

particula

Rating Report

April 2025



Rating Summary

Rationale

Particula assigns an **A** rating to the issuance of the \$USTBL token by NexBridge as of April 2, 2025. The \$USTBL token reflects a proportional share of the Assets Under Management (AUM) which consists of iShares \$ Treasury Bond 0-1yr UCITS ETF, net of operational costs.

The rating reflects the \$USTBL token's product structure under regulatory oversight, highlighting its institutional-grade transparency and strong compliance standards. The issuance is backed by an experienced team and linked to a high-quality underlying asset, positioning it favorably in the market. However, the rating also identifies challenges, notably the limited operational history, counterparty exposure, and the competitive landscape within the tokenized treasuries market. Additionally, considerations around liquidity provision and secondary market viability are noted as areas requiring close monitoring.

Company Overview

Name	NexBridge Digital Financial Solutions S.A. de C.V.	NEXBRIDGE
Year of Incorporation	2023	
City/Country of Issuer	El Salvador	
Company Stage	Early Stage	
No. of Employees	11-50	
Funding Stage	Series A	
Regulated Country	El Salvador	
Licenses & Permits	Licensed as Digital Product Issuer in El Salvador	
Token Name & Symbol	USTBL Token (\$USTBL)	
Market Cap (March 31, 2025)	USD 30,476,044.49	
Available Networks	Liquid Network	

Recent Developments

In November 2024, NexBridge launched the \$USTBL token with an initial funding commitment of \$30 million. Management discussions indicate that NexBridge is actively broadening its ecosystem through strategic partnerships with market makers and exchanges to bolster liquidity and enhance accessibility. Additionally, NexBridge intends to strengthen the \$USTBL token's functionality by implementing advanced features on the Liquid Network, which would enable tailored financial products and investment options, catering to the diverse requirements of a varied investor base. Looking ahead, NexBridge is pursuing initiatives to diversify trading mechanisms and introduce additional token offerings. These efforts are expected to strengthen the resilience of the trading infrastructure and support the \$USTBL token's scalability and competitive positioning over the long term.

Key Strengths

Well-Structured Product with Strong Regulatory Oversight

The rating considers favorably the \$USTBL token's product structure and alignment with El Salvador's regulatory framework for digital assets. NexBridge Digital Financial Solutions issues the \$USTBL token under Digital Product Issuer and Digital Asset Service Provider licenses, which ensures compliance with requirements set by the National Commission of Digital Assets (CNAD) in El Salvador, as established under the Digital Asset Issuance Law. Compliance is further supported by TR Capital, an independent certifier that has conducted comprehensive due diligence and evaluated the issuance's viability, while Grant Thornton, as the external auditor, provides ongoing monitoring. Additionally, the partnership with Bitfinex Securities, a regulated Digital Asset Service Provider (DASP), enables compliant trading in the primary market. \$USTBL's structure provides exposure to the iShares \$ Treasury Bond 0-1yr UCITS ETF, which holds short-term U.S. Treasury bonds. The token is designed to maintain a 1:1 peg with the Asset Under Management (AUM), consisting of at least 98% ETF shares and up to 2% cash, net of accrued fees, enabling investors to gain proportional access to the ETF's performance. The token's adherence to expected industry standards for regulatory compliance, transparency, and operational clarity positions \$USTBL as a regulated and accessible digital instrument.

Exposure to a High-Quality Underlying Asset

The \$USTBL token provides investors with exposure to the iShares \$ Treasury Bond 0-1yr UCITS ETF, supplemented by a 2% allocation in USD or \$USDT. The token is accessible for qualified investors, with an initial investment threshold set at \$1. The ETF's holdings primarily consist of short-term U.S. Treasury securities, which are rated AA+ by S&P, AA+ by Fitch, and Aaa by Moody's. The ETF is structured to include U.S. Treasury securities with maturities of up to one year, focusing on maintaining low volatility and delivering returns that align closely with short-term interest rate movements. Consequently, the ETF's performance is directly influenced by fluctuations in U.S. interest rates. Typically regarded as a capital-preserving, low-risk component within investment portfolios, the ETF is valued for its liquidity and reliable return profile. Given the high quality of the underlying assets, the rating positively views the ETF's attractiveness to institutional investors seeking conservative, lower-yield returns aligned with short-term interest rates.

Institutional-Grade Transparency & Strong Adherence to Compliance Standards

The rating highlights NexBridge's compliance framework and operational preparedness for the issuance of the \$USTBL token that strongly align with institutional standards. The Relevant Information Document (RID) is comprehensively prepared and accessible, supporting transparency around the product's structure and associated risks. Regular audits conducted by Grant Thornton and certification by TR Capital reinforce adherence to the requirements of El Salvador's Digital Assets Issuance Law. NexBridge further incorporates established risk management strategies, business continuity plans, and information security protocols, contributing to their operational resilience. This structured approach to compliance, transparency, and risk management aligns \$USTBL with the governance and regulatory practices expected by institutional investors.

Experienced Leadership with Proven Track Record

The NexBridge management team brings significant expertise in traditional finance and blockchain technology, supporting \$USTBL's operational and strategic needs with sector-specific knowledge. Michele Crivelli, CEO and CFO, has a background in asset management with prior experience at UBS, contributing to financial operations and oversight. James Murillo, COO, oversees global operations and tokenized product structuring, leveraging extensive experience in cross-border capital markets and blockchain-based financial infrastructure. Kévin Guillard, CRO, enhances the compliance framework with risk management expertise gained from regulatory positions. Notably, Otto Boris Rodriguez, former Vice Director at the Central Bank of El Salvador, leads strategic development, leveraging over 25 years in economic policy, FinTech, and financial inclusion. His background in public policy and regulatory insight strengthens the team's approach to compliance and governance. This comprehensive management structure covers critical areas, including strategy, compliance, and operational management, reflecting NexBridge's commitment to effectively managing digital issuance complexities. The rating observes that this depth of experience across key roles provides a robust foundation for \$USTBL's oversight and operational resilience.

3.

Key Challenges

Operational History & Counterparty Exposure

NexBridge Digital Financial Solutions, the issuer of the \$USTBL token, was established in 2023, reflecting a short operational history and limited historical performance data to assess its resilience in a dynamic market. This limited track record is further influenced by NexBridge's dependency on third-party service providers, notably Bitfinex Securities, which supports the establishment and maintenance of \$USTBL's primary market. Such reliance on external entities introduces potential operational risks, as these partnerships have not yet demonstrated a proven track record in relation to this issuance. The rating identifies that these dependencies may heighten counterparty risks, potentially affecting operational continuity, especially as the issuance scales. Nonetheless, the rating notes that NexBridge's experienced leadership team, with expertise in both traditional and decentralized finance, has the potential to partially mitigate these risks through its operational strength. Furthermore, the regulatory framework governing NexBridge's operations provides a layer of oversight, offering additional reassurance in terms of compliance and operational security.

Competitive Positioning within the Tokenized Treasuries Market

USTBL enters a competitive market that includes major issuers such as BlackRock, Franklin Templeton and UBS, each providing tokenized exposure to U.S. Treasury assets through established financial products. These incumbents benefit from extensive liquidity networks, regulatory endorsements, and strong reputations with institutional investors. Additionally, early movers such as Backed Finance's \$bIB01 token and Midas's mTBILL token provide direct access to the same underlying iShares ETF as \$USTBL. Despite the presence of these players, the Total Value Locked (TVL) across comparable tokens remains relatively low, indicating that substantial market share remains available for capture. The rating acknowledges that, while \$USTBL may initially encounter differentiation challenges within this competitive landscape, targeted liquidity strategies and network expansion could position it to capture significant market demand. This competitive landscape underscores both the opportunity and inherent challenges for NexBridge in achieving market traction and growth.

Technical & Economical Constraints of Liquid Network

The rating analysis considers the technical and economic constraints associated with \$USTBL's reliance on the Liquid Network, a Bitcoin Layer-2 solution designed to facilitate confidential and efficient transactions. While Liquid offers enhanced privacy features and regulatory alignment, particularly for institutional investors, its ecosystem remains smaller in scale compared to networks such as Ethereum and its Layer-2 infrastructure. This results in lower market depth, limited exchange participation, and constrained liquidity, which may impact adoption and secondary market activity. Liquid's structured governance framework supports regulatory compliance, but its reliance on a federated model introduces trade-offs for investors prioritizing decentralization. The ongoing development of Liquid's infrastructure and broader adoption efforts will be key factors in determining its long-term viability as a scalable settlement layer. Broader network integration could strengthen NexBridge's offering and enhance the token's market positioning over time.

Liquidity Provision & Secondary Market Viability

The rating considers the potential liquidity challenges associated with the \$USTBL token, which will be primarily offered to investors by NexBridge and Bitfinex Securities. Under the regulatory framework of El Salvador's Digital Asset Issuance Law, the issuer is required to compile a detailed list of potential qualified investors to assess investor commitment during the initial phase. Despite these regulatory measures, concerns remain over the issuer's role as the initial liquidity provider. Given the early-stage nature of \$USTBL's issuance and the issuer's limited financial performance history, maintaining stable liquidity could prove challenging, particularly in periods of market volatility. Since the launch a secondary market for \$USTBL has been established through Bitfinex Securities, with additional listings confirmed on other regulated centralized exchanges. These venues may partially mitigate liquidity constraints by offering alternative trading channels. However, it is notable that Bitfinex Securities does not commit to continuous secondary market-making, potentially resulting in intermittent trading availability. These elements highlight the importance of robust liquidity management strategies, including the engagement of third-party market makers, to mitigate risks and safeguard investor interests.

4.

