

XFT WHITEPAPER

ABSTRACT

The USDX protocol provides a convenient USD denominated way for people to earn low risk yield on chain. The primary protocol token (USDX) provides a clear unit of value and accumulates generated yield.

INTRODUCTION

The USD+ token is a dollar denominated digital token. The protocol mints and redeems 1 USD+ token for \$ 1 USD value. USD+ tokens earn yield generated by the protocol. The protocol earns yield by investing the funds and tokens used to mint USD+ tokens into fixed income assets, initially short duration US Treasury bills.

USDX TOKEN

The USDX Token is an ERC20 compliant fungible token. It implements administrative minting, burning, and rebasing functions to manage the supply of the token.

WRAPPED USDX TOKEN

The Wrapped USDX Token is an ERC4626 compliant fungible token vault. USDX is deposited into the Wrapped USDX smart contract in order to facilitate interoperability and composability with common blockchain applications and accounting systems. Users can withdraw USDX from the Wrapped USDX contract at any time.

RESERVE VAULT

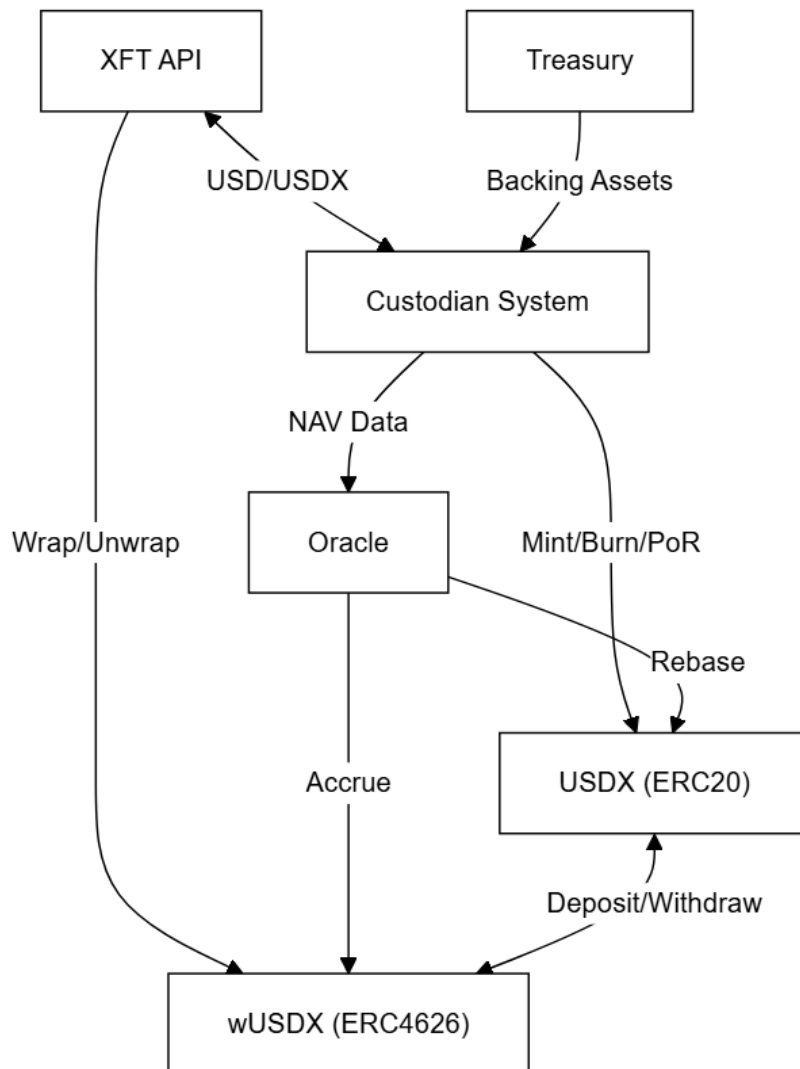
The Reserves Vault is an onchain account holding the onchain portion of the assets backing the value of USDX including yield generating tokenized assets. The Reserves Vault will primary invest in short duration US Treasury bills directly or indirectly.

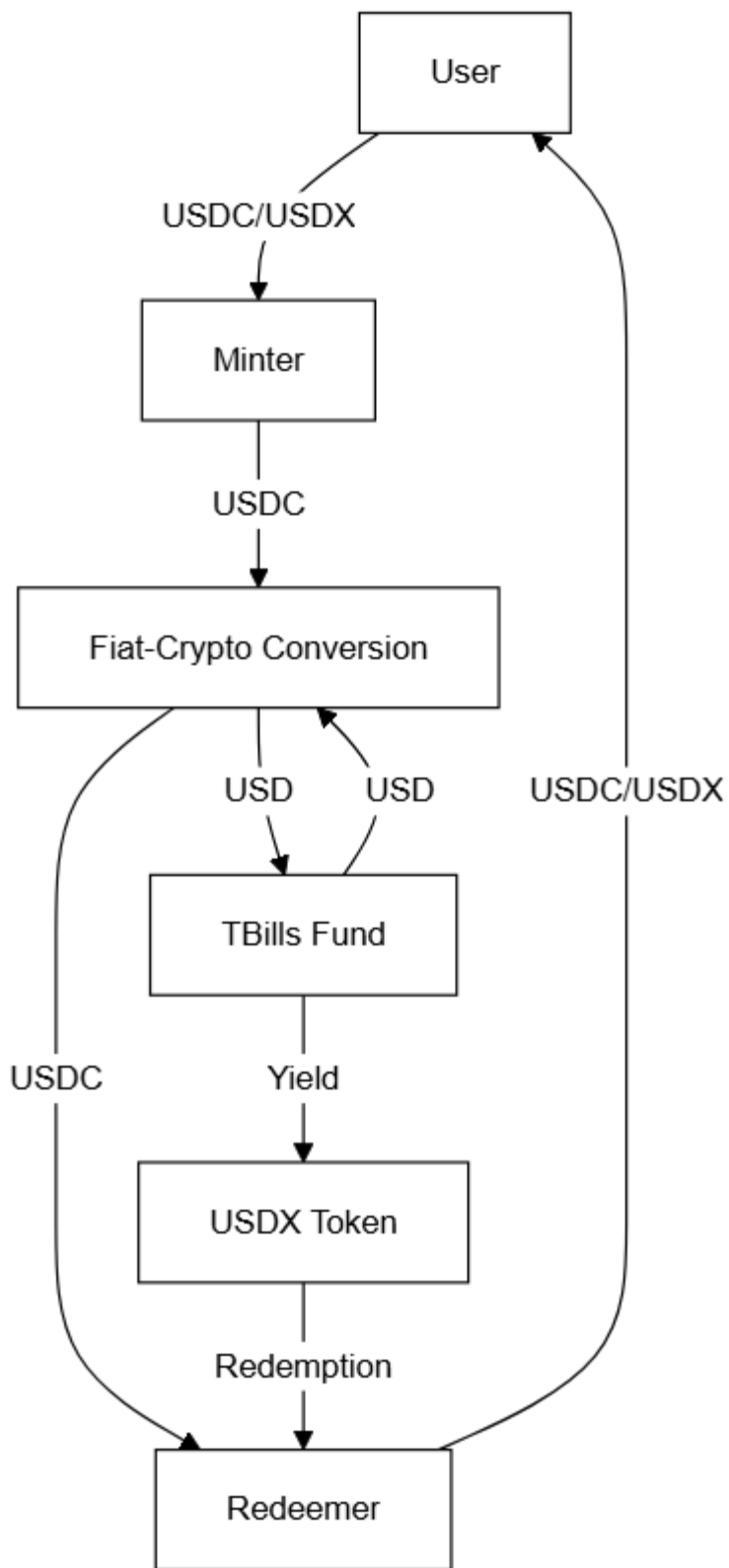
PROJECT REFERENCES

XFT Docs 001, xft001.netlify.app
XFT Repo 001, github.com/X-Financial-Technologies/assets
XFT Repo 002, github.com/X-Financial-Technologies/monorepo
XFT Repo Protocol, github.com/amr080/x-protocol
XFT Summary Prospectus, xft-sp001.netlify.app
USDX Contract Testing, youtu.be/Veo5T6kqOm8
USDX Coverage Report, youtu.be/RbeZ66vL21Y
USDX Cash Management Demo, youtu.be/iZYY4Oc_Fac
USDX Demo Hub, xft.netlify.app
USDX Protocol, xft001.netlify.app/assets/protocol.txt
High-Level System Architecture, github.com/X-Financial-Technologies/monorepo/blob/main/flow.mermaid
<https://github.com/dinari/crypto/usdplus-contracts/tree/main/docs>

