

Paxos Trust Company, LLC
Examination of Management Assertions
BUSD Token
November 25, 2024 and November 29, 2024 at 5:00 PM Eastern Time
With Independent Accountant's Report

Paxos Trust Company, LLC
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INDEPENDENT ACCOUNTANT'S REPORT

Paxos Trust Company, LLC
New York, NY 10011

We have examined Paxos Trust Company, LLC's (the "Company") below assertions. Paxos Trust Company, LLC's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination. Management's assertions, which are summarized in the attached report, (hereafter referred to as the "Redemption Assets Report"), which we examined are as follows:

- The Redemption Assets Report refers to the supply of BUSD tokens ("BUSD") as of November 25, 2024 and November 29, 2024 (collectively, the "Report Dates and Times") at 5:00 pm Eastern Time ("ET"). Such BUSD as denoted under contract 0x4fabb145d64652a948d72533023f6e7a623c7c53 at 5:00 pm ET on the Report Dates and Times is 68,223,497 and 68,223,497, respectively.
- The Redemption Assets Report refers to the accounts held by the Company at U.S. insured depository institutions and debt instruments that are expressly guaranteed by the full faith and credit of the United States Government. The fair value of the redemption assets is at least equal to or greater than \$68,223,497 and \$68,223,497, respectively, at the Report Dates and Times.
- The Redemption Assets Report refers to the Company's holdings as of the Report Dates and Times at 5:00 pm ET, which includes the disclosure of the total fair value of the Company's asset holdings by asset type. Any amounts held in U.S. Treasury Debt include additional disclosures such as CUSIP and maturity date, as applicable.
- The BUSD supply, as represented by management in the Redemption Assets Report, does not exceed the balance of the Redemption Assets reported below.
- The Redemption Asset Report refers to the redemption asset composition which adhere to the guidelines that were set forth by the New York Department of Financial Services ("NYDFS").

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions whether due to fraud or error.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In performing our risk assessment, we considered and gathered an understanding of the Company's internal controls relevant to the aforementioned assertions, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we did not test the operating effectiveness of such controls and express no such opinion on such controls.



We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We direct your attention to the accompanying notes of the Redemption Assets Report for risks and uncertainties related to cryptocurrencies and background information provided by management. We have not audited, reviewed or performed any procedures to provide assurance with respect to these notes. Accordingly, we provide no opinion, conclusion or any other form of assurance with respect to these accompanying notes to the Redemption Assets Report.

Management's assertion does not address the assets and liabilities of the Company, other than its BUSD tokens and related BUSD redemption assets. Our procedures were limited to the related BUSD redemption assets, and therefore do not constitute an audit or examination of the Company or its financial position.

We were not engaged to perform and did not perform an examination of the Company's compliance with laws or regulations. We also were not engaged to perform and did not perform an examination of the Company's compliance with its contractual obligations to its clients.

The expressed examination opinion on the above assertions are limited solely to the Redemption Assets Report at the Report Date and Time noted above. Any activity prior to or after the Report Dates and Times at 5:00 pm ET was not considered when testing the assertions described above. In addition, we have not performed any procedures or provided any level of assurance on the financial or non-financial activity of the Redemption Assets on dates or times other than the Report Date and Time noted within this report.

In our opinion, management's assertions noted above are fairly stated as of the Report Dates and Times at 5:00 pm ET, in all material respects.

Withum Smith & Brown, PC

December 18, 2024

REDEMPTION ASSETS REPORT

Paxos Trust Company, LLC (the “Company”) is responsible for the completeness, accuracy, and validity of the Redemption Assets Report as of November 25, 2024 and November 29, 2024 at 5:00 pm ET (hereafter the “Report Dates and Times”). The management of the Company asserts that the fair value of the redemption assets held is equal to or greater than BUSD in circulation and hereby makes the following assertions as of:

Report Dates	November 25, 2024	November 29, 2024
BUSD tokens in circulation	68,223,497	68,223,497
Fair Value of Redemption Assets (as defined in the notes below)	\$69,781,254	\$69,816,065

The Company’s total Redemption Assets, which are greater than or equal to the total supply of BUSD, are comprised of the following asset holdings (Notes 3 and 5):

- November 25, 2024 at 5:00 pm ET:

Description	CUSIP	Maturity Date	Fair Value (\$)
U.S. Treasury Debt	912810UA4	05/15/2054	68,845,920
Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reverse Repurchase Agreements:			68,845,920
Total U.S. Dollars Held:			935,334
Total Fair Value of Redemption Assets:			69,781,254

- November 29, 2024 at 5:00 pm ET:

