problem
The large majority of all advanced trading algorithms used are in the possession of large institutional investors. These include, but are not limited to, banks, credit unions, insurance companies and hedge funds. Huge investments and funds enable these institutional investors to attract talent in order to develop the most effective trading algorithms. These creations are always treated with extreme secrecy and fall under the institutional investors’ property. Mercor aims to radically disrupt this dominance by creating an infrastructure that facilitates a cooperation between algorithmic trading developers and everyday investors worldwide, aiming to democratize the algorithmic trading market.
1.1.2.1 Developers
One might ask why developers are not able to remain in control and profit from their own algorithms. However, several problems need to be addressed in order to facilitate such a construction.

Tools & Budget
To create a successful trading algorithm, expensive tools and resources are needed such as backtesting capabilities, access to a trading platform, and reliable computational power. On top of the costs associated with these requirements, limited or exclusive access is also a high barrier to entry. Overall, this makes developers highly dependent on institutional investors to supply them with everything they need.

Data Exclusivity
Data is the new gold in modern age of global financial markets. Acquiring useful data is a costly and complex matter. Institutional investors have a disproportionate advantage over ‘lone wolves.’

1.1.2.2 Traders
Traders and investors face several problems when attempting to invest with the help of algorithmic trading tools.

Non-transparent market & Budget
Comparing and backtesting algorithms is extremely difficult, making it nearly impossible to objectively study different algorithms. Therefore, developers are forced to rely on biased information originating from the creators or parent company. Fees and subscriptions are often extremely expensive, demanding high minimal investments. This has resulted in a market only accessible to high net-worth individuals or large companies.

High entry barriers
Entering the algorithmic trading market requires a lot of knowledge. There are currently no platforms that offer a simple, easy to understand and mainstream way to invest in and research the algorithmic trading market.
1.1.3 AI based algorithmic trading on the rise

In recent years, interest in artificial intelligence has increased rapidly. Specifically, deep learning which entails training a large virtual neural network to recognize patterns in data and analyse the results. These systems are incredibly attractive to hedge funds and trading firms as they are always looking for new strategies to increase returns and decrease risk.

The amount of information that these systems can analyse is almost incomprehensible. They can then leverage these incredibly large datasets to make predictions about the direction of the market and in most cases make the trade without human interaction.

Every year, more traditional institutional investors are seeing increased efficiency and better results with AI. For those who have witnessed the annual growth and increased profitability first-hand, there is no doubt that AI and algorithmic trading is the future.

According to Preqin, a well-known provider of financial industry data, there are about 1,360 hedge funds that are currently making most of their trades through algorithmic trading. These funds are managing about $197 billion in total.

The world’s largest asset manager, BlackRock, recently announced a substantial pivot to big data and artificial intelligence. They are hiring many data scientists and dedicating a complete department (BlackRock AI Mercor) to this cause. This trend is common among nearly all the biggest hedge funds and asset managers.

However, all these companies only provide investment opportunities to high net-worth investors. Furthermore, the data scientists that create the algorithms do not profit based on the performance of their creation. The intellectual property lies within the underlying company, which is understandable since the company provides the data scientists with tools, data, and computational power as well as integrations with the stock markets.
1.2 The Mercor Solution

The Mercor platform provides its users with the instruments needed to develop and the accessibility to invest in what is known as the black box of trading, algorithmic trading. On one hand, we supply developers with analytical tools, backtesting capabilities and exclusive data. On the other hand, we make investing in algorithmic trading publicly accessible by reducing and nearly eliminating the traditional barriers to entry. With the power of the crowd, we create an environment in which individuals are no longer restricted by expensive data or solutions protected by intellectual property rights. We are supplying ordinary people with a complete set of tools previously only available to a handful of institutions.

Mercor will give ordinary traders the opportunity to directly invest in complex algorithms with no intervention of large institutional investors, through an accessible social platform focused on ease of use and education. Mercor aims to connect traders with development teams and their algorithms, with worldwide access on all devices, providing our users with the ability to profit from a previously inaccessible market.

