FDUSD RESERVES AND CUSIP PORTFOLIO

What three years of attestations reveal about reserve coverage, liquidity, legal structure and holder rights

Review period: 23 June 2023 - 30 June 2026

Public report — Edition August 2026

37	39	392	250	6
monthly reports	observation dates	CUSIP lines	Unique official CUSIPs	blockchains

Evidence scope

The attestations establish assertions at specific dates and times. On their own, they do not establish the issuer's overall solvency, the effectiveness of all internal controls, smart-contract security, each holder's access to redemption, or the legal effect of a structure described as "bankruptcy-remote".

Intended audience: executives, finance leaders, treasurers, banks, investors, accountants and risk professionals seeking to assess FDUSD beyond the reserve coverage ratio alone.

How to read this report

This report distinguishes directly documented facts, extracted data, reproducible calculations, inferences and limitations. The term "audit" is not used to describe the examination or limited-assurance engagements contained in the source corpus.

The official reconciliation against the U.S. Treasury Securities Auctions Data set has now been completed. All 392 portfolio lines were matched to 250 unique official CUSIPs. Of these, 389 match the published CUSIP and maturity directly, one extraction error was corrected by reviewing the PDF image, one malformed CUSIP in a report was reconciled without silently replacing the source value, and one maturity discrepancy remains in the December 2025 report. In total, 391 of 392 maturities agree with U.S. Treasury data.

Scope: this report is a documentary and financial analysis. It provides neither legal advice nor an investment recommendation, and it does not guarantee future liquidity or the outcome of any insolvency scenario.

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1. Executive summary

Snapshot at 30 June 2026
FDUSD in circulation: USD 350.1m. Reserve assets: USD 351.7m. Surplus: USD 1.6m. Coverage ratio: 100.5%. Treasury bills account for 85.4% of published assets.

- The documented supply reaches a peak of USD 4.2bn on 30 April 2024, before falling to USD 350.1m by 30 June 2026, a 91.7% contraction from the peak.
- The latest published reserve composition comprises USD 300.2m of Treasury bills, USD 15.0m of term deposits and USD 36.5m of U.S. dollar balances. No reverse repo is reported at that date.
- The Treasury-bill portfolio contains 8 CUSIPs at 30 June 2026. Its weighted average maturity is 22.3 days; 88.4% matures within 30 days and 100% within 60 days.
- The attestations describe accounts opened and managed by a related custodian described as a Hong Kong public trust company. The underlying accounts are stated to be opened in the custodian's name for the benefit of the issuer, but institution names and balances by institution are not disclosed.
- The transfer of issuance to FD121 (BVI) Limited, effective 1 August 2025 under the contractual terms, represents a legal break even though First Digital announced operational continuity.
- A holder does not automatically have direct redemption access. The FDD Terms make a sale to FD121 conditional on opening and maintaining an eligible FD121 Account; FD121 may