Detailed Rating Analysis - Issuer

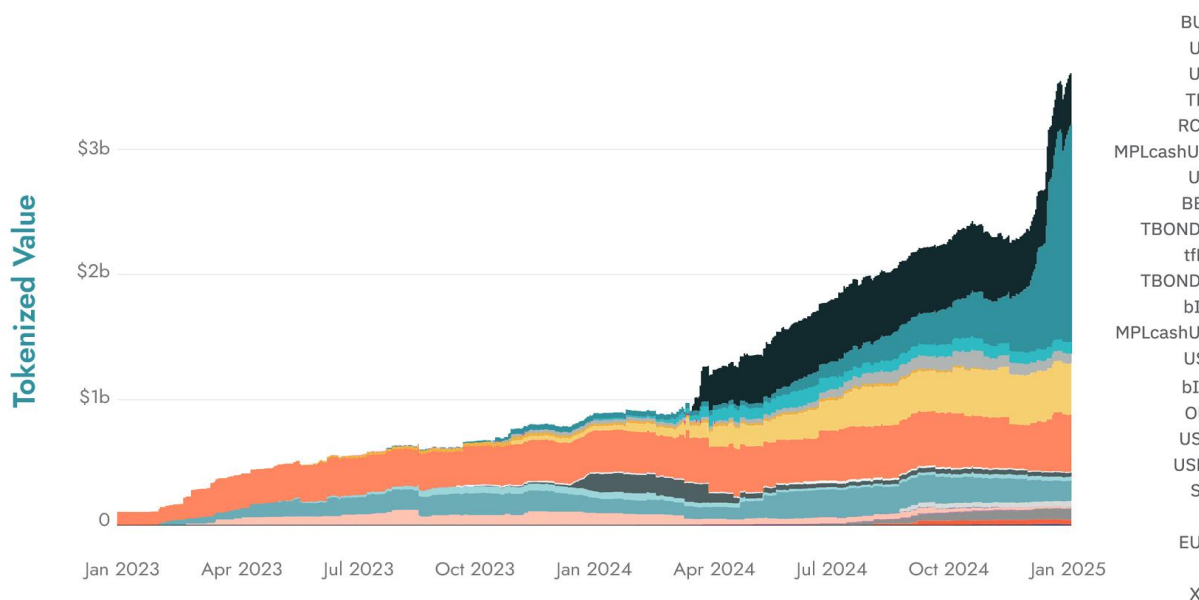
Limited Market Presence with Growth Potential in Tokenized Fixed-Income Sector

NexBridge Digital Finance, founded in 2023, is a digital asset issuer specializing on blockchain-based investment solutions. The issuer utilizes the Liquid Network, a Bitcoin-based Layer 2 sidechain, and Blockstream AMP for the issuance and management of operationally efficient and secure tokenized products. Its primary offering, the \$USTBL token, is collateralized by BlackRock's iShares \$ Treasury Bond 0-1yr UCITS ETF.

The issuer entered the growing tokenized fixed-income market in November 2024, aiming to provide access to investment vehicles traditionally unavailable to certain buyers, particularly in emerging markets. By the beginning of 2024, the tokenized value of government securities expanded considerably, increasing from \$769 million at the start of the year to approximately \$3.5 billion. This growth reflects heightened institutional adoption, increasing demand for regulated on-chain solutions, and the broader integration of stablecoins and central bank digital currencies (CBDCs). While established players such as BlackRock initially captured market leadership, newer entrants like Hashnote (\$USYC), Ondo (\$USDY) and Spiko (\$USTBL) have rapidly gained market share, reflecting a dynamic and increasingly competitive landscape.

NexBridge, as a new entrant, benefits from strategic partnerships with Bitfinex Securities and the Liquid Network. The use of Liquid distinguishing NexBridge from Ethereum Virtual Machine (EVM)-based competitors such as Backed Finance and Midas, both of which also offer tokenized products providing exposure to the same underlying. However, the issuer's market position is constrained by several factors, including limited adoption and liquidity on Liquid, regulatory uncertainties, and strong competition from more established players. To achieve meaningful growth, NexBridge will need to address these challenges by scaling its operations, refining its product offerings, and improving operational transparency.

Tokenization: Market Landscape of Tokenized Government Securities by Product



Source: <https://dune.com/21co/tokenization-government-securities>

5.

Operational Framework with Regulatory Oversight

NexBridge Digital Financial Solutions S.A. de C.V. operates within the regulatory framework of El Salvador's Digital Asset Issuance Law (2023), a comprehensive regulation governing the issuance, management, and trading of tokenized financial products utilizing Distributed Ledger Technology (DLT). This legislation distinctly separates digital assets from traditional securities regulations, such as the Code of Commerce, Securities Market Law, Electronic Securities Law, and Investment Law, while mandating strict regulatory standards for public offerings. Under this framework, NexBridge issues the \$USTBL token, classified as an income rights digital asset. This classification is one of three categories outlined in the law, alongside public debt and ownership rights assets, and provides investors with a proportional share of returns from U.S. Treasuries.

The National Commission of Digital Assets (CNAD), established under the Digital Asset Issuance Law, serves as the primary regulatory authority. It is tasked with approving public issuances, ensuring compliance by Digital Asset Service Providers (DASPs), safeguarding market integrity, and protecting investor interests. CNAD's oversight promotes transparency, accountability, and trust within the digital asset ecosystem, creating a regulated environment that enables issuers such as NexBridge to operate effectively.

Digital Asset Issuer: Nexbridge Digital Financial Solutions

NexBridge, established as a limited liability company, and registered with the CNAD as a digital asset issuer under license EAD-0003, carries several key responsibilities aligned with the regulatory framework:

- **Regulatory Compliance:** Ensures the publication of the certified Relevant Information Document (RID) to fulfill regulatory requirements and enhance transparency. Continuously monitors activities to maintain compliance with standards, safeguarding acquirers' interests and preserving market integrity. Arranges independent Proof-of-Reserve (PoR) attestations to verify asset backing and submits quarterly updates to CNAD to ensure continued conformity with the regulatory framework.
- **Key Stakeholder Coordination:** Oversees the appointment and management of third-party entities, including auditors, legal advisors, certifiers, and Digital Asset Service Providers (DASPs), integral to the issuance process. Ensures these entities comply with the regulatory framework, enhancing transparency and accountability. Effective coordination strengthens operational integrity and builds stakeholder trust throughout the issuance lifecycle.
- **Portfolio Management:** Maintains segregated accounts to safeguard funds raised from the offering, ensuring transparency and accountability in managing investor assets. Directs proceeds exclusively toward purchasing the underlying asset, adhering to the objectives outlined in the RID. This structure aims to protect investor funds, prevents misuse, and ensures alignment with the offering's purpose.
- **Issuance Oversight:** Manages the token issuance process, including monitoring supply adjustments and overseeing subscription and redemption mechanisms. Ensures all issuance activities align with financial and operational details in the RID. This structure aims to mitigate the risk of fund misuse and ensures adherence to the offering's stated purpose.

Additionally NexBridge employs a multi-tiered governance structure to ensure strategic oversight, regulatory compliance, and operational efficiency. The Board of Directors (BoD) provides high-level oversight and ensures adherence to regulatory obligations, while the Executive Committee (EC) manages day-to-day operations and drives strategic initiatives. The Risk and Compliance Committee (RCC) addresses identified risks and ensures regulatory compliance, and the Business Development Committee (BDC) focuses on driving growth while maintaining operational and compliance standards.

6.

Managed by a Seasoned Leadership Team

NexBridge is led by a highly qualified management team with extensive experience in global finance, regulatory oversight, and investment structuring. The team combines deep expertise in international banking, asset management, and regulatory compliance, offering a strategic blend of financial acumen and governance proficiency. Their collective experience includes leadership roles in prominent financial institutions, regulatory bodies, and fintech enterprises, ensuring the capability to address the complexities of digital finance and evolving market conditions. To ensure operational resilience and regulatory adherence, NexBridge has implemented a structured governance framework, incorporating dedicated committees that provide strategic oversight and risk management. This framework reinforces the company's commitment to compliance with international standards while positioning it for sustained growth.



Michele Crivelli

Michele, as CEO and CFO, is responsible for financial management and operational governance. He has extensive experience in asset management, having held key roles at UBS. His expertise in traditional finance, combined with a focus on integrating digital solutions, supports NexBridge's operational efficiency.



James Murillo

James, as COO of NexBridge, leads global operations and product structuring. He brings over a decade of experience in capital markets and digital assets, with prior roles at Trading Core Investment and MarketXM. He holds a master's degree in Blockchain and Fintech from IEBS, and serves as an Ambassador for the Global Blockchain Business Council (GBBC).



Adrian Tavella

As CTO of NexBridge, Adrian oversees the development and implementation of digital asset solutions, ensuring alignment with strategic objectives. With extensive experience in process automation and fintech innovation, he has co-founded multiple technology ventures, like Pipetech and Poseidon, focusing on scalable financial infrastructure.



Kévin Guillard

Kévin serves as Chief Risk Officer of NexBridge, overseeing risk management frameworks and regulatory compliance. With a background in regulatory oversight and financial supervision, he has held key positions at the National Commission of Digital Assets (CNDA), PwC Luxembourg, and ICBC (Europe).

Digital Asset Service Provider: Bitfinex Securities El Salvador S.A. de C.V.

Bitfinex Securities El Salvador S.A. de C.V. operates as a regulated Digital Asset Service Provider (DASP) under the oversight of the CNAD, registered under PSAD-001. The entity facilitates the issuance and trading of digital assets, supporting fiat-to-digital asset conversions and related services. Its key responsibilities include:

- **Platform Operations:** Manages a regulated platform for the issuance and trading of digital assets, designed to ensure secure and efficient transaction execution.
- **Subscription & Redemption Management:** Facilitates token subscription and redemption processes, including initial issuance and liquidity management through its order book functionality.
- **Custodial Services:** Provides secure custody solutions for digital assets traded on its platform, employing robust mechanisms to safeguard investor holdings.
- **KYC & AML/CFT Compliance:** Implements robust Know Your Customer (KYC), Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) protocols, as well as additional due diligence checks, in compliance with Salvadoran law and international guidelines.

Bitfinex Securities adheres to regulatory requirements outlined in the Digital Asset Service Providers Regulations (2023), maintaining robust cybersecurity systems designed to protect client funds and data from potential threats. Additionally, the platform employs advanced monitoring mechanisms to prevent market manipulation, ensuring a fair and transparent trading environment.

External Certifier: TR Capital S.A de C.V

TR Capital S.A. de C.V. operates as an authorized entity under the oversight of the CNAD, with registration number CERT-0003, to facilitate the certification process for digital asset offerings in El Salvador. Established in 2017, the firm ensures compliance with the regulatory framework outlined in the Digital Asset Issuance Law. Its core responsibilities include reviewing and certifying the RID to confirm adherence to regulatory standards, conducting detailed assessments of issuers' financial, legal, and technical frameworks, and performing comprehensive risk evaluations to identify and mitigate potential threats to investor interests. Additionally, TR Capital provides the CNAD with detailed reports on issuers' compliance with legal, operational, and disclosure requirements, thereby promoting transparency and accountability. Through its independent certification services, TR Capital aims to enhance investor confidence and ensure that issuers meet high regulatory and operational standards. Its role as a certification authority contributes to the broader objective of fostering trust and market stability.