We believe in the power of creative individuals to generate tremendous value with their self-built algorithms, promoting teamwork and the creation of advanced algorithms making use of AI. Mercor will give developers the chance to use our unique development environment called ‘Mercor Environment.’ This environment will provide developers with all the tools and computational power necessary to build AI-based algorithms. Creating an interactive and social environment in which thousands of developers can form teams and build together, testing and deploying their creations. The development of these algorithms will be supported by data, tools and tutorials (Mercor Academy), as well as pre-made functions and API’s. Developers will earn Mercor Tokens (MRCR) based on the success of their algorithm, the total Assets Under Management (AUM) and their custom set commission fee.

An early-stage alpha version has currently been deployed and a private alpha testing phase has successfully concluded. The alpha environment has provided the mercor team with valuable feedback and functions as a Proof of Concept (PoC). The Mercor team is currently preparing the platform for widespread beta access.
1.3 Revenue Model

Mercor aims to be an open and accessible platform; this means free access for both developers and investors. Developers will be charged in Mercor Tokens (MRCR), based on computational power used and total trading volume. Traders will be charged competitive trading fees. We will be committed to a fee structure that is fair, straightforward, and as transparent as possible. Both Developers and Traders will also be able to select a tier modelled staking membership.
The Mercor architecture includes three main environments:

- The developer environment
- The investor environment
- Trading app

Aside from the aforementioned environments, some other modules will be included in later stages.
2.1 Investor Environment

The investor environment enables investors to connect to their wallets, stake MRCR tokens, see and compare algorithms, and invest in algorithms (high-volume pairs).

Once an investor selects an algorithm, there will be two fees involved:
- Developer fee
- Transaction fee

The developer fee will be paid in MRCR tokens which will be deducted from the staked pool and will go directly to the developer.

The transaction fee will be a fee that includes the spread of the exchange and a fee that goes to the Mercor platform. This fee will consist of the token pair traded by the algorithm. All tokens gained by Mercor in this way will be used to buy back MRCR tokens and afterward partially burned.

2.2 Developer Environment

The developer environment will be designed for the developer to construct the algorithms. This module will contain the latest support for all major AI-packages, like Pytroch, TensorFlow, Scikit-Learn, and Keras. This module will run natively on python and will facilitate the use of datasets, pre-developed algorithms, and tools. Our platform will offer exclusive datasets for developers to use (depending on the package). On our forum, there will be extensive guidelines and support.

The developer environment will enable developers to create, train and improve their algorithms. This creation will be done in the Mercor environment. The testing will be done in the backtest environment. All data will be delivered by a secured data storage module, where Mercor collects data from different sources and delivers them to the developer.

Once an algorithm is created, it will be audited by the Mercor security and fraud module. If it has been approved, it will be saved in the algorithm storage.

The algorithm storage will be restricted to only output through signals to the trading app. This will be done in order to protect the algorithms from possible threats.
2.3 Trading App

The trading app will perform all trades on the Mercor platform. These trades will be initiated through signals coming from the algorithm storage. These signals will communicate with a blockchain-oracle which calls upon the smart contract on the binance smart network. This smart contract will perform the trade on the exchange coupled with the API given by the user. The developer and transaction fee will be handled by the smart contract.

2.4 Security

To run the mainframe we will need multiple high-speed servers, connected to the exchange API. The security of this connection is of the highest priority and therefore we shall hire a cybersecurity specialist to assist us with the construction of these connections. We will need to store all the user data encrypted with a 128-bit Advanced Encryption Standard (AES). The algorithms and financial data will need higher graded encryption and thus we will use the stronger 256-bit AES.
3. Mercor Token Economics

3.1 Decentralized Finance

Decentralized Finance or DeFi has been the latest development in blockchain. The DeFi market has experienced massive growth throughout 2020 and has seen continued growth and use cases in 2021. Mercor is taking DeFi to the next level by combining it with algorithmic trading. This allows users to make algorithmic trades directly from their wallet without any centralized body holding onto their assets. DeFi is at the core of the Mercor platform and hence driving the token utility and value of MRCR.

3.2 Mercor Utility Token ($MRCR)

Mercor will democratize certain aspects of the platform, which will give Mercor token holders certain benefits and rights. The MRCR token will be used throughout the platform for multiple use cases. Examples are given below on how this will work.