Short duration US government securities ----cash flow---->USDX----dividend yield---->Investor

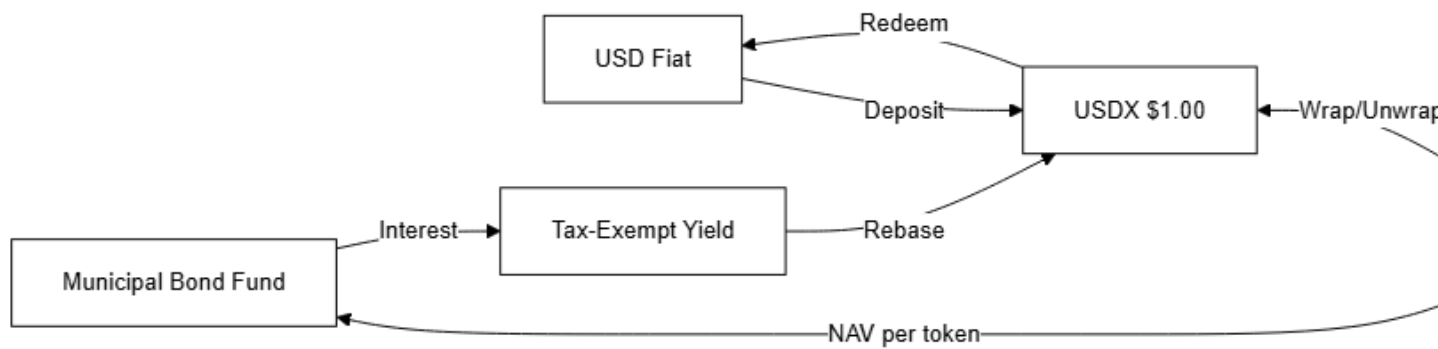
APPENDIX





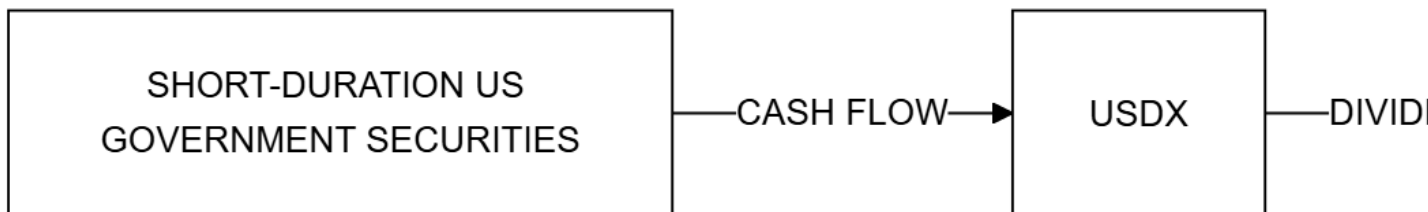
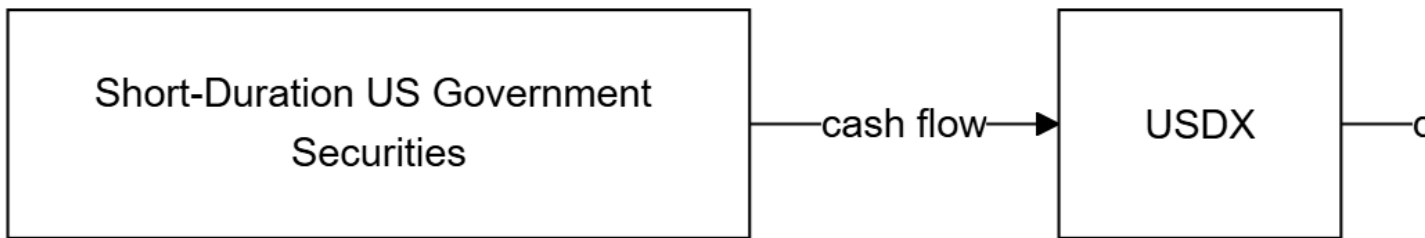
MINT REDEEM STEPS

- 1 User sends USDC/USDX to Minter
- 2 Minter forwards USDC to Fiat-Crypto Conversion
- 3 FCC converts USDC to USD for TBills Fund
- 4 TBills returns USD to FCC
- 5 FCC sends USDC to Redeemer
- 6 TBills yields USDX tokens
- 7 USDX redeems through Redeemer
- 8 Redeemer returns USDC/USDX to User



THEME

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flowchart LR

Securities[<div style="width:200px; height:50px; display:flex; align-items:center; justify-content:center;">SHORT-DURATION US GOVERNMENT SECURITIES</div>]

USD[<div style="height:50px; display:flex; align-items:center; justify-content:center;">USD</div>]

Investor[<div style="height:50px; display:flex; align-items:center; justify-content:center;">INVESTOR</div>]

Securities -->|CASH FLOW| USDX
USDX -->|DIVIDEND YIELD| Investor

FOBXX FLOW

sequenceDiagram

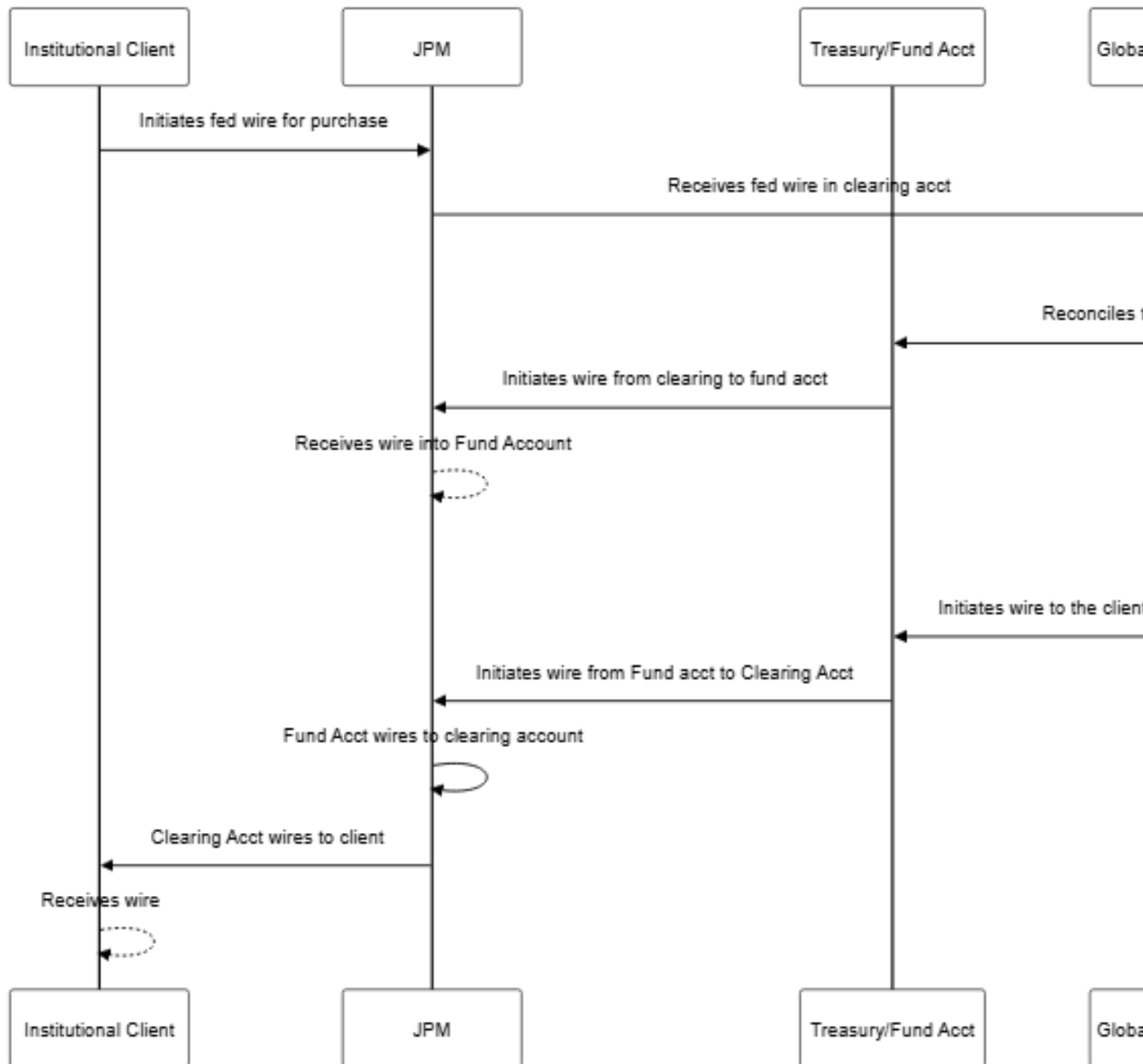
participant IC as Institutional Client
participant JPM
participant TFA as Treasury/Fund Acct
participant GCS as Global Cash Services
participant TA

