

Markets

Former FTX Executive Launches a ‘No Loss’ AI Trading Platform

By [Emily Nicolle](#)

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At the European arm of failed crypto exchange FTX, Patrick Gruhn watched as traders repeatedly lost money on risky bets. Now, he’s launching a product where the savviest investors can turn a profit – even while putting zero capital at stake.

[Perpetuals.com Ltd.](#) on Tuesday launched UpsideOnly, a platform that turns crowdsourced paper-trading strategies into shared real-money profits by executing bets with only the company’s capital. Investors place fake trades that predict the future price of assets like oil, gold and equities, after which an artificial intelligence model chooses the ones that are most likely to result in profit. The company then trades on those forecasts using its own money, and where it succeeds, shares half of the earnings with traders who created the winning signals.

In short, instead of parting with their cash, traders give up their time and expertise in training Perpetuals’ AI for a slice of the profits. And while the company itself takes on the risk of potential losses, it gains valuable data that AI could never generate on its own.

“That’s the entire idea in using human intelligence, crowd intelligence – because they are good at generally analyzing the financial instruments, no matter what it is, but they’re very bad at execution,” said Gruhn, who became chief executive officer of Perpetuals in 2023.

Crowdsourcing amateur trading signals to beat high-priced hedge fund strategies is a tried-and-tested model that hasn’t always worked out. Even

with recent advances in the technology, AI has also proved to be poor at stock-picking or crypto trading when left to its own devices.

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Gruhn's hope is that mixing the two might be a recipe for success. Perpetuals' AI model, BayesShield AI, was developed in-house with the sole goal of scoring and identifying the strongest trading strategies, the company said. It's already been trained on a dataset of 22 billion trades.

"You cannot use AI to predict the market. I'm pretty sure it's impossible," said Gruhn. "Many are trying this because the markets themselves are basically, more or less chaos theory or random work. But predicting what the outcome of a human trade will be? That on the other hand is possible, because you have a track record from the past."

Perpetuals is in talks to raise hundreds of millions of dollars in funding to support its trading activity, Gruhn added. He's also put \$100 million of his own capital toward its proprietary trading.

FTX collapsed in 2022 when users rushed to withdraw from the exchange, after founder Sam Bankman-Fried had invested much of its customers' assets in illiquid bets. Gruhn, who was head of [FTX Europe AG](#) at the time, said that experience incentivized him to build a platform where users didn't have to give up control of their capital in order to win.

"We could have designed it differently," Gruhn said. "But I said no. I don't want to do anything like that ever again."

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