Prime Broker & Custodian: Capital Union Bank Ltd.

Capital Union Bank Ltd., headquartered in Nassau, Bahamas, is a fully licensed financial institution regulated by the Central Bank of The Bahamas and the Securities Commission of The Bahamas. The bank serves as the prime broker and custodian for the underlying assets of the \$USTBL token, leveraging its established expertise in asset custody. It holds the shares of the iShares \$ Treasury Bond 0-1yr UCITS ETF, which back the \$USTBL token, in segregated accounts alongside USD-denominated stablecoins to ensure clear asset delineation.

In its brokerage capacity, Capital Union Bank facilitates the purchase and sale of the underlying shares and oversees the conversion of stablecoins into USD to support these transactions. Additionally it provides liquidity for redemptions, thereby supporting the operational continuity of the token offering.

The bank adheres to international accounting standards and provides data for regular audits, ensuring transparency and alignment with best practices.

Capital Union Bank's integrated custody and brokerage framework underpins the secure management of the \$USTBL token's underlying assets. Its regulatory oversight, coupled with its operational structure, aims to mitigate risks associated with asset segregation and liquidity.

Other Key Service Providers: Supporting Operational Integrity and Compliance

NexBridge also leverages the expertise and support of multiple external service providers to support its operations and ensure compliance. The blockchain infrastructure is powered by the Liquid Network, a Bitcoin layer-2 settlement network, and Blockstream AMP, which is designed to streamline the issuance, management and operational reliability along the lifecycle of the issued digital assets. Furthermore Grant Thornton (El Salvador), a globally recognized audit firm, serves as the External Auditor, conducting regular audits and Proof-of-Reserve (PoR) attestations to ensure transparency and increase stakeholder confidence. Legal and corporate advisory services are provided by Gold Service S.A de C.V, a law firm specializing in Salvadoran and Central American markets. Additional advisory support is delivered by Digital Assets Solutions S.A. de C.V., offering expertise in tokenization processes. Together, these partnerships are intended strengthen the issuance's operational integrity and adherence to regulatory, legal and accounting standards.

Comprehensive Risk Management & Mitigation Strategies

NexBridge utilizes an issuance structure that directly integrates with the issuer's balance sheet while incorporating bankruptcy-remote features to enhance protections for token holders. Each token is fully backed by iShares \$Treasury Bond 0-1yr UCITS ETF shares held on the issuer's balance sheet, creating a transparent link between the digital asset and its underlying collateral. This structure aligns with practices observed in traditional financial markets, such as asset-backed securities and segregated portfolio frameworks, contributing to investor confidence and reinforcing product credibility. However, the balance sheet-based approach differs from the more commonly employed SPV or fund structures within the digital asset space, presenting distinct advantages and challenges.

One of the primary advantages of this model is its streamlined structure. By directly linking the assets to the issuer's balance sheet, the framework reduces legal and operational complexity compared to SPV or fund-based solutions, which often involve multiple layers of administration. This direct alignment with the issuer's financial commitment enhances transparency and trust among investors by simplifying the connection between the token and its collateral. However, the reliance on the issuer's balance sheet introduces inherent risks. The financial health and operational stability of the issuer are pivotal, as any financial distress or mismanagement could compromise the integrity of the structure. By contrast, SPV and fund structures are designed to insulate assets from the issuer's liabilities, offering greater protection in insolvency scenarios. While NexBridge incorporates bankruptcy-remote features and complies with asset segregation requirements under the Digital Asset Issuance Law (2023), the enforceability of these measures is subject to jurisdictional legal frameworks, which may present challenges in cross-border insolvency cases or asset recovery proceedings.

Therefore, NexBridge's operational framework, which maintains underlying assets in dedicated accounts, is a key factor in ensuring effective asset segregation. These accounts, as outlined in the Relevant Information Document (RID), ensure token holders retain a claim to the underlying assets, even in the event of insolvency or liquidation.

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This structure aligns with traditional practices such as segregated portfolio frameworks, which are designed to mitigate contagion risks. Nonetheless, variations in legal interpretations across jurisdictions may pose risks to the timely recovery of assets in contentious situations.

NexBridge further mitigates operational risks and reduces single points of failure by distributing key functions across regulated entities such as Bitfinex Securities, Capital Union Bank, and Grant Thornton. This structure provides institutional oversight aligned with traditional capital markets standards and strengthens governance through enhanced transparency, independent verification, and robust controls over asset custody and issuance workflows.

However, the reliance on external service providers introduces potential vulnerabilities, including risks such as custodial mismanagement, settlement delays, or technological disruptions. Notably, while the custodian arrangement offers operational clarity, it does not establish bankruptcy-remote protections prioritizing tokenholder claims. The pledged assets secure the issuer's obligations to the bank under a general security agreement, allowing Capital Union Bank to enforce claims over the full collateral without notice. In a default scenario, investor redemptions may be subordinated to the bank's recoveries. The absence of a fiduciary or trust-based structure elevates counterparty risk despite the use of segregated accounts.

To address these risks, NexBridge has implemented additional safeguards, including routine audits, strict compliance and service provider monitoring, as well as contingency planning. While the balance sheet model offers advantages in transparency and operational efficiency, its success depends on the issuer's financial stability and the robustness of the protective measures in place.

Exposure to Regulatory & Legal Risks Associated with Issuer

The regulatory and legal framework supporting the \$USTBL token provides a structured foundation but introduces complexities for investors, particularly regarding jurisdictional constraints, governance discretion, and evolving regulatory implications.

1. Potential Legal & Jurisdictional Challenges

The \$USTBL token operates under El Salvador's Digital Asset Issuance Law (2023), which establishes a regulatory framework for digital assets. While this legislation offers a structured foundation, its practical application, interpretation, and enforcement remain largely untested, given its limited use to date. El Salvador's nascent role in global digital asset regulation raises concerns about the framework's acceptance and applicability beyond its borders. Furthermore, the token is not registered under securities laws in major jurisdictions, including the United States, European Union, or Asia-Pacific, restricting its distribution and trading potential. This lack of global regulatory alignment creates uncertainty for investors regarding enforceability, cross-border acceptance, and liquidity. Adding to these concerns, the legal framework for resolving disputes introduces further complexities. Disputes are governed by Salvadoran law, with exclusive jurisdiction granted to Salvadoran courts. This poses logistical and enforcement challenges for international investors, as the enforceability of Salvadoran court judgments in jurisdictions such as the U.S. or EU remains unclear, further elevating legal risks. Additionally, the token sale agreement includes limitations of liability that reduce the issuer's accountability, potentially making recovery of losses or resolution of disputes more difficult. These challenges are compounded by the \$USTBL token's governance structure, with NexBridge serving as the issuer and Bitfinex as the trading platform and custodian. While this dual-layer setup enhances transparency, it also introduces accountability gaps, underscoring the importance of careful evaluation of regulatory, legal, and governance factors.

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Governance and jurisdictional challenges are further exacerbated by evolving regulatory landscapes and platform-specific constraints. Emerging regulatory frameworks in key jurisdictions could retroactively affect the token's legal status, transferability, or trading conditions. Additionally, operational limitations on Bitfinex, such as withdrawal, delays, account freezes, or deposit restrictions, heighten these risks, particularly during periods of market volatility or increased regulatory scrutiny. These factors underscore the importance of investors thoroughly assessing the legal, jurisdictional, and liability risks associated with the \$USTBL token within the context of El Salvador's developing regulatory environment.

2. Platform Risks, Service Provisions & Cybersecurity Challenges

Investors should evaluate platform-specific and technological risks associated with the \$USTBL token, particularly regarding the enforceability of protections and the accountability of service providers. Digital assets held on the Bitfinex platform are not covered by custodial insurance, exposing investors to potential losses in the event of insolvency, theft, or cyberattacks. While Bitfinex employs advanced security protocols, including real-time transaction monitoring, regular audits and DDoS protection, the absence of insurance coverage highlights the need for robust due diligence and independent risk management by investors.

NexBridge's reliance on third-party providers for custody and administrative functions enhances operational efficiency but introduces counterparty risks. Failures, misconduct, or insolvency of these providers could disrupt operations and potentially impact investor assets. Although NexBridge monitors its service providers and has contingency plans in place, further transparency regarding these safeguards would strengthen investor confidence and provide greater clarity on the effectiveness of its risk management framework. The interconnected nature of regulatory, operational, and technological risks requires a comprehensive risk management approach. Investors should assess the platform's risk profile in the context of NexBridge's operational safeguards, Bitfinex's security infrastructure, and the broader technological environment.

3. Dispute Resolution, Governance & Investor Responsibilities

Disputes related to the \$USTBL token and services provided by Bitfinex are subject to mandatory arbitration under the International Arbitration Centre (IAC) in El Salvador, with waivers of jury trials and prohibition of class actions. While arbitration can provide a faster resolution process compared to traditional litigation, exceptions for intellectual property or certain injunctive relief claims highlight the complexities of navigating these legal frameworks. Additionally, arbitration limits investors' ability to pursue collective remedies, making independent legal representation essential. NexBridge, as the issuer, retains broad discretionary authority over governance, including amending key terms and delegating responsibilities to third-party providers. But the separation between NexBridge's governance structure and Bitfinex's trading and custodial operations necessitates that investors evaluate the roles and responsibilities of each entity independently. Additionally, both NexBridge and Bitfinex assign full responsibility for legal and regulatory compliance to investors, requiring them to ensure adherence to securities laws, tax obligations, exchange controls, and other jurisdictional requirements. This self-managed compliance framework exposes investors to significant legal and financial risks, as neither the issuer nor the platform assumes liability for regulatory adherence. Non-compliance could lead to financial penalties or legal action, underscoring the importance of conducting thorough due diligence and obtaining legal advice. The dispute resolution, governance discretion, and compliance obligations highlight the complexities inherent in the \$USTBL token offering. Investors must carefully assess the legal framework, governance structure, and compliance risks to fully understand the limitations on legal recourse, potential transparency issues, and operational oversight challenges.