%% Purchase Flow

IC->>JPM: Initiates fed wire for purchase
JPM->>GCS: Receives fed wire in clearing acct
GCS->>TA: Creates pega case upon receipt of wire
TA->>TFA: Reconciles transaction with wired funds received
TFA->>JPM: Initiates wire from clearing to fund acct
JPM-->>JPM: Receives wire into Fund Account

%% Liquidation Flow

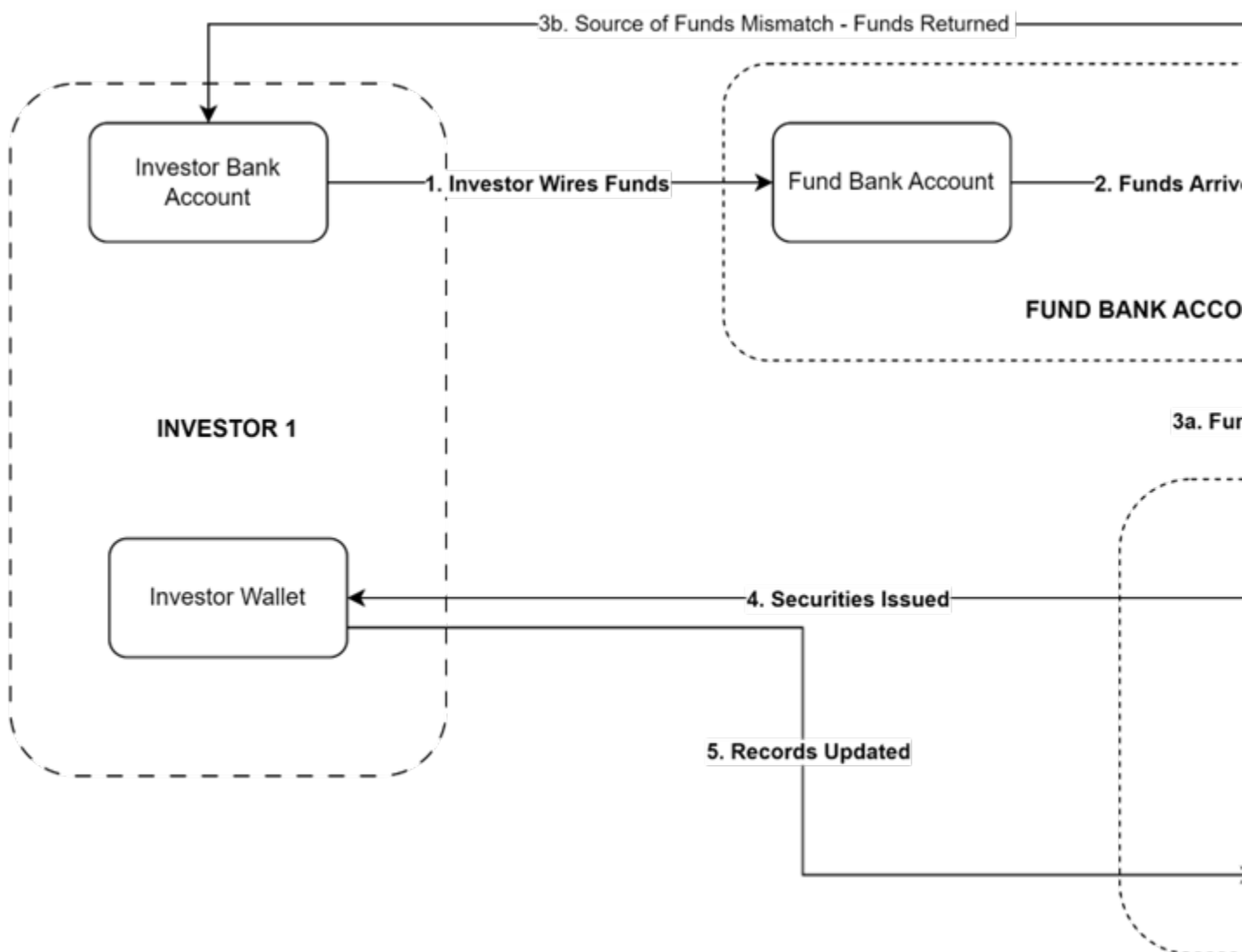
TA->>GCS: Creates pega case for outgoing wire
GCS->>TFA: Initiates wire to the client
TFA->>JPM: Initiates wire from Fund acct to Clearing Acct
JPM->>JPM: Fund Acct wires to clearing account
JPM->>IC: Clearing Acct wires to client
IC-->>IC: Receives wire



USD SUBSCRIPTION

For subscription into BUIDL, the investor must first complete onboarding with Securitize. This includes all KYC/B requirements for approval into the fund. Once approved, the investor will sign the BUIDL subscription agreement and will be provided with USD funding instructions via the Securitize platform UI. Upon receipt of funds, tokens will be minted to the wallet address provided during the subscription process. Funds must be received prior to the daily cutoff time

(2:30 PM ET each business day) in order to be minted the same day. Newly minted tokens will have a 24-hour lock-up period.