- Algorithm fees set by developers
- Trading fees paid by investors
- Staking pools & rewards
- Development environment - acquiring and using trading tools
- Access to signal tools

3.2.1 Algorithm fees set by developers

The Mercor team believes in a free market economy in which developers remain in control of their algorithms and set their own commission fee. Developers will earn MRCR tokens by deploying their algorithms to the Mercor platform. The amount of MRCR gained by the developer will be calculated by a variable fee which is set by the developer. The best-performing algorithms will command the highest fees.

Developers can freely withdraw the MRCR tokens earned. The tokens can then be used for several platform functionalities, such as acquiring development tools to create more advanced trading algorithms. Examples of these tools include:
• Exclusive data sets
• Access to certain third-party integrations
  • Weather data
  • Social media data
  • Web scrapers
• Advanced debugging and analysis tools
• Access to specific development packages

3.2.2 Trading fees paid by investors
All trading fees paid by investors will be paid in MRCR tokens. These include the variable fees set by each respective developer and the platform trading fees derived from all trades performed by the algorithms.

3.2.3 Staking pools & rewards
To invest in algorithms via the Mercor platform, users need to stake a certain amount of MRCR tokens. There will be different staking tiers that represent uniquely different benefits. These benefits will include the number of algorithms running simultaneously, the type of algorithm available and the allocation per algorithm allowed.

3.2.4 Development environment - acquiring and using trading tools
Many of the tools, datasets and API’s will be available for free. However, developers will be able to acquire more advanced training tools and API’s with their MRCR tokens.

3.2.5 Access to signal tools
Signal algorithms allow investors to receive the calls that the algorithms make without automatically investing the funds. Investors can then make their own decision based on the signals received.
4. Use of Funds

- **Software Development**: 35% will go into developing and continuing maintenance of the Mercor platform.
- **Marketing**: 25% will be used for marketing expenditures such as but not limited to offline/online events. Advertising and PR used to attract developers and investors worldwide.
- **Operations**: 20% will be used to run Mercor day to day activities. This includes but not limited to office rent, utilities, and salaries.
- **Liquidity**: 20% will go into liquidity for exchanges, primarily Pancakeswap.
## 5. MERCOR TOKENOMICS

<table>
<thead>
<tr>
<th>FUND</th>
<th>ALLOCATION</th>
<th>PRICE</th>
<th>VESTING</th>
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<tbody>
<tr>
<td>SEED</td>
<td>2%</td>
<td>$0,044</td>
<td>10% UNLOCKED AT LISTING 15% RELEASED MONTHLY AFTER</td>
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<tr>
<td>PRIVATE SALE A</td>
<td>20%</td>
<td>$0,063</td>
<td>10% UNLOCKED AT LISTING 15% RELEASED MONTHLY AFTER</td>
</tr>
<tr>
<td>PRIVATE SALE B</td>
<td>3%</td>
<td>$0,098</td>
<td>20% UNLOCKED AT LISTING 20% RELEASED MONTHLY AFTER</td>
</tr>
<tr>
<td>PUBLIC SALE</td>
<td>5%</td>
<td>$0,13</td>
<td>100% UNLOCKED AT LISTING</td>
</tr>
</tbody>
</table>

### ECOSYSTEM

| LIQUIDITY           | 13%         | LISTING PRICE $0,138 | 35% ADDED AT LISTING & LOCKED FOR 1 YEAR 5% PER MONTH UNLOCKED AFTER |
| TEAM                | 8%          | LOCKED FOR 6 MONTHS 5% RELEASED MONTHLY AFTER |
| MARKETING / PARTNERSHIPS | 15%       | 5% RELEASED MONTHLY |
| INFRASTRUCTURE / DEVELOPMENT | 16%       | 5% RELEASED MONTHLY AFTER FIRST MONTH |
| LEGAL / ADVISORS    | 6%          | 5% RELEASED MONTHLY |
| COMMUNITY REWARDS    | 5%          | 10% RELEASED MONTHLY AFTER FIRST MONTH |
| RESERVE             | 7%          | 10% RELEASED MONTHLY AFTER FIRST MONTH |

- **TOKEN SUPPLY:** 100M MRCR
- **TOTAL RAISE:** 2.3M USD
- **INITIAL CIRC. SUPPLY:** 8.55M MRCR
- **INITIAL MARKET CAP:** 1.179.900 USD
6. Go To Market Strategy

Mercor's go-to-market strategy will be to build upon the already successful alpha environment. Mercor will use a mixture of offline and online marketing strategies to drive the relevant audience to the Mercor platform. Attracting a developer audience through showcasing the obvious advantages of creating trading algorithms via the Mercor platform as well as the possibility to earn a monthly recurring income.