Presented Below is a Comparative Analysis of Nexbridge and Its Market Counterparts:

Issuer	NEXBRIDGE	BlackRock	 FRANKLIN TEMPLETON	 Ondo	 BACKED
Year of Incorporation	2023	1988	1947	2021	2021
Legal Structure	NexBridge Digital Financial Solutions S.A de C.V	BlackRock USD Institutional Digital Liquidity Fund, Ltd. (BVI Limited Company)	Franklin Templeton Distributors Inc. (U.S. Private Corporation)	Ondo Finance Inc. (U.S. Private Corporation)	Backed Finance AG (Switzerland AG Company)
Investment Vehicle	NexBridge Digital Financial Solutions S.A de C.V	BlackRock USD Institutional Digital Liquidity Fund, Ltd.	Franklin OnChain U.S. Government Money Fund	Ondo USDY, LLC	Backed Assets JE, Ltd.
Bankruptcy Remote SPV	✓*	✓	✓	✓	✓
Regulatory Body (Investment Vehicle)	El Salvador National Commission of Digital Assets (CNAD)	BVIFSC / U.S. Securities and Exchange Commission (SEC)	U.S. Securities and Exchange Commission (SEC)	U.S. Securities and Exchange Commission (SEC)	Jersey Financial Services Commission & Swiss FINMA
Regulatory Compliance	Licensed to operate as a Digital Asset Issuer & Digital Asset Service Provider overseen by CNAD	Licensed to Operate as a Professional Fund by BVIFSC & SEC; Served by SEC-Registered Transfer Agent & Technology Provider	Compliant With SEC Rule 2a-7, Governing Liquidity, Credit Quality and Diversification for Money Market Funds	Regulation S Exemption From U.S. Securities and Exchange Commission (SEC), Restricting Offerings to Non-U.S. Investors	Issuance & Distribution of Tokenized Securities in Jersey (COBO & CGPO Consents), Swiss DLT Act
Investor Profile	Qualified Retail & Institutional Investors	Institutional Investors	Qualified Retail & Institutional Investors	Qualified Retail & Institutional Investors	Qualified Retail & Institutional Investors
Investor Geography	Only Qualified Non-U.S. Investors	Global (U.S & Non-U.S. Investors)	Only Qualified U.S. Investors	Only Qualified Non-U.S. Investors	Only Qualified Non-U.S. Investors
Tokenization Provider	NexBridge Digital Financial Solutions S.A de C.V	Securitize, LLC	Franklin Resources, Inc.	Ondo Finance Inc.	Backed Finance AG
Investment Manager	BlackRock Advisors (UK) Ltd.	BlackRock Financial Management, Inc.	Franklin Advisers, Inc.	Ondo USDY, LLC	BlackRock Advisors (UK) Ltd.
Custodian	Capital Union Bank (Bahamas) Ltd.	Bank of New York (BNY) Mellon N.A.	Bank of New York (BNY) Mellon N.A.	First Citizens Bank & Trust Co., Inc., Morgan Stanley & Co. LLC, StoneX Financial Ltd.	Maerki Baumann & Co. AG, InCore Bank AG

*NexBridge's legal and operational framework includes certain bankruptcy-related features; however, it does not incorporate a Bankruptcy Remote Special Purpose Vehicle (SPV). Disclaimer: The comparative analysis above was conducted solely based on publicly available information as of March 31, 2025.

Presented Below is a Comparative Analysis of Nexbridge and Its Market Counterparts:

Issuer	NEXBRIDGE	 Hashnote	 OpenEden	 Anemoy	 MIDAS
Year of Incorporation	2023	2022	2022	2023	2023
Legal Structure	NexBridge Digital Financial Solutions S.A de C.V	Hashnote Mgmt., LLC (U.S. Limited Liability Company)	Adam Eve Capital Pte. Ltd. (Singapore Private Limited Company)	Anemoy Limited (Ireland Limited Liability Company)	Midas Protocol Limited (UK Limited Liability Company)
Investment Vehicle	NexBridge Digital Financial Solutions S.A de C.V	International Short Duration Yield Fund, Ltd.	Hill Lights International, Ltd.	Anemoy Capital SPC, Ltd.	Midas Software GmbH
Bankruptcy Remote SPV	✓*	✓	✓	✓	✓
Regulatory Body (Investment Vehicle)	El Salvador National Commission of Digital Assets (CNAD)	U.S. CFTC & Cayman Islands Monetary Authority (CIMA)	BVIFSC / Monetary Authority of Singapore (MAS)	British Virgin Islands Financial Services Commission (BVIFSC)	German BaFin & Liechtenstein FMA
Regulatory Compliance	Licensed to operate as a Digital Asset Issuer & Digital Asset Service Provider overseen by CNAD	Registered with CFTC as a Commodity Pool Operator (CPO) and Commodity Trading Advisor (CTA), Mutual Fund Operator Regulated by CIMA	Licensed to Operate as a Professional Fund by BVIFSC, Managed by a Fund Management Company Licensed by the Monetary Authority of Singapore	Licensed to Operate as a Professional Fund by the British Virgin Islands Financial Services Commission (BVIFSC)	No Licenses / EU Base Prospectus Regulation
Investor Profile	Qualified Retail & Institutional Investors	Qualified Retail & Institutional Investors	Qualified Institutional Investors	Qualified Retail & Institutional Investors	Qualified Retail & Institutional Investors
Investor Geography	Only Qualified Non-U.S. Investors	Global (U.S & Non-U.S. Investors)	Only Qualified Non-U.S. Investors	Only Qualified Non-U.S. Investors	Only Qualified EU/EEA Investors
Tokenization Provider	NexBridge Digital Financial Solutions S.A de C.V	Hashnote Management, LLC.	Open Eden Labs Pte. Ltd.	Centrifuge, Inc.	Midas Software GmbH
Investment Manager	BlackRock Advisors (UK) Ltd.	Hashnote Management, LLC.	Adam Eve Capital Pte. Ltd.	Anemoy, Ltd.	BlackRock Advisors (UK) Ltd.
Custodian	Capital Union Bank (Bahamas) Ltd.	Bank of New York (BNY) Mellon N.A.	BNP Paribas S.A.	Pershing LLC	Maerki Baumann & Co. AG

*NexBridge's legal and operational framework includes certain bankruptcy-related features; however, it does not incorporate a Bankruptcy Remote Special Purpose Vehicle (SPV). Disclaimer: The comparative analysis above was conducted solely based on publicly available information as of March 31, 2025.

Detailed Rating Analysis - Token

Token Classification & Investor Rights

Token classifications are fundamental in defining the legal, financial, and operational frameworks of digital assets. They provide a structured foundation for assessing a token's purpose, risk profile, and potential benefits, while clarifying the rights attached to token ownership, such as income entitlements, redemption rights, and governance privileges.

PDACS Classification: Other Investment Token

The Particula Digital Asset Classification System (PDACS) categorizes the \$USTBL token as an "Other Investment Token" within the digital asset space. This classification reflects its function of providing investors with exposure to U.S. Treasury Bills. The \$USTBL token's value is directly linked to the iShares \$ Treasury Bond 0-1yr UCITS ETF, which primarily invests in low-risk, government-backed U.S. Treasury securities. The Net Asset Value (NAV) of the token is transparently calculated based on the ETF's underlying holdings, as specified in the Relevant Information Document (RID). This ensures alignment with the performance of short-term U.S. Treasury securities and allows investors to track the token's value with a high degree of accuracy.

In comparison to other fund tokens in the market, which may vary in terms of asset mix and diversification, the \$USTBL token is narrowly focused on a single ETF that holds short-term U.S. Treasury Bills. This targeted approach aligns with the needs of risk-averse investors seeking capital preservation and predictable returns. However, this limited scope reduces exposure to potential higher yields or broader diversification opportunities available in other fund tokens. While diversified portfolios blending traditional and digital assets may offer higher return potential, they could inherently carry a higher risk profile. The \$USTBL token's narrower focus effectively minimizes volatility but limits opportunities for investors seeking broader market participation or higher risk-adjusted returns.

Investor Rights & Entitlements

The \$USTBL token is further classified as an income rights token under El Salvador's Digital Asset Issuance Law (2023). This classification grants token holders proportional rights to the income generated by the underlying ETF, including interest or other returns. These rights are contractual and legally enforceable, ensuring that token holders benefit from the ETF's performance. Income distributions are incorporated directly into the token's Net Asset Value (NAV), reflecting the returns generated by the ETF's holdings.

Additionally, token holders are entitled to relative rights, which grant legal claims against the issuer as a counterparty. These include the ability to redeem tokens at their Net Asset Value (NAV), facilitated by the liquidation of the token's underlying ETF shares. To further safeguard investor interests, El Salvador's Digital Asset Issuance Law (2023) requires issuers to ensure that tokens backed by segregated underlying assets remain the property of token holders, even in the event of issuer insolvency. This reduces the risk of value loss and ensures enforceability of economic rights. While tokens do not provide direct ownership of ETF shares, they are governed by a clear contractual framework under National Commission of Digital Assets (CNAD) oversight during adverse scenarios. In the event of issuer bankruptcy or liquidation, qualified agents manage asset distribution in line with applicable laws and regulations. However, the structural limitation of not conferring direct ownership rights increases token holders' exposure to counterparty risk, necessitating substantial reliance on the issuer's compliance framework and operational stability.

Unique Product Offered on Liquid Network

The \$USTBL token leverages the Liquid Network’s advanced technological framework to deliver secure, scalable, and compliant solutions essential for its issuance and comprehensive lifecycle management.

Liquid Network

The Liquid Network, a Bitcoin-based Layer 2 sidechain, is designed to prioritize privacy, regulatory compliance, and operational control, positioning it as a niche solution tailored for specific financial applications. With a fixed 1-minute block interval and two-block finality, Liquid offers faster settlement times compared to Bitcoin’s base layer. Built on Bitcoin’s cryptographic framework while introducing additional functionalities, Liquid enhances interoperability through its Peg-In/Peg-Out mechanism, enabling the seamless transfer of Liquid Bitcoin (LBTC) between the two ecosystems. Unlike Bitcoin’s Proof-of-Work (PoW) consensus mechanism, Liquid employs a Federated Byzantine Agreement model for transaction validation and block finalization, relying on a predefined set of functionaries to confirm transactions and maintain network integrity and operational efficiency. This structured approach provides faster settlement times, reduced energy consumption, and greater transaction confidentiality, aligning with institutional security and compliance requirements.