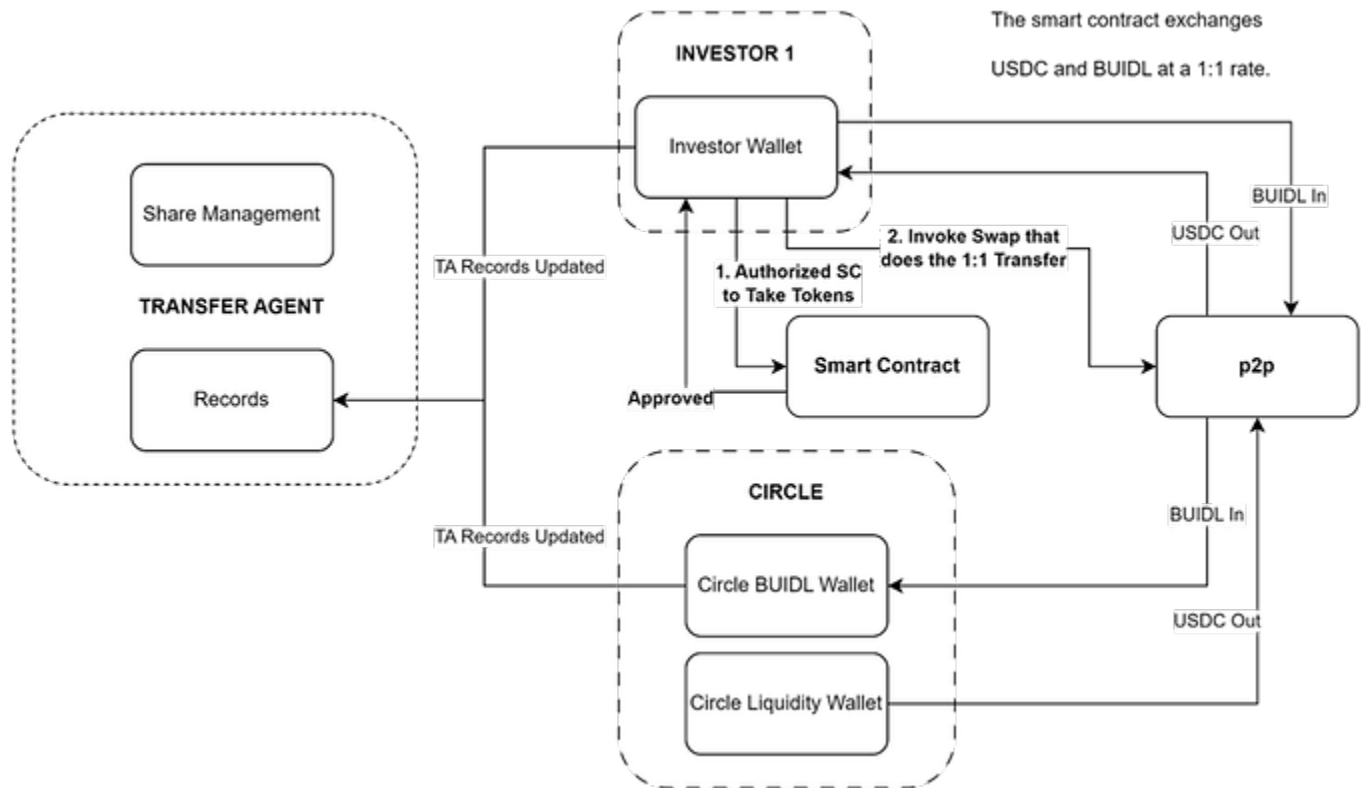
USD REDEMPTION

Investors may redeem directly with the Fund to receive USD via wire transfer to the bank account stored on the records of the Transfer Agent. Redemptions are initiated by sending tokens to the redemption wallet, which can be facilitated through the Securitize platform UI or by directly sending tokens to the redemption wallet. Tokens must be received into the records of the Transfer Agent by the cutoff time (3:00 PM ET each business day) for same day processing of the wire payment. Redemptions received after the cutoff time will be paid during the next operating day of the fund.

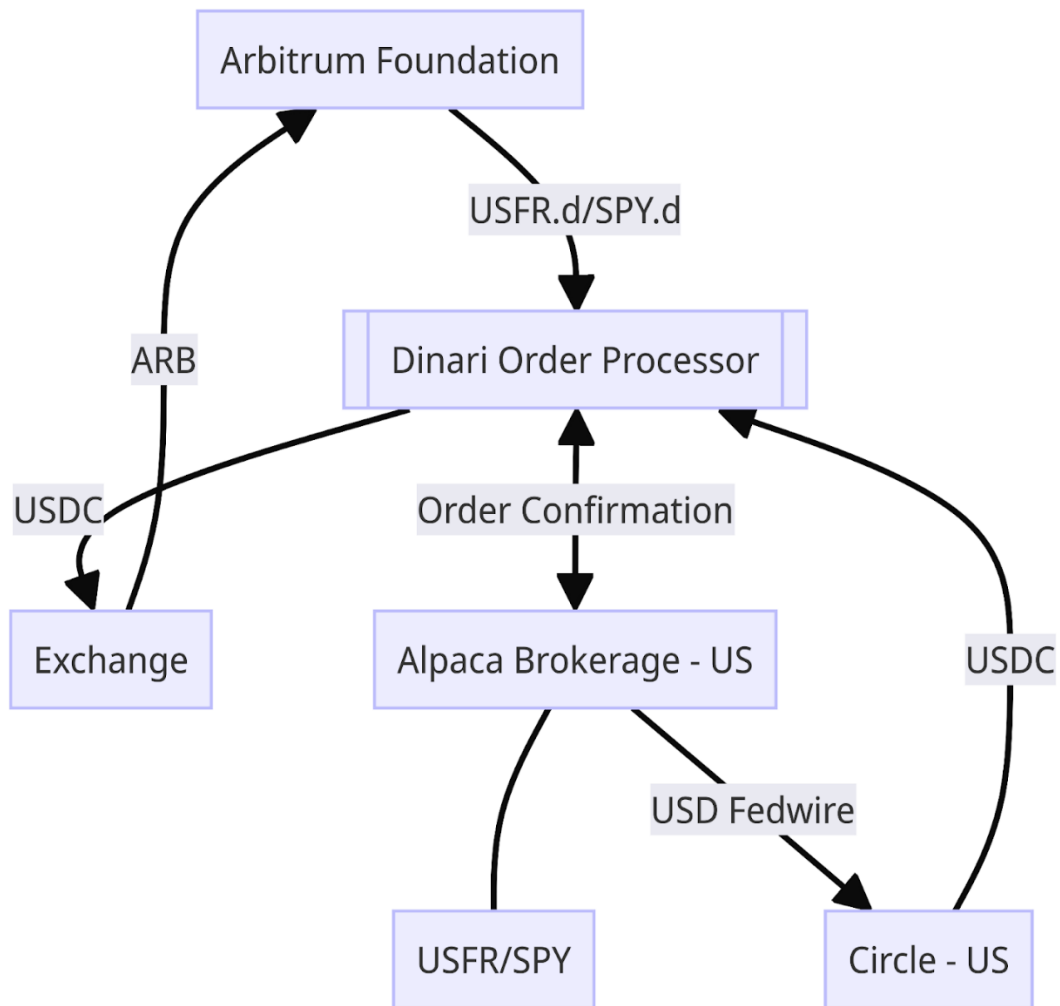
SALE FOR USDC VIA SECONDARY MARKET

BUIDL shareholders may also engage directly with Circle in a secondary market transaction to transfer their BUIDL position to Circle in exchange for USDC, in which a smart contract that

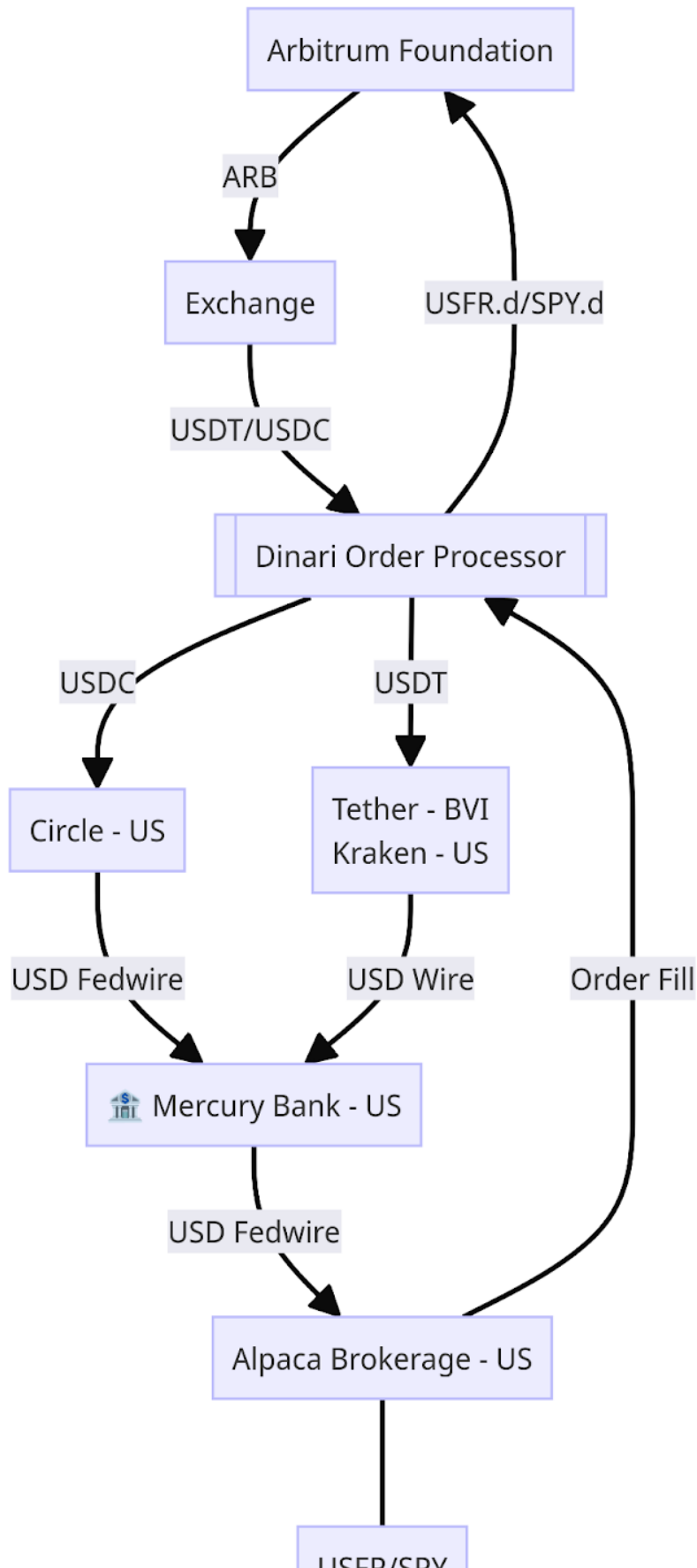
facilitates a 1:1 atomic swap of BUIDL for USDC. This secondary market is available 24/7/365, but is at the discretion of Circle and is not guaranteed... Transactions can be facilitated through the Securitize platform UI, or by directly interacting with smart contracts. The smart contract facilitates the exchange by sending USDC to the sending address of the BUIDL.



dShare Redemption Flow



dShare Issuance Flow



BUIDL Flow of Funds

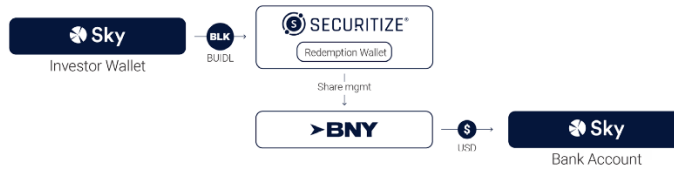
USD Subscription



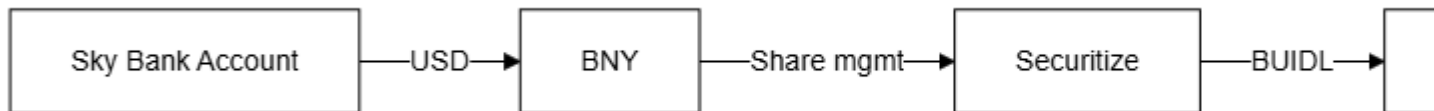
USDC Subscription

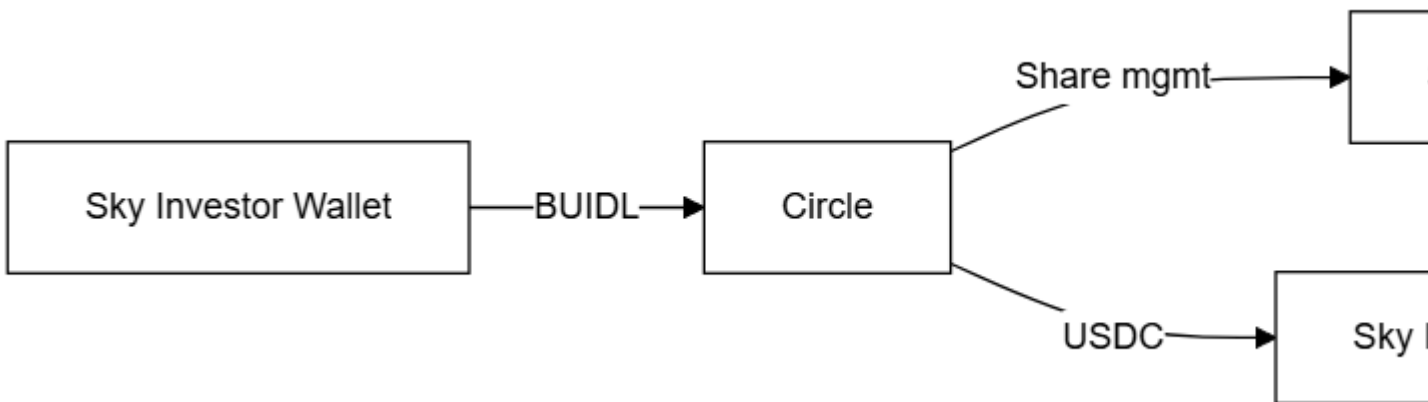


USD Redemption



BUIDL Sale into USDC





USD SUBSCRIPTION

graph LR

```
A[Sky Bank Account] -->|USD| B[BNY]
B -->|Share mgmt| C[Securitize]
C -->|BUIDL| D[Sky Investor Wallet]
```

USDC SUBSCRIPTION

graph LR

```
A[Sky Investor Wallet] -->|USDC| B[Conversion Partner]
B -->|USD| C[BNY]
C -->|Share mgmt| D[Securitize]
D -->|BUIDL| E[Sky Investor Wallet]
```

USD REDEMPTION

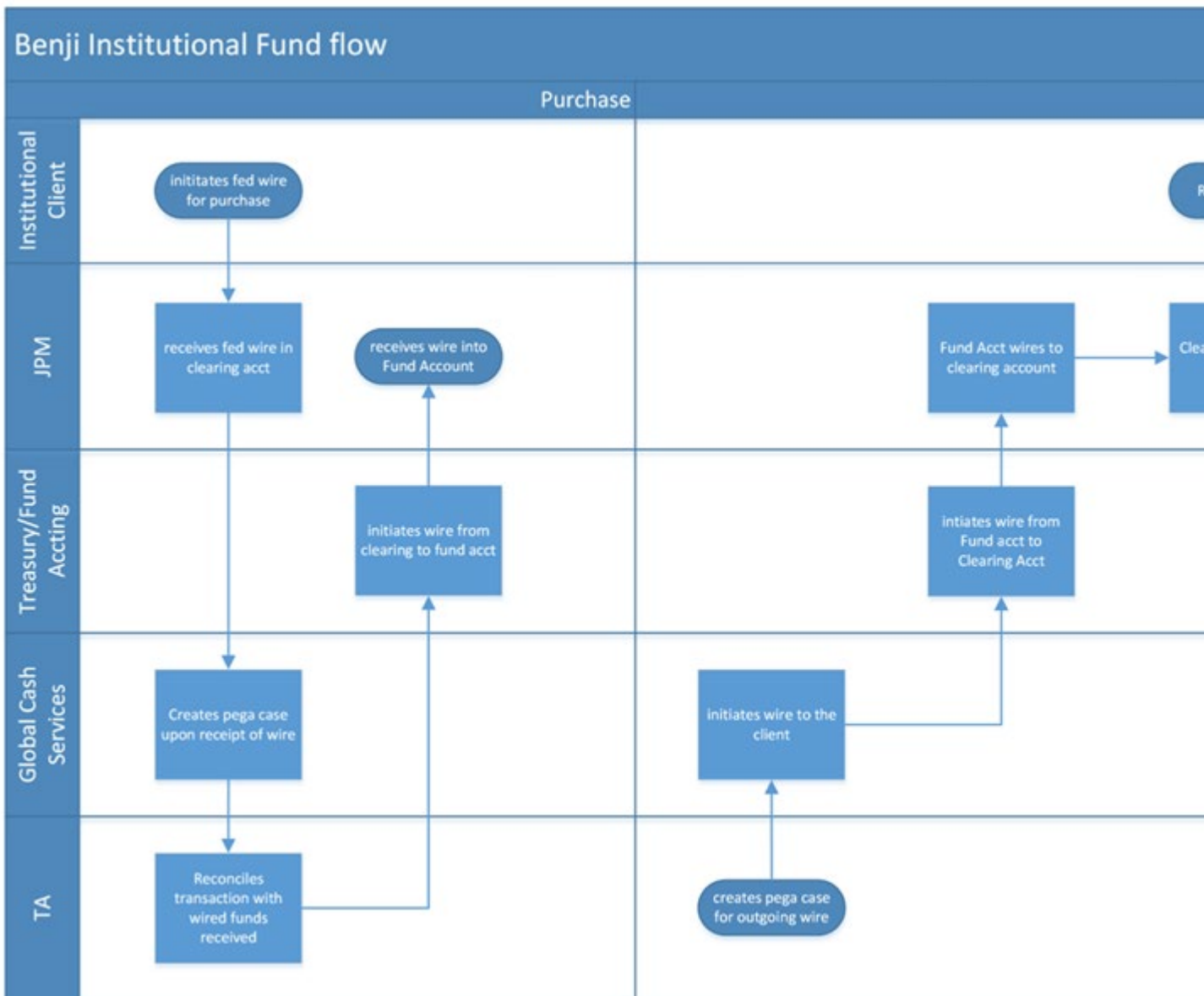
graph LR

```
A[Sky Investor Wallet] -->|BUIDL| B[Securitize Redemption Wallet]
B -->|Share mgmt| C[BNY]
C -->|USD| D[Sky Bank Account]
```