When it comes to investors, they will be attracted by lucrative trading algorithms and targeted campaigns via online/offline events. We will use online marketing activities to advertise the Mercor platform as a place in which investors have access to unprecedented opportunities to take advantage of the latest advancements in algorithmic trading.

6.1 The Mercor Academy

Mercor is dedicated to educate its users and at the same time attract new users. Therefore, the Mercor team has been working on an academy module. This academy module includes a demo environment in which users can practise and perform fictional trades. This will allow new users to test the platform without any commitment. We will also allow developers to create custom academy modules for more advanced trading algorithms and strategies.

The Mercor platform will also create combined funds including different algorithms and strategies -- offering investors a safer and more consistent investment. One could think of a ‘top 10 Mercor fund,’ including the 10 most effective algorithms over the past month, and many other combinations.
7. Roadmap

- Mercor Alpha
- Mercor Forum Launch: Dec
- Pre-defined Functions: Feb
- Private Sale: Apr
- Multi Level Algorithms: Jul
- Mercor Beta
- Additional Partners & Exchanges: Q3 2021
- Mercor V1.0
- Alpha Launch: Oct
- AI Support: Jan
- Mercor Soft Launch: Mar
- IDO BSCStarter: May
- Beta Launch: Q3 2021
- Mercor Launch: Q4 2021
8. Disclaimers


8.1 Long Token Disclaimer

MRCR Tokens are utility tokens designed to be used on the Mercor Finance Platform and other applications (the "Mercor Applications") developed by Mercor Finance LLC, and parent companies, subsidiaries, affiliates, agents, representatives, predecessors, advisors, and the successors and assigns (the "Mercor Parties"). MRCR Tokens have an expected future usage solely as a utility token within the Mercor Applications.

MRCR Tokens are not a security of any kind, and they do not represent any right to vote, manage, or share in the profits or proceeds of any entity. MRCR Tokens do not represent ownership of any physical asset. The Mercor Parties not guarantee or suggest any economic return from receiving MRCR Tokens, and you should not use MRCR Tokens for any speculative purposes. Participation in any MRCR Token Sale should be without expectation of any profit, dividend, capital gain, financial yield or any other return, payment or income of any kind.

It should not be understood, deemed, interpreted or construed, under the laws of any applicable jurisdiction, to equate MRCR Tokens to any kind of:

1. money, legal tender or currency, whether fiat or otherwise;

2. equity or proprietary interest in any entity, scheme or venture;

3. investment in any entity, common enterprise, scheme or venture, taking any form, whether equity, debt, or as a commodity (or any combination thereof, whether to be delivered in the future or otherwise);

4. instrument, entity, scheme or venture that participates or receives any dividend, payment, profit, income, distribution or other economic returns;
5. security, futures contract, derivative, deposit, negotiable instrument (including commercial paper), investment contract or collective investment scheme between the holder and any other person or entity; or

6. asset or commodity (whether to be delivered in the future or otherwise), including any asset or commodity that any person or entity is obliged to repurchase or redeem.

8.2 Short Token Disclaimer

The MRCR Token should not be considered an investment, and it should not be used or purchased for speculative reasons. The MRCR Token does not give its holder any right to profits, and it does not represent any ownership interest. XCT is a digital asset that has value and utility solely within the relevant Mercor Applications.

8.3 Forward Looking Statements Disclaimer

Certain information contained in this document constitutes “forward looking statements”, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties actual events or results or the actual performance of MRCR Tokens and/or the Mercor Finance Platform may differ materially from those reflected or contemplated in such forward looking statements.