	Bitcoin	Liquid Network	Ethereum
Block Weight	4vMB	4vMB	1.5 to 2.5 vMB
Block Interval	10 Minutes (Average)	1 Minute (Fixed)	12.1s
Blocks per Hour	6	60	298
Transaction Finality	Cumulative	Two Blocks (~2 Minutes)	One Block (~13-16 Minutes)
Typical Transaction Weight	250-450 vbytes	1,625-2,500 vbytes	150 to 250 vbytes
Transaction per Block	2,000-4,000	400-600	50-150 Highly Variable
Transaction per Hour	12,000-24,000	24,000-36,000	Avg. 52,000

Specialized Capabilities and Strategic Differentiators

Liquid is designed to support financial applications by emphasizing privacy, regulatory compliance, and operational efficiency. In contrast to general-purpose blockchain ecosystems such as Ethereum Virtual Machine (EVM)-based networks, Liquid employs covenants - predefined transaction conditions - rather than fully programmable smart contracts. This architecture enables the deterministic execution of financial instruments, including swaps, options, and token issuance, reducing operational risk and minimizing attack vectors associated with complex programmable environments. However, the restricted programmability limits flexibility and composability, which are critical for broader interoperability and multi-layer integrations. While Liquid’s approach enhances security and mitigates execution risks, its constrained functionality may reduce adaptability within the broader digital asset ecosystem.

A core feature of Liquid is its integrated confidentiality framework, which utilizes cryptographic blinding factors to conceal transaction details, including asset types and amounts, by default. This protocol-level privacy mechanism distinguishes Liquid from EVM-based networks, where transparency is the default and privacy enhancements require additional cryptographic layers or external solutions. By embedding confidentiality at the protocol level, Liquid provides a controlled environment for institutional financial transactions while maintaining auditability and regulatory compliance. In addition to privacy, regulatory compliance is a key component of Liquid’s infrastructure, addressing institutional requirements for controlled asset issuance and transfers. The network’s KYC/AML-driven whitelisting mechanism ensures that token transfers are restricted to pre-approved, verified participants, mitigating counterparty risks and aligning with regulatory expectations. The Blockstream AMP platform extends Liquid’s compliance capabilities by offering lifecycle management tools such as wallet whitelisting, compliance monitoring, and controlled token distribution. These mechanisms enhance operational oversight and reinforce Liquid’s positioning as a purpose-built infrastructure for regulated markets.

Technically, Liquid utilizes Bitcoin’s Unspent Transaction Output (UTXO) model, which supports transaction confidentiality and facilitates multi-asset transfers within a single transaction. This contrasts with account-based models, where transactions typically involve single-asset transfers per operation. The UTXO model contributes to Liquid’s structured financial approach, enabling enhanced transactional privacy and efficiency in asset issuance and settlement. Additionally, the network is underpinned by Simplicity, a formally verified low-level smart contract language designed to enhance security and execution integrity. Smart contracts are developed in Simfony, a higher-level language that compiles into Simplicity, ensuring compatibility with the underlying framework. Full nodes execute Simplicity for network operations, facilitating the implementation of covenant-based contracts within a secure and verifiable execution environment. While this approach offers a robust and secure framework for executing predefined financial operations, it does not offer the same level of flexibility and composability as Solidity-based EVM contracts, which are more conducive to supporting a broader range of decentralized applications.

	Ethereum	Liquid Network
Privacy	External Layers or Smart Contract Solutions	Protocol-Level Cryptographic Blinding
Governance	Open, Permissionless	Federated, Semi-Permissioned
Programmability	General-Purpose, Composable	Covenant-Based (Specific Applications)
Transaction Model	Account-Based (Single Asset per Operation)	UTXO (Multi-Asset Support)
Compliance	External Add-Ons	Natively built KYC/AML Mechanisms

Liquid’s governance structure further differentiates it from permissionless blockchain ecosystems. Unlike open validator networks, where validation is unrestricted, Liquid relies on a predefined set of functionaries to sign blocks, ensuring predictability and operational security. This contrasts with EVM-based networks, where decentralized validator participation allows for broader composability but comes with increased governance complexity and potential security trade-offs.

Operational Challenges and Governance Risks

While Liquid offers significant advantages in privacy, compliance, and financial application efficiency, its governance model presents trade-offs that influence broader adoption. Unlike permissionless blockchains, where validation is open to all participants, Liquid relies on a predefined set of federation members, including institutions such as Bitfinex, Ledger, and SIX Swiss Exchange, to sign blocks. This structured governance model enhances predictability and operational security but also introduces potential vulnerabilities, such as collusion risks or regulatory pressures that could influence network decisions. Additionally, the two-thirds majority of functionary signatures required for transaction validation reinforces the network's semi-permissioned structure, prioritizing confidentiality and institutional integration over full decentralization.

Despite improvements in user experience through applications like SideSwap, Liquid's Peg-In/Peg-Out mechanism for Bitcoin interoperability remains a technical barrier for less experienced users. The process complexity could limit adoption beyond institutional and sophisticated market participants, reinforcing Liquid's niche as a solution tailored for regulated financial markets rather than broad retail adoption.

For issuers, Liquid provides a controlled environment for asset issuance, transfer restrictions, and compliance monitoring, particularly through the Blockstream AMP platform. These capabilities enhance operational security and regulatory alignment, making Liquid an attractive choice for regulated financial instruments. However, limited ecosystem liquidity and developer adoption may pose challenges in scaling tokenized assets, requiring further market development efforts to expand issuer participation.

Additionally, competition from privacy-focused blockchains and the dominance of EVM-based ecosystems, which offer greater liquidity, developer flexibility, and composability, presents an ongoing challenge to Liquid's broader adoption.

Enhanced Risk Management Framework and Mitigation Strategies by NexBridge

NexBridge is also exposed to Liquid's operational challenges, including governance complexity, interoperability barriers, and limited ecosystem liquidity, requiring a structured risk management approach to maintain operational stability and regulatory compliance. To mitigate these risks, NexBridge conducts daily reconciliation of token supply with Assets Under Management (AuM) to enhance transparency and detect discrepancies, implements incident reporting mechanisms to support risk monitoring and timely resolution, and enforces security protocols such as data encryption, regular backups, and cybersecurity training to mitigate operational and security risks. These measures strengthen the issuance's resilience and reinforce oversight and operational security.

Strategic Outlook and Future Considerations

Liquid's unique features position it as a targeted institutional solution, offering operational efficiency and lifecycle management through its covenant-based architecture and UTXO model. However, challenges such as federated governance, operational complexity, and limited ecosystem adoption may impact scalability and broader market integration. Future success will depend on expanding the ecosystem to improve liquidity and adoption, increasing developer engagement to enhance usability and composability, and implementing strategic improvements in accessibility and interoperability to ensure market competitiveness. For NexBridge's \$USTBL token, enhancements within the Liquid Network have the potential to reinforce its security, compliance, and operational efficiency, further strengthening its institutional market positioning.

17.

Liquidity Framework & Operational Process Flow

The \$USTBL token operates within a liquidity framework supported by strategic partnerships with Bitfinex Securities, a Digital Asset Service Provider (DASP), and integrated digital asset custodial systems. These partnerships are designed to facilitate continuous trading and liquidity, enabling investors to transact in \$USTBL during initial and subsequent subscription periods, as well as through an ongoing dynamic subscription process. The initial subscription process was initiated on November 19, 2024, offering tokens at a fixed price of \$1 per token for a 10-business-day period. This laid the groundwork for market activity and liquidity, facilitating an initial subscription volume of \$30 million.

Following the initial phase, additional subscription windows allow investors to acquire tokens during pre-announced periods. During these windows, tokens are priced based on the Net Asset Value (NAV) of the underlying ETF, with a slight markup to account for the time lag between the investment date and NAV calculation. Beyond this, dynamic subscriptions ensure continuous token availability beyond the scheduled windows, with tokens priced dynamically based on NAV and prevailing market conditions. Subscriptions during this phase are executed instantly through Digital Asset Service Providers (DASPs) and the issuer, providing continuous access to the \$USTBL market. Regular subscription periods occur from the 15th to the 17th of each month, further reinforcing the token's accessibility and liquidity.

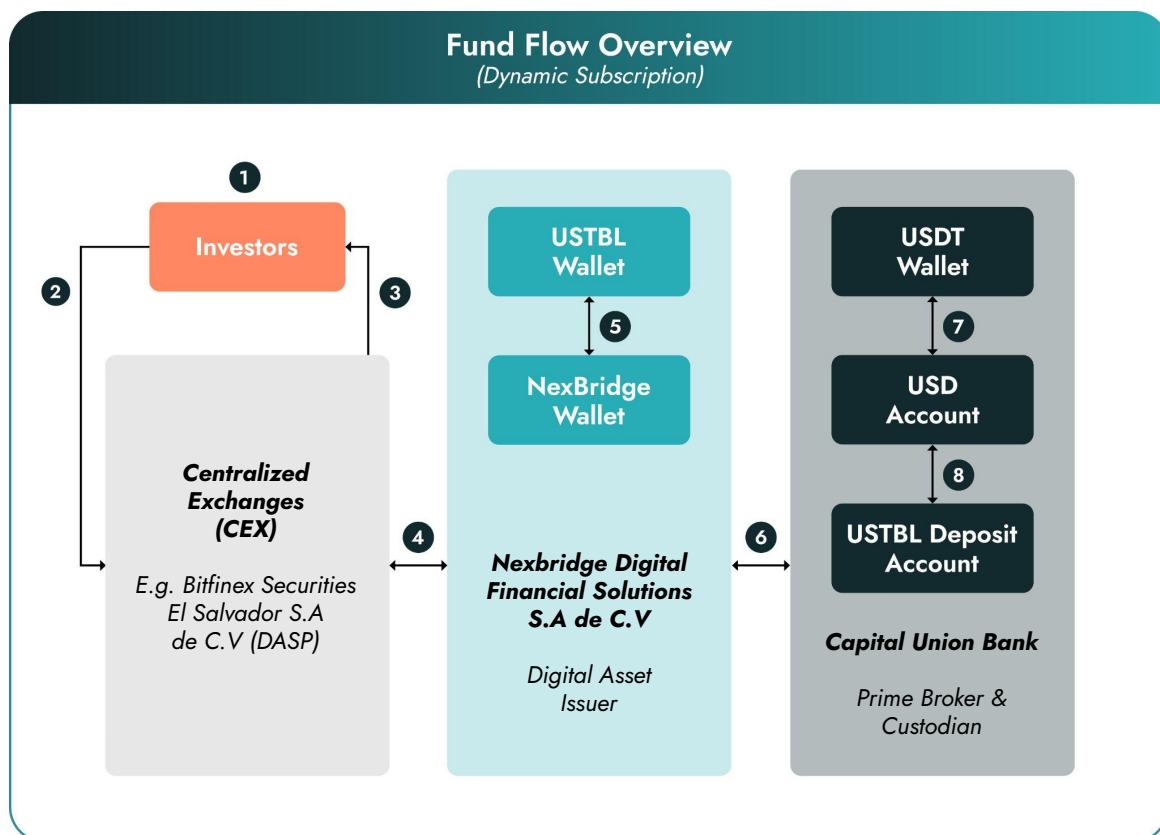
Issuance Process

The issuance of \$USTBL tokens follows a structured and transparent process designed to ensure operational integrity, regulatory compliance, and seamless execution:

1. **Pricing & Subscription Announcement:** NexBridge initiates the token distribution process by setting the \$USTBL token price based on market conditions and prevailing asset valuations. Bitfinex Securities announces the subscription window and lists the tokens on its order book for purchase during the designated period.
2. **Investor Contribution:** Investors actively participate by submitting subscription orders for \$USTBL tokens via the Bitfinex Securities platform and NexBridge. Subscriptions are facilitated using \$USDT or other supported digital assets. Bitfinex Securities confirms the order and securely debits the required funds from the investors' wallets linked to their accounts.
3. **Token Distribution:** At the end of the subscription window, NexBridge releases the allocated tokens to Bitfinex Securities. The platform then distributes the purchased \$USTBL tokens to investors' designated wallets, finalizing the transaction.
4. **Fund Transfer:** The proceeds from the sale of \$USTBL tokens, received as \$USDT or other digital assets, are credited to NexBridge's dedicated \$USTBL wallet maintained on the Bitfinex Securities platform.
5. **Fund Segregation:** To maintain regulatory compliance and operational integrity, NexBridge transfers the received \$USDT from its Bitfinex wallet to a segregated wallet. This wallet is specifically designated to hold and manage funds separately from other operational accounts.
6. **Fund Transfer to Custodian:** Periodically, NexBridge transfers the segregated \$USDT to its designated \$USTBL wallet held with the Capital Union Bank, which serves as the prime broker and custodian for the issuance.

7. **Fund Conversion:** The custodian converts the received \$USDT into USD fiat currency through approved and regulated channels.
8. **Underlying Asset Acquisition:** Following the conversion of \$USDT into USD fiat currency, Capital Union Bank, executes the purchase of shares in the iShares \$ Treasury Bond 0-1yr UCITS ETF through approved brokers during regular market hours. Once acquired, the ETF shares are securely deposited into a segregated custodial account held with the custody bank.

The custodian ensures the secure custody of the purchased ETF shares, which serve as the underlying assets backing the \$USTBL tokens. NexBridge calculates the token's Net Asset Value (NAV) based on the value of the ETF holdings, liquidity balances, and accrued fees. The updated NAVs are published consistently on both the issuer's platform and the Bitfinex Securities (DASP) platform. However, secondary market prices of \$USTBL tokens may deviate from the NAV, reflecting market dynamics such as demand, liquidity levels, and investor sentiment.



Source: Particula

Efficiency and Collateralization Considerations

The subscription process for \$USTBL tokens is designed to ensure operational efficiency and regulatory compliance, offering investors a seamless onboarding experience. Transactions are typically finalized within T+0 to T+1 days, facilitated by clear workflows and well-defined stakeholder roles. This structure supports rapid order matching, prompt fund transfers, and timely token distribution. Nonetheless, a key operational consideration is the time gap between the issuance of \$USTBL tokens and the acquisition of the underlying ETF shares. During this period, tokens may temporarily lack full collateralization, introducing potential exposure to market volatility or delays. This short-term risk can be mitigated through mechanisms such as synchronized asset acquisition or the use of escrow arrangements to align the timing of token issuance with asset backing.

Redemption Process

The \$USTBL token offers a dual-path redemption framework designed to provide investors with efficient exit options. These pathways, redemption via the issuer and redemption through Bitfinex Securities as the Digital Asset Service Providers (DASPs), are structured to balance flexibility with operational efficiency.

1. **Redemption Request Submission:** Investors initiate redemption requests either directly through the issuer or via the Digital Asset Service Providers (DASPs). The issuer provides the redemption price, including applicable fees, and, upon investor confirmation, issues instructions for proceeding. In both cases, investors transfer the \$USTBL tokens to the designated redemption wallet for processing.
2. **Liquidation of Underlying Assets:** To fulfill redemption requests, NexBridge executes the sale of the underlying ETF shares during standard market hours. The shares held in the \$USTBL Deposit Account are liquidated in accordance with prevailing market conditions. The resulting USD proceeds are subsequently converted into \$USDT via NexBridge's designated custodial accounts.
3. **Processing of Redemption Requests:** For redemptions conducted via Digital Asset Service Providers (DASPs), the converted \$USDT is first transferred to the issuer's \$USTBL redemption wallet on the DASP platform, then to the DASP's dedicated account, and finally credited to the investor's wallet. For issuer-managed redemptions, the converted \$USDT is transferred from the issuer's \$USTBL redemption wallet on the DASP platform directly to the investor's wallet.
4. **Token Blacklisting:** Redeemed \$USTBL tokens are blacklisted and transferred to a garbage wallet managed by NexBridge. This ensures the redeemed tokens are permanently removed from circulation, preserving the integrity of the token supply.
5. **Settlement:** Redemption proceeds are promptly settled in \$USDT and transferred to the investor's wallet, finalizing the redemption process.

In the issuer-managed redemption process, the issuer liquidates the underlying ETF shares, converts the proceeds into \$USDT or another supported digital assets, and transfers the funds to the investor. This method requires a settlement period of T+2 to T+3, aligning with the operational cycle of the ETF market. To cover operational costs, a 0.10% redemption fee is applied. However, redemptions are subject to a three-month lockup period following the initial subscription, restricting early liquidity. This lockup period ended in March, 2025. Alternatively, redemptions via Digital Asset Service Providers (DASPs) offer faster settlement, potentially completing within T+0. This approach enables token holders to sell \$USTBL tokens to other participants or directly to the issuer through buy orders.

Both redemption pathways offer distinct advantages but also carry inherent risks. Issuer-managed redemptions are subject to timing risks tied to the liquidation of ETF shares, which may be exacerbated during market volatility. Secondary market prices may diverge from the Net Asset Value (NAV) due to demand-supply imbalances or constrained liquidity. Furthermore, reliance on Digital Asset Service Providers (DASPs) for issuance and redemption introduces counterparty risk, as operational disruptions, regulatory interventions, or insolvency events affecting these entities could impede investor access to liquidity. In response, NexBridge has expanded its network of DASPs to include both third-party platforms such as MexC and affiliated entities, notably its proprietary trading venue, NexPlace. While this diversification enhances market access, the use of affiliated platforms introduces additional risks, including potential conflicts of interest, operational dependencies, and limitations in price discovery integrity.

20.

Pricing Mechanism Anchored to NAV of the Underlying ETF

The \$USTBL token's price is directly tied to its Net Asset Value (NAV), which reflects the issuer's total Assets Under Management (AUM), including the underlying iShares \$ Treasury Bond 0-1yr UCITS ETF and liquidity reserves. This pricing mechanism ensures transparency and alignment with the performance of high-quality, short-term U.S. Treasury assets while supporting operational efficiency through the inclusion of liquidity reserves.

However, the pricing mechanism is sensitive to fluctuations in the value of the underlying assets, which can directly impact the NAV and, consequently, the token's valuation. The reliance on liquidity reserves introduces a dependency on the issuer's ability to effectively manage these assets, particularly during periods of heightened redemption activity or market stress. Additionally, daily fee accrual, necessary to cover operational costs, incrementally reduces the NAV over time, potentially affecting long-term investor returns.

To mitigate these challenges, the issuer has implemented strict liquidity management practices and provides frequent NAV disclosures to ensure transparency and sustain market confidence. Active monitoring of secondary market performance is also critical to address pricing discrepancies arising from trading activity or external market factors. While the structure offers a robust and predictable pricing model, its effectiveness ultimately depends on the issuer's operational integrity, risk management capabilities, and ability to maintain alignment with the underlying asset's performance.

Value Accrual Mechanism of \$USTBL

The \$USTBL token employs a price accrual mechanism, embedding yield directly into the token's Net Asset Value (NAV) rather than distributing it as dividends or through rebasing. This approach aligns with industry trends, as approximately 67% of tokenized fixed-income products adopt similar mechanisms due to their tax efficiency and operational simplicity. By deferring taxable events until liquidation, this model may offer advantages in jurisdictions where capital gains tax is more favorable than income tax, appealing to investors seeking long-term tax efficiency.

Despite its structural benefits, the price accrual model has limitations. The mechanism relies on daily NAV updates tied to the ETF's closing price, which limits its responsiveness to intraday market fluctuations. This lag can result in discrepancies between the token's trading price and its actual value, particularly during periods of heightened market volatility. Additionally, the token's issuance on the Liquid Network, which has a relatively small ecosystem compared to other platforms, may constrain broader adoption and secondary market liquidity. These ecosystem constraints could limit the token's ability to fully leverage its structural advantages, especially in Decentralized Finance (DeFi) applications such as trading, lending, or collateralization. Furthermore, the absence of an active and liquid secondary market could restrict investor access to DeFi opportunities, reducing the token's appeal for use in decentralized environments. The success of the \$USTBL token's price accrual mechanism depends not only on its inherent structural advantages but also on the issuer's ability to navigate these ecosystem constraints and foster liquidity.

To mitigate these challenges, the issuer's operational strategy will need to focus on expanding the network's ecosystem, supporting liquidity through active market-making, and addressing pricing mismatches through robust secondary market monitoring. These efforts will be critical in ensuring that the \$USTBL token achieves its full potential and meets investor expectations.

Access Limited by KYC/AML Compliance

Investment in \$USTBL is subject to strict compliance with Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations, ensuring adherence to the Digital Asset Issuance Law (2023). Investors must complete verification processes, including identity and source-of-funds checks, facilitated by Bitfinex Securities as the designated Digital Asset Service Provider (DASP).

The \$USTBL token offering is structured as a public issuance, providing broad accessibility to eligible investors while maintaining high regulatory and transparency standards. With a minimum investment of one token at its denominated price, the structure is designed for inclusivity, supported by regular NAV disclosures and oversight by the DASP. El Salvador's Digital Asset Issuance Law (2023) imposes binding regulatory obligations on any trading venue listing \$USTBL. These include effective KYC/AML procedures, FATF-aligned oversight, and cooperation with Financial Intelligence Units (FIUs), ensuring alignment with the country's commitments as a GAFILAT member.