BUIDL SALE INTO USDC

graph LR

```
A[Sky Investor Wallet] -->|BUIDL| B[Circle]
B -->|Share mgmt| C[Securitize]
B -->|USDC| D[Sky Investor Wallet]
```



WTGXX SUBSCRIPTION

Spark (client) submits purchase order for desired amount (cutoff is 12:00 pm ET)¹

Spark sends USDC to blockchain address provided by WisdomTree (cutoff is 1:00 pm ET)

WisdomTree confirms receipt of USDC

Stablecoin conversion:

WisdomTree sends USDC to WisdomTree's Circle account

WisdomTree Circle account burns USDC and WisdomTree sends USD to the Fund custody account

Order fulfillment:

Order fulfilled following 4:00 pm ET NAV calculation

WisdomTree Transfers records shareholder ownership

WisdomTree mints WTGXX tokens and sends tokens to the client's wallet address.

WTGXX REDEMPTION

Spark (client) submits redemption order for desired amount (cutoff is 12:00 pm ET)¹

Spark sends WTGXX tokens to specified WisdomTree wallet (cutoff is 1:00 pm ET)

WisdomTree confirms receipt of WTGXX tokens

Order fulfillment

WisdomTree burns WTGXX tokens

Order fulfilled following 4:00 pm ET NAV calculation

WisdomTree Transfers updates records of shareholder ownership

Stablecoin conversion:

WisdomTree sends redemption value amount in USD to WisdomTree Circle Account

WisdomTree Circle Account mints USDC and sends to client's wallet address directly

USYC SUBSCRIPTION

Send stablecoin (PYUSD, USDC, or USDT) to Hashnote Short Duration Yield Fund (SDYF) wallet