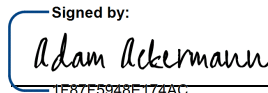
Description	CUSIP	Maturity Date	Fair Value (\$)
U.S. Treasury Debt	91282CLJ8	08/31/2031	38,754,851
U.S. Treasury Debt	912810TM0	11/15/2042	30,125,749
Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reverse Repurchase Agreements:			68,880,600
Total U.S. Dollars Held:			935,465
Total Fair Value of Redemption Assets:			69,816,065

REDEMPTION ASSETS REPORT

NOTES

1. The supply of BUSD tokens ("BUSD") as denoted under contract 0x4fabb145d64652a948d72533023f6e7a623c7c53 at the Report Dates and Times is 68,223,497 and 68,223,497, respectively.
2. This Redemption Assets Report refers to the accounts held by the Company in U.S. insured depository institutions where cash is held and debt instruments that are expressly guaranteed by the full faith and credit of the United States Government. The fair value of the redemption assets is at least equal to or greater than \$68,223,497 and \$68,223,497, respectively, at the Report Dates and Times.
3. This Redemption Assets refers to the Company's holdings as of the Report Dates and Times at 5:00 pm ET, which includes the disclosure of the total fair value of the Company's asset holdings by asset type as reported above. Any amounts held in U.S. Treasury Debt include additional disclosures such as CUSIP and maturity date, as applicable.
4. The BUSD supply does not exceed the balance of the Redemption Assets reported above.
5. This Redemption Assets Report refers to the redemption asset composition, which adhere to the guidelines¹ as set forth by the New York Department of Financial Services ("NYDFS").

To the best of the knowledge and belief of the undersigned, the information contained in the Redemption Assets Report as of the Report Dates and Times at 5:00pm ET is accurate and complete.

Signed by:

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Adam Ackermann, Head of Portfolio Management
Paxos Trust Company, LLC

December 18, 2024

Date

¹ https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608_issuance_stablecoins

Paxos Trust Company, LLC**Notes to the Redemption Assets Report****November 25, 2024 and November 29, 2024 at 5:00pm ET****(No Assurance Provided by the Independent Accountant on These Notes)**

1. BACKGROUND INFORMATION PROVIDED BY PAXOS TRUST COMPANY, LLC

Paxos Trust Company, LLC (the “Company”) is a New York limited purpose trust company. The Company received its trust charter from the New York Department of Financial Services in 2015 and has been a long-time leader in both crypto asset services and the creation of blockchain technologies for the financial world. The BUSD token (“BUSD”) is a cryptographic token, which allows financial market participants to transact in a crypto asset that has been strictly pegged 1:1 to the U.S. dollar by the Company. The Company maintains the redemption assets securing BUSD in segregated accounts that are unencumbered and held on behalf of BUSD holders in one or more of the following forms: (i) fiat currency held in FDIC-insured bank accounts²; (ii) investments (including through overcollateralized overnight reverse repurchase agreements) in debt instruments that are expressly guaranteed by the full faith and credit of the United States Government; and/or (b) Money-market funds composed of such debt instruments. Amounts backed by debt instruments that are expressly guaranteed by the full faith and credit of the United States Government are subject to market pricing risk. Fiat deposits held at insured depository institutions may be in excess of FDIC insurance limits. BUSD is an ERC-20 token, which is built on the Ethereum public blockchain and as such, the total number of BUSD tokens in circulation is fully and transparently viewable at all times by anyone through any publicly available Ethereum block explorer (e.g. Etherscan).

2. DISCUSSIONS RELATED TO CRYPTO ASSETS GENERALLY

As of the date of this report, crypto assets remain an evolving area of technology and market place activity. Those who choose to invest in crypto assets should inform themselves of the general risks and uncertainties associated with such assets.

(1) Crypto assets are owned anonymously. While the public keys of virtual wallets holding crypto assets reside on the distributed networks and can be viewed publicly, the ownership of the wallets are normally not registered and therefore, anonymous. Ownership of crypto assets is evidenced primarily by the possession of the underlying private key (e.g. passcode). The possessor of the private key controls the corresponding crypto asset wallet.

(2) Risk of irreversible transactions. Transactions for most crypto assets that occur over the blockchain are generally irreversible, even if such transactions occur fraudulently or accidentally. If a private key is lost or fraudulently used, the crypto assets in the corresponding wallet may not be recoverable.

(3) Regulatory uncertainty. Legislative and regulatory changes or actions at the state or federal level may change or affect the use, transfer, exchange, and value of crypto assets. The effects of any such changes are not determinable as of the date of this report.

² <https://paxos.com/2022/08/09/fdic-pass-through-insurance-disclosures/>