Additionally \$USTBL is subject to stringent distribution restrictions. Access is prohibited to individuals, entities, and residents in jurisdictions subject to sanctions or other regulatory prohibitions, including U.S. persons. The following restrictions apply:




- **United Nations (UN):** The \$USTBL token is restricted from entities or individuals sanctioned by the United Nations Security Council for global security threats, terrorism, or violations of international law.
- **Financial Action Task Force (FATF):** Jurisdictions on the FATF blacklist, identified for significant deficiencies in Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) standards, are excluded from participation.
- **United States (OFAC):** The token is not available to U.S. persons or entities, including those on the U.S. Office of Foreign Assets Control (OFAC) sanctions lists, which target individuals and jurisdictions involved in illicit activities, including terrorism and human rights violations.
- **European Union (EU):** \$USTBL cannot be accessed by individuals, entities, or jurisdictions sanctioned by the EU for actions threatening international law and global stability.
- **Switzerland (SECO):** Restrictions imposed by the Swiss State Secretariat for Economic Affairs (SECO), often aligned with EU measures, are enforced to ensure compliance with Swiss neutrality and international security.
- **United Kingdom (UK):** The token adheres to restrictions issued by the UK's Foreign, Commonwealth & Development Office, addressing corruption, terrorism, and international law violations.

Furthermore, the token cannot be accessed by jurisdictions under comprehensive embargoes (e.g., North Korea, Iran, Cuba, Syria, Crimea, and specific regions of Ukraine) or prohibited persons such as those listed on sanctions databases, government officials from embargoed jurisdictions, or individuals associated with sanctioned digital asset addresses.

These restrictions are designed to safeguard the integrity of the \$USTBL token and its market by ensuring compliance with global regulatory standards. However, the limitations on access, particularly the exclusion of U.S. persons and entities, may impact the token's market adoption and liquidity. Bitfinex Securities plays a central role in ensuring compliance, providing robust oversight and enforcement of these restrictions. While the regulatory framework reinforces market integrity and investor protection, success will depend on the issuer's ability to navigate these constraints and expand participation within permissible markets.


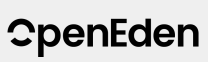


22.

Presented Below is a Comparative Analysis of NexBridge and Its Market Counterparts:

Issuer	NEXBRIDGE	BlackRock	 FRANKLIN TEMPLETON	 Ondo	 BACKED
Token	\$USTBL	\$BUIDL	\$BENJI	\$USDY	\$bIB01
Token Price	\$1.01	\$1.00	\$1.00	\$1.09	\$115.16
Market Capitalization	\$30,476,044.49	\$1,915,351,253.08	\$685,995,247.90	\$358,559,471.22	\$15,508,115.06
Networks	Liquid	Ethereum, Arbitrum, Optimism, Polygon, Aptos, Avalanche	Polygon, Avalanche, Arbitrum, Aptos & Stellar	Ethereum, Solana, Sui, Mantle, Aptos, Arbitrum & Noble	Ethereum, Polygon, Arbitrum, Avalanche, BNB SmartChain, Fantom, Gnosis & Base
Token Standard	LBTC	ERC-20	ERC-20, ARC-20, SEP-41	ERC-20, SPL, Sui Coin, Aptos Coin, CW20	ERC-20, ARC-20, BEP-20, FRC-20
Circulating Supply	30,144,455.48	1,915,351,253.08	\$685,995,247.90	327,396,099.77	134,665.52
Token Classification	Investment (Other Investment Token)	Investment (Fund Token)	Investment (Fund Token)	Investment (Fund Token)	Investment (Fund Token)
Token Holder Rights	Absolute Rights Tokens	Absolute Rights Tokens	Relative Rights Token	Relative Rights Token	Relative Rights Token
Minimum Investment	\$1.00	\$5,000,000	\$20	\$500	CHF 5,000
Settlement Procedure	T + 0 (Instant with Bitfinex Securities)	T + 0 (Instant with USDC)	T + 0 / T + 1 (0 - 24 hrs.)	T + 5 Days (0 - 120 hrs.)	T + 0 / T + 3 Days (0 - 72 hrs.)
Management Fees	0.35%	0.50%	0.20%	0.00%	0.07%
Smart Contract Audit	✓	✓	✓	✓	✓
Proof of Reserves	✓	✓	✓	✓	✓

Disclaimer: The above comparative analysis was based solely on publicly available information as of March 31, 2025

Presented Below is a Comparative Analysis of NexBridge and Its Market Counterparts:

Issuer	NEXBRIDGE	 Hashnote	 OpenEden	 Anemoy	 MIDAS
Token	\$USTBL	\$USYC	\$TBILL	\$LFT1	\$mTBILL
Token Price	\$1.00	\$1.08	\$1.10	\$1.06	\$1.01
Market Capitalization	\$30,476,044.49	\$662,421,764.34	104,417,164.13	\$37,456,710.00	\$3,580,499.45
Networks	Liquid	Ethereum, Canton, Cosmos (NEAR)	Ethereum, Arbitrum	Ethereum, Centrifuge, Arbitrum, Celo & Base	Ethereum
Token Standard	LBTC	ERC-20, NEP-141, Custom (NEAR)	ERC-20	ERC-20	ERC-20
Circulating Supply	30,144,455.48	613,353,485.50	94,924,694.66	35,369,886.69	3,545,048.96
Token Classification	Investment (Other Investment Token)	Investment (Fund Token)	Investment (Fund Token)	Investment (Fund Token)	Investment (Fund Token)
Token Holder Rights	Absolute Rights Tokens	Relative Rights Token	Relative Rights Token	Absolute Rights Tokens	Relative Rights Token
Minimum Investment	\$1.00	\$100,000	\$100,000	\$100,000	\$1.00
Settlement Procedure	T + 0 (Instant with Bitfinex Securities)	T + 0 / T + 1 (0 - 24 hrs.)	T + 0 / T + 1 (0 - 24 hrs.)	T + 0 / T + 2 (8 - 48 hrs.)	T + 0 / T + 1 (0 - 24 hrs.)
Management Fees	0.35%	0.00%	0.30%	0.00%	0.00%
Smart Contract Audit	✓	✓	✓	✓	✓
Proof of Reserves	✓	✓	✓	✓	✓

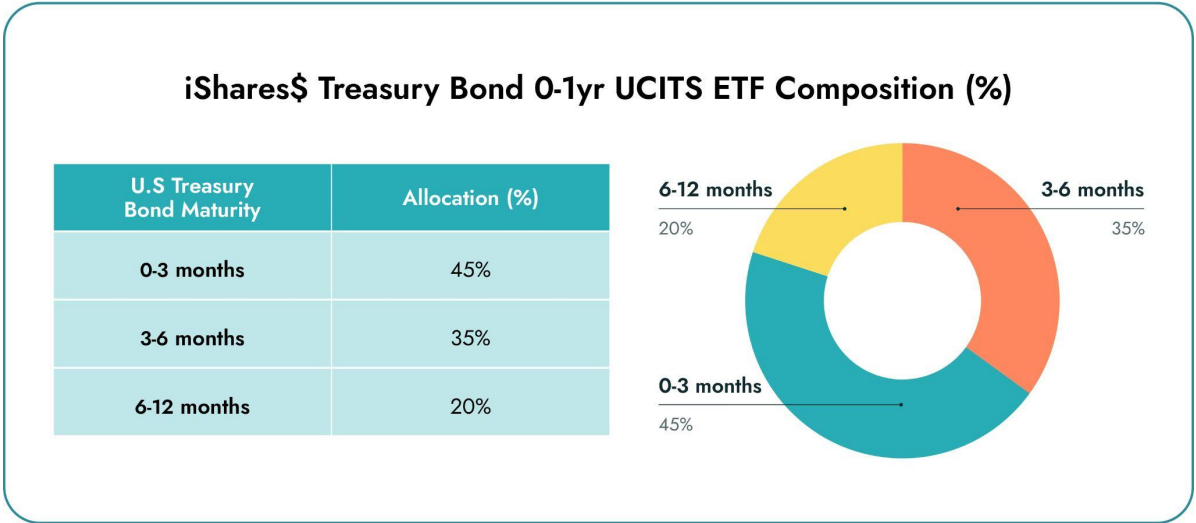
Disclaimer: The above comparative analysis was based solely on publicly available information as of March 31, 2025

Detailed Rating Analysis - Underlying Asset

Offers Exposure to the iShares \$ Treasury Bond 0-1 yr UCITS ETF

The \$USTBL token provides exposure to the iShares \$Treasury Bond 0-1yr UCITS ETF, issued by BlackRock, offering access to short-term U.S. Treasury securities with maturities of up to one year. The ETF seeks to track the performance of the ICE U.S. Treasury Short Bond Index, which comprises U.S. government bonds with a minimum outstanding amount of \$300 million. The fund employs a sampled physical replication methodology, which is designed to achieve benchmark tracking while maintaining cost efficiency and liquidity.

The ETF’s investment strategy is centered on capital preservation and liquidity management, with its portfolio primarily allocated across three maturity segments, focusing on shorter durations to limit interest rate exposure. The fund’s effective duration of 0.34 years and an average weighted maturity of 0.35 years are indicative of its low sensitivity to interest rate fluctuations. Domiciled in Ireland and under the custodianship of BNY Mellon, the ETF operates within the UCITS regulatory framework, which provides robust investor protection and operational oversight. The fund’s total expense ratio of 0.07% positions it competitively within the passive fixed-income segment.