Notify a Hashnote representative

Receive minted USYC in your designated whitelisted wallet

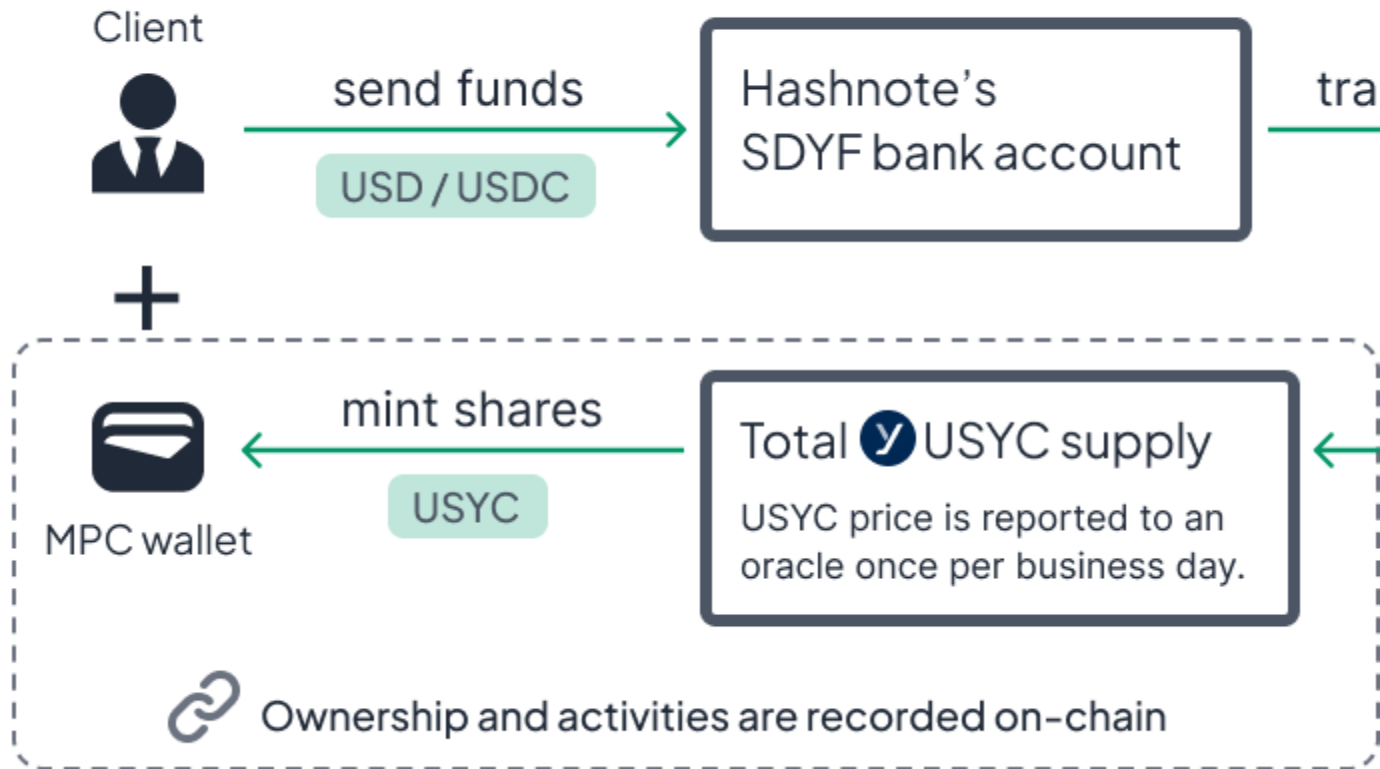
USYC REDEMPTION

Send USYC to Hashnote SDYF wallet or burn USYC directly on-chain

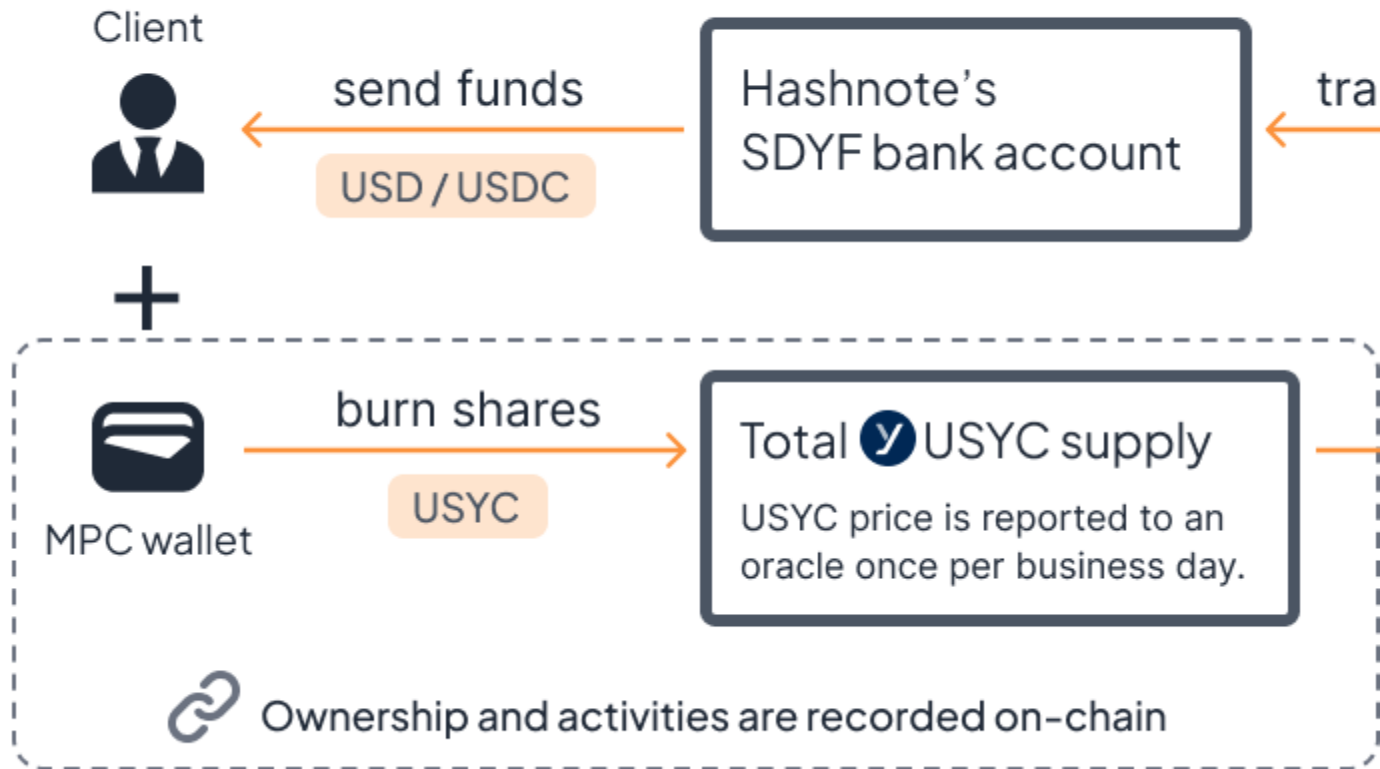
Notify a Hashnote representative

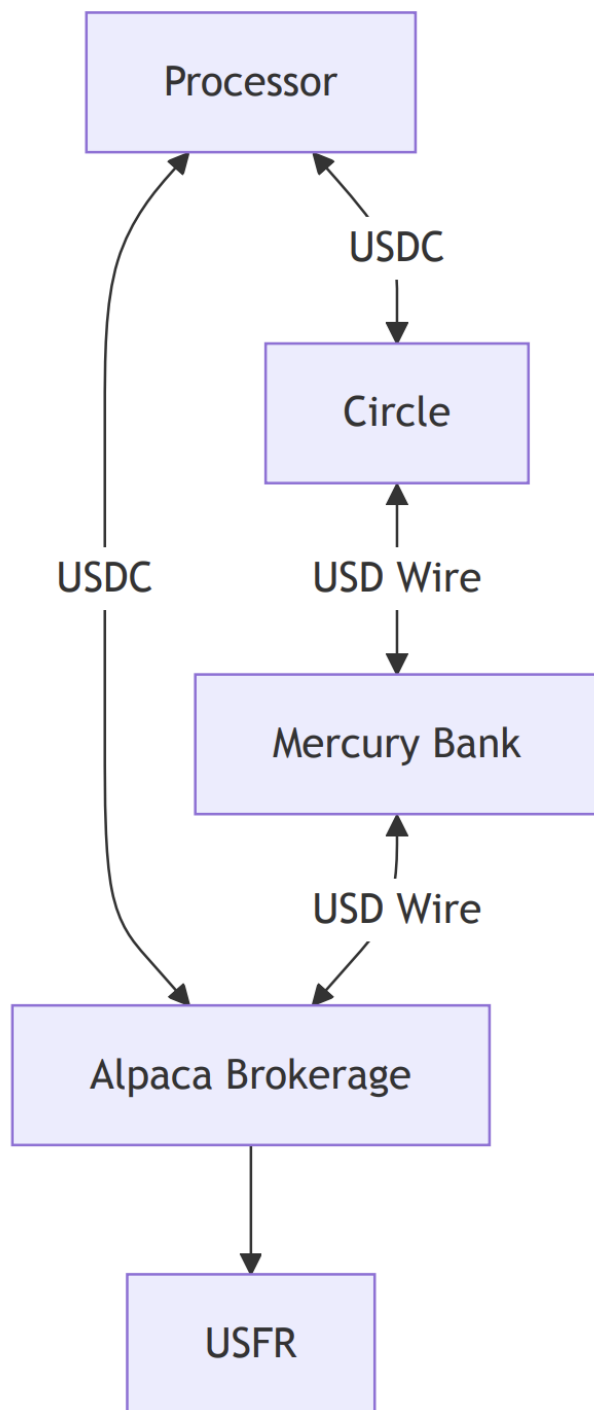
Receive stablecoin or fiat

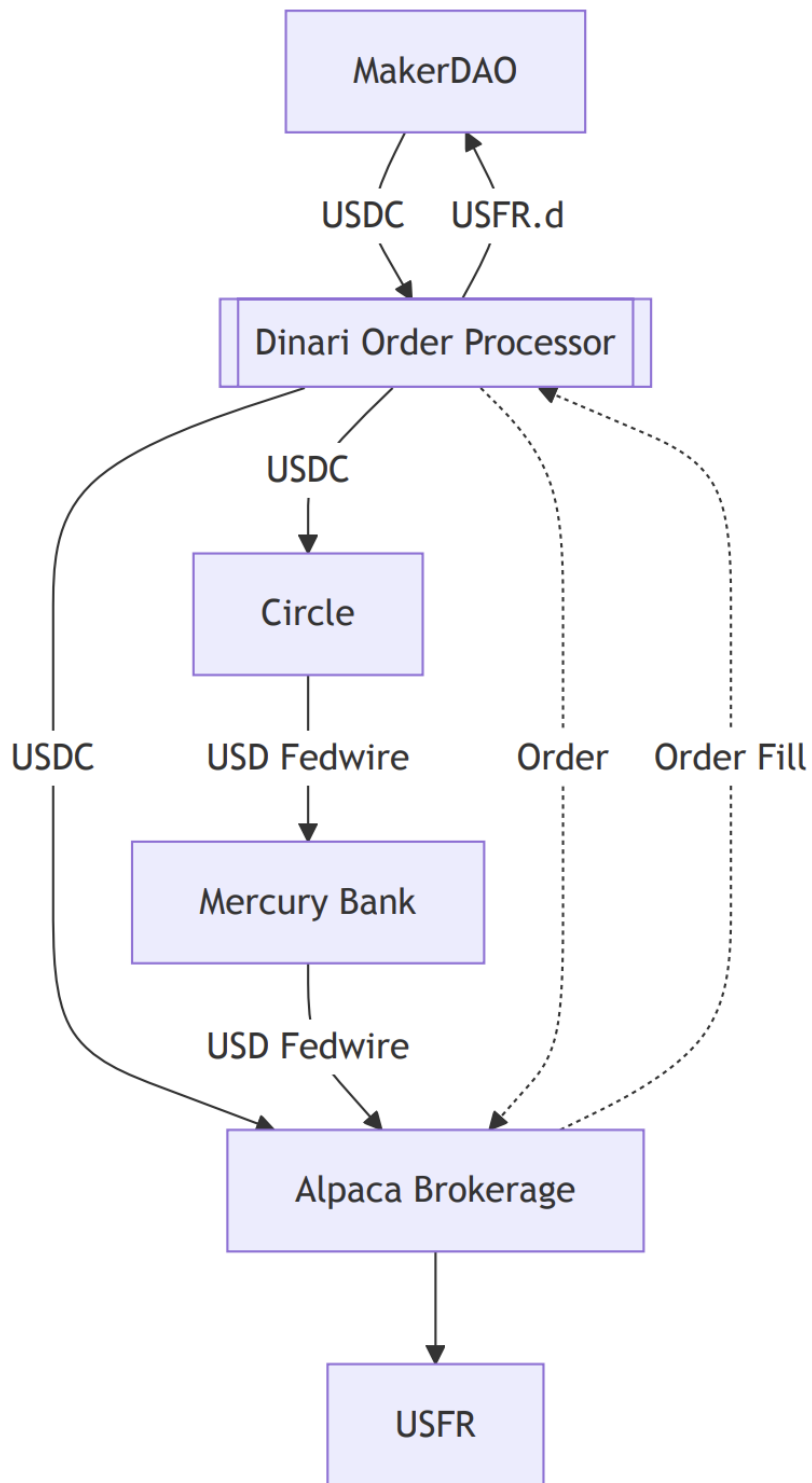
USYC Subscription Flow Diagram

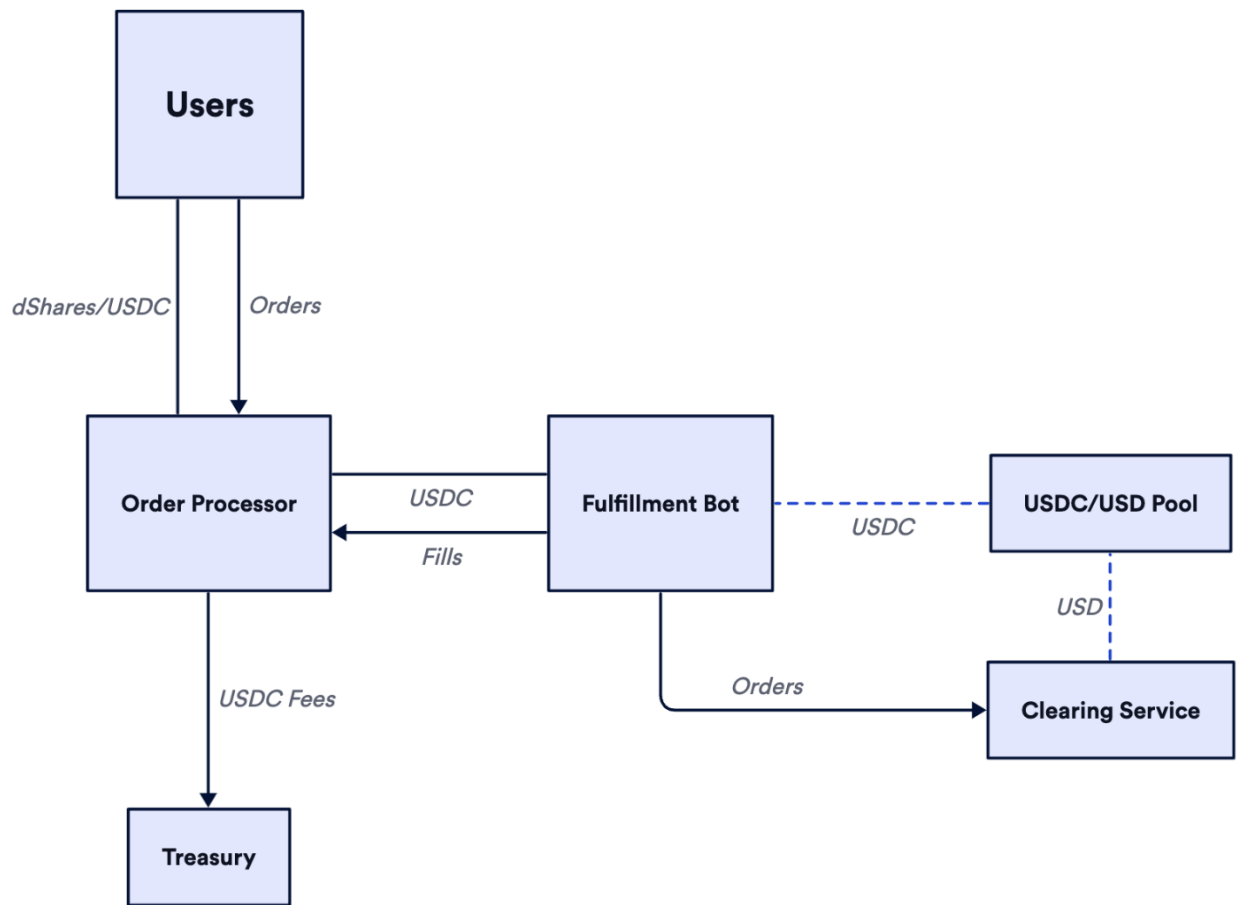


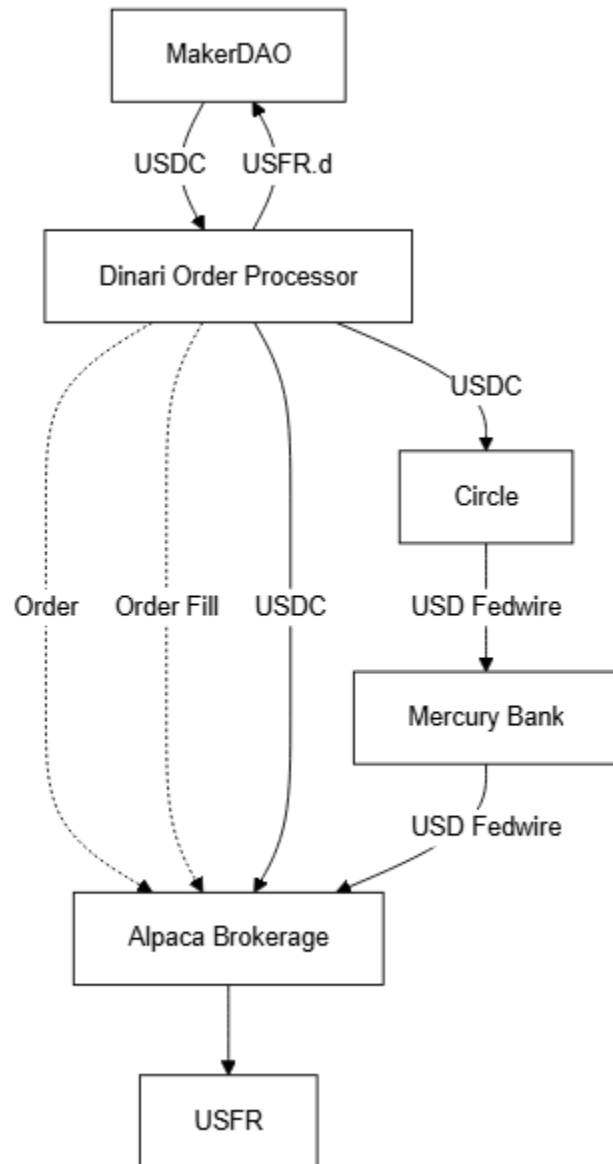
