

**Paxos Trust Company, LLC**  
**Examination of Management Assertions**  
**PayPal USD (PYUSD) Token**  
**September 18, 2024 and September 30, 2024 at 5:00 PM Eastern Time**  
**With Independent Accountant's Report**

**Paxos Trust Company, LLC**  
**Table of Contents**  
**September 18, 2024 and September 30, 2024**

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Independent Accountant's Report	1-2
Redemption Assets Report	3-5
Notes to the Redemption Assets Report (No Assurance Provided by the Independent Accountant on These Notes)	6



## 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 PayPal USD tokens ("PYUSD") as of September 18, 2024 and September 30, 2024 (collectively, the "Report Dates and Times") at 5:00 pm Eastern Time ("ET"). Such PYUSD as denoted under contracts 0x6c3ea9036406852006290770BEdFcAbA0e23A0e8 on the Ethereum network and 2b1kV6DkPANxd5ixfnxCpjxmKwqjjaYmCZfHsFu24GXo on the Solana network at 5:00 pm ET on the Report Dates and Times combined is 722,178,585 and 704,883,091, 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 \$722,178,585 and \$704,883,091, 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 PYUSD supply, as represented by management in the Redemption Assets Report, does not exceed the balance of the Redemption Assets reported below.
- The Redemption Assets 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 PYUSD tokens and related PYUSD redemption assets. Our procedures were limited to the related PYUSD 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 Dates and Times 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*

October 16, 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 September 18, 2024 and September 30, 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 PYUSD in circulation and hereby makes the following assertions as of:

Report Dates	September 18, 2024	September 30, 2024
<b>PYUSD tokens in circulation</b>	722,178,585	704,883,091
<b>Fair Value of Redemption Assets (as defined in the notes below)</b>	\$736,144,505	\$720,152,403

The Company’s total fair value of redemption assets, which are greater than or equal to the supply of PYUSD, are comprised of the following (Notes 3 and 5):

- September 18, 2024 at 5:00 pm ET:

Description	CUSIP	Maturity Date	Fair Value (\$)
U.S. Treasury Bills	912797KL0	09/19/2024	18,000,000
U.S. Treasury Bills	912797KM8	09/26/2024	19,982,000
U.S. Treasury Bills	912797KT3	10/10/2024	31,911,680
U.S. Treasury Bills	912797KU0	10/17/2024	29,889,900
U.S. Treasury Bills	912797LD7	11/14/2024	29,780,700
U.S. Treasury Bills	912797LE5	11/21/2024	19,836,600
<b>Total U.S. Treasury Bills:</b>			<b>149,400,880</b>
U.S. Treasury Bonds	912828S50	07/15/2026	44,046,660
U.S. Treasury Bonds	912810UB2	05/15/2044	531,677,040
<b>Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reverse Repurchase Agreements:</b>			<b>575,723,700</b>
<b>Total U.S. Dollars Held:</b>			<b>11,019,925</b>
<b>Total Fair Value of Redemption Assets:</b>			<b>736,144,505</b>

- September 30, 2024 at 5:00 pm ET:

Description	CUSIP	Maturity Date	Fair Value (\$)
U.S. Treasury Bills	912797LK1	10/01/2024	1,000
U.S. Treasury Bills	912797KT3	10/10/2024	31,962,880

## REDEMPTION ASSETS REPORT

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U.S. Treasury Bills	912797KU0	10/17/2024	29,937,300
U.S. Treasury Bills	912797LD7	11/14/2024	29,829,000
U.S. Treasury Bills	912797LE5	11/21/2024	19,868,800
<b>Total U.S. Treasury Bills:</b>			<b>111,598,980</b>
U.S. Treasury Bonds	91282CJQ5	12/31/2030	42,545,198
U.S. Treasury Bonds	912810TA6	08/15/2041	1,020,022
U.S. Treasury Bonds	912810SK5	11/15/2049	55,313,446
U.S. Treasury Bonds	912810SL3	02/15/2050	153,162,230
U.S. Treasury Bonds	912810SM1	02/15/2050	56,160,223
U.S. Treasury Bonds	912810SS8	11/15/2050	29,857,422
U.S. Treasury Bonds	912810SX7	05/15/2051	247,270,500
<b>Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reverse Repurchase Agreements:</b>			<b>585,329,040</b>
<b>Total U.S. Dollars Held:</b>			<b>23,224,383</b>
<b>Total Fair Value of Redemption Assets:</b>			<b>720,152,403</b>

### NOTES

- The supply of PayPal USD tokens ("PYUSD") as denoted under contracts 0x6c3ea9036406852006290770BEdFcAbA0e23A0e8 on the Ethereum network and 2b1kV6DkPANxd5ixfnxCpjxmKwqjjaYmCZfHsFu24GXo on the Solana network at the Report Dates and Times combined is 722,178,585 and 704,883,091, respectively.
- 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 \$722,178,585 and \$704,883,091, respectively, at the Report Dates and Times.
- This 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 as reported above. Any amounts held in U.S. Treasury Debt include additional disclosures such as CUSIP and maturity date, as applicable.
- The PYUSD supply does not exceed the balance of the Redemption Assets reported above.
- This Redemption Assets Report refers to the redemption asset composition, which adheres to the guidelines<sup>1</sup> as set forth by the New York Department of Financial Services ("NYDFS").

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<sup>1</sup> [https://www.dfs.ny.gov/industry\\_guidance/industry\\_letters/il20220608\\_issuance\\_stablecoins](https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608_issuance_stablecoins)

## REDEMPTION ASSETS REPORT

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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

October 16, 2024

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Date

**Paxos Trust Company, LLC**  
**Notes to the Redemption Assets Report**  
**September 18, 2024 and September 30, 2024 at 5:00pm ET**  
**(No Assurance Provided by the Independent Accountant on These Notes)**

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**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 PayPal USD token (“PYUSD”) 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 PYUSD in segregated accounts that are unencumbered and held on behalf of PYUSD holders in one or more of the following forms: (i) fiat currency held in FDIC-insured bank accounts; (ii) (a) 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. PYUSD is an ERC-20 token, which is built on the Ethereum and Solana public blockchains. As such, the total number of PYUSD tokens in circulation is fully and transparently viewable at all times by anyone through any publicly available Ethereum block explorer and Solana block explorer (e.g. Etherscan and Solscan).

**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.