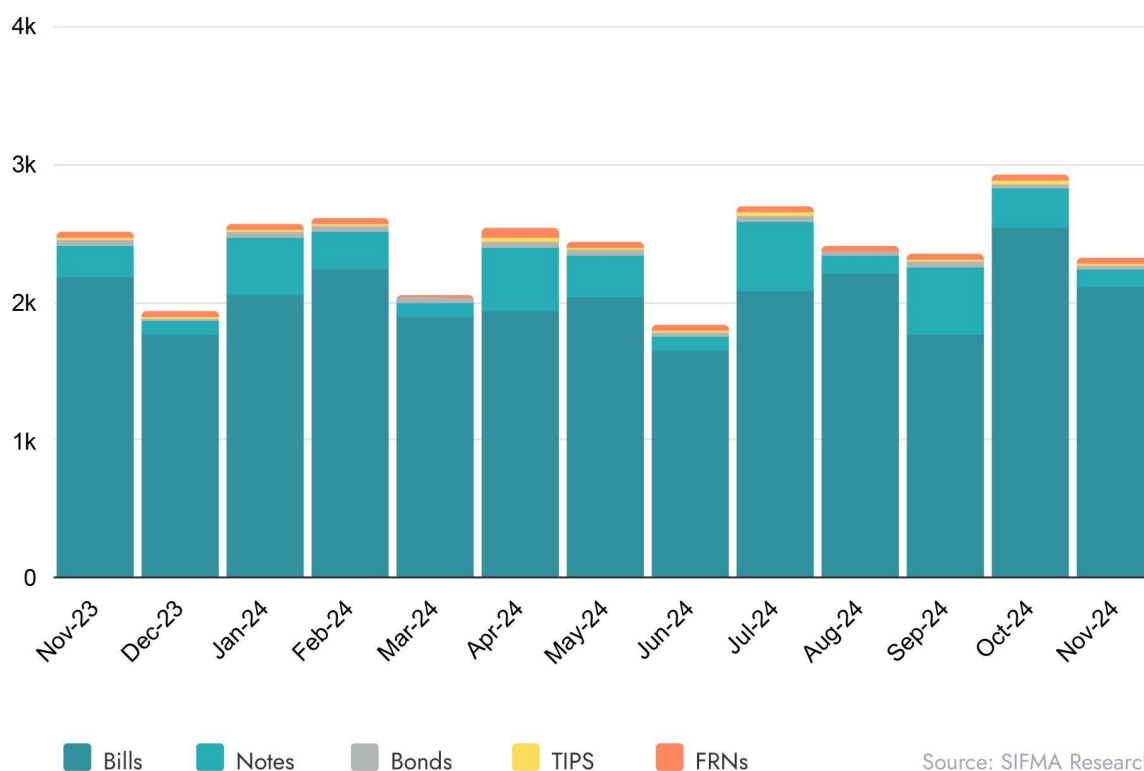


In comparison to other short-duration fixed-income products, the iShares \$ Treasury Bond 0-1yr UCITS ETF offers competitive cost efficiencies, consistent benchmark tracking, and high market liquidity. Its broad availability across multiple exchanges, including the London Stock Exchange and the SIX Swiss Exchange, enhances accessibility and trading flexibility for both institutional and retail investors. The fund’s historical tracking error has remained minimal, demonstrating effective replication of the benchmark index

Current market conditions continue to be shaped by persistent inflationary pressures and monetary policy adjustments. As of early 2025, total outstanding U.S. Treasury securities reached \$28 trillion, reflecting a year-over-year increase of 7.6%. The Federal Reserve’s policy stance remains restrictive, with interest rates maintained at 5.25% to address inflationary concerns, which have moderated to 3.1% from 6% in early 2024. Elevated yields on short-term U.S. Treasury securities have sustained strong investor demand, positioning the ETF as a viable option for liquidity management in a high-rate environment. The yield curve remains inverted, with the three-month Treasury Bill yielding approximately 5.3% reflecting heightened demand for short-duration instruments amid ongoing economic uncertainties, including potential fiscal policy changes following the 2024 U.S. presidential election.

U.S. Treasury Securities Issuance

\$ Billions



Source: U.S. Treasury Securities Statistics as of December 1, 2024

From a forward-looking perspective, the ETF is expected to continue benefiting from strong demand driven by economic conditions favoring short-duration, high-quality assets. However, potential shifts in monetary policy, particularly the possibility of rate cuts in response to slowing economic growth, may introduce reinvestment risks that could impact yield sustainability. Conversely, an extended period of elevated rates would likely support continued demand for short-term instruments. In addition, evolving geopolitical developments and fiscal policy adjustments, including potential tax reforms, may influence market liquidity and investor sentiment, warranting ongoing monitoring.

Despite its exposure to U.S. government securities, which are generally considered free of credit risk, the ETF is subject to several key risks. Interest rate fluctuations, while mitigated by the short duration, could impact valuations in response to unexpected policy changes. Liquidity risk remains a consideration, particularly during periods of market stress, though the ETF's allocation to highly liquid Treasury securities serves as a mitigating factor. Non-USD investors may also face currency-related risks due to exchange rate fluctuations. Furthermore, the ETF's reliance on counterparties for custody and liquidity management introduces an element of operational risk that warrants consideration.

Since its inception in 2019, the ETF has consistently delivered stable returns in line with its benchmark, demonstrating its effectiveness as a short-duration fixed-income instrument. In 2024, the fund achieved an annual return of 5.22%, closely aligning with the benchmark return of 5.25%.

Over a three-year period, the fund recorded an annualized return of 3.73%, while its performance since inception has averaged 2.40% per annum. These figures underscore the ETF's track record of maintaining yield consistency and low volatility.

Year of Operation	Fund Return (%)	Benchmark Return (%)	Delta (%)
2019	0.9	1.0	-0,1
2020	0.0	0.1	-0,1
2021	1.0	1.0	0,0
2022	1.5	1.4	+0,1
2023	4.0	3.9	+0,1

Conclusion

The iShares \$ Treasury Bond 0-1yr UCITS ETF, accessible through the \$USTBL token, offers a structured approach to short-term fixed income exposure, aligning with investor objectives of capital preservation and liquidity management. By investing in U.S. Treasury securities with maturities ranging from zero to one year, the ETF provides a conservative risk profile, well-suited for the prevailing interest rate environment characterized by elevated short-term yields and an inverted yield curve. The portfolio's maturity distribution, concentrated in securities maturing within 12 months, ensures a balance between maintaining liquidity and optimizing yield, with an effective duration of 0.34 years to mitigate exposure to interest rate volatility.

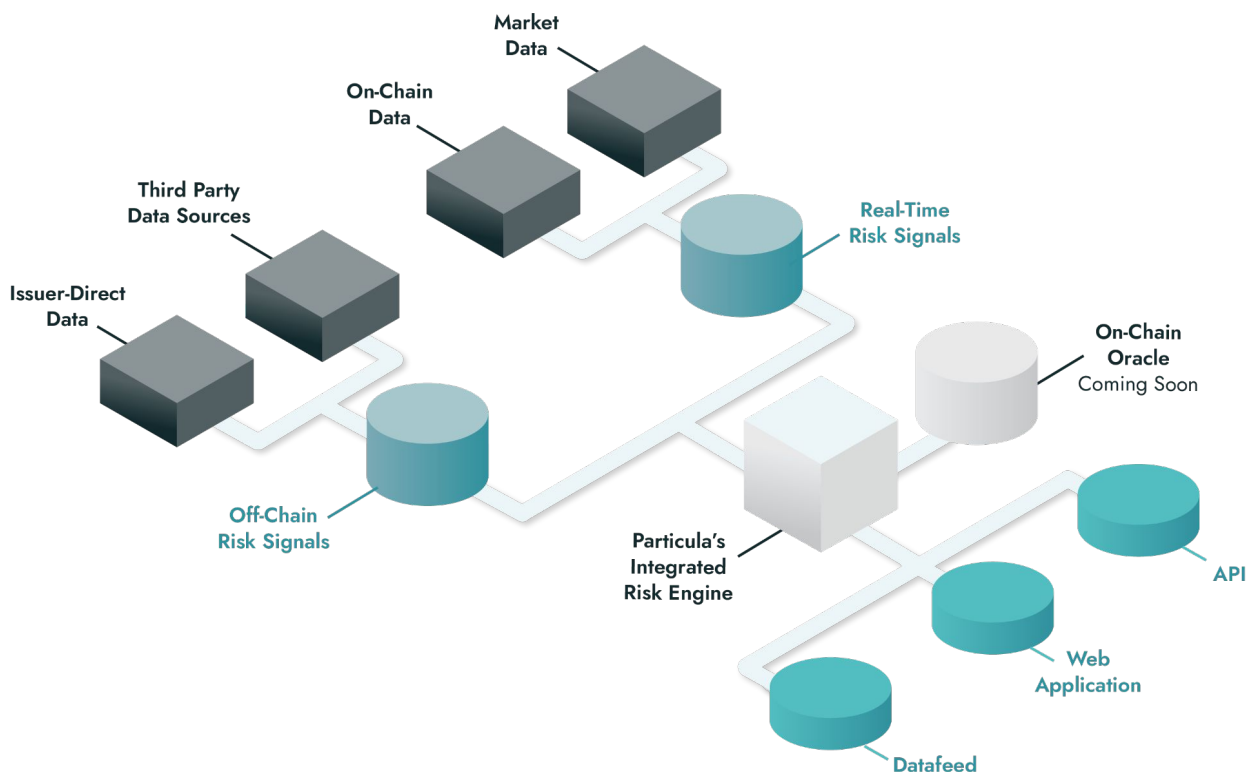
Tracking the ICE U.S. Treasury Short Bond Index through a sampled physical replication approach, the ETF offers efficient exposure to high-credit-quality government securities. This investment framework is designed to provide reliable income generation while ensuring cost-effectiveness through a low total expense ratio. The ETF's accumulating share class structure supports steady Net Asset Value (NAV) growth, enhancing its attractiveness for investors with short-term liquidity needs and risk-averse mandates.

From a risk management perspective, the \$USTBL token, through its exposure to the iShares \$ Treasury Bond 0-1yr UCITS ETF, offers a stable investment profile underpinned by the credit quality of U.S. government-backed securities. The ETF's allocation to short-term, high-quality assets inherently limits exposure to duration and credit risks, while the absence of floating-rate instruments reduces potential volatility arising from abrupt interest rate fluctuations. The ETF's adherence to the UCITS regulatory framework provides a transparent and structured investment environment, supporting its role as an effective tool for investors seeking to optimize short-duration fixed income exposure with a focus on capital preservation and liquidity.

Analytical Approach

Particula's digital asset risk rating methodology employs a comprehensive analytical approach that combines traditional asset evaluation principles with advanced technology. Our methodology diligently assesses each issuance on the categories compliance, economic viability, technological resilience, ESG performance and operational security, offering investors a deep understanding of risks and opportunities on issuer, token and underlying asset. Our principles acknowledge the difference between digital assets and analog assets and integrate direct data from issuers, conduct thorough security checks, and incorporate real-time blockchain data as well as market trends to provide timely and accurate assessments for navigating the landscape of digital assets. A complete overview of our analytical approach and the rating methodology is available on request.

Grade	Rating	Definitions
Investment Grade	AAA	Highest Quality, Minimal Risk
	AA	Very High Quality, Low Risk
	A	High Quality, Low-Medium Risk
	BBB	Good Quality, Medium Risk
Speculative Grade	BB	Speculative, High Risk
	B	Highly Speculative, Very High Risk
	CCC	Substantial Risk
	CC	Very High Risk, Approaching Exposure
	C	High Risk, In Exposure or Likely to be Exposed
	D	Full Exposure



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