USYC Redemption Flow Diagram











graph TD

MakerDAO --> |USDC| DOP[Dinari Order Processor]

DOP --> |USFR.d| MakerDAO

DOP --> |USDC| Circle

DOP -.-> |Order| AB[Alpaca Brokerage]

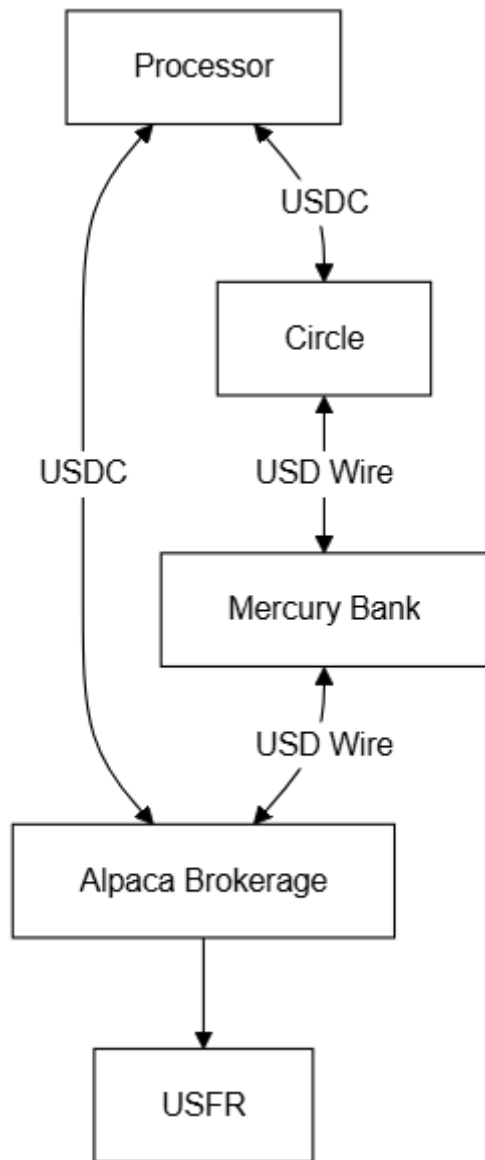
DOP -.-> |Order Fill| AB

Circle --> |USD Fedwire| MB[Mercury Bank]

DOP --> |USDC| AB[Alpaca Brokerage]

MB --> |USD Fedwire| AB

AB --> USFR



graph TD
Processor <--> |USDC| Circle
Circle <--> |USD Wire| MB[Mercury Bank]
Processor <--> |USDC| AB[Alpaca Brokerage]
MB <--> |USD Wire| AB
AB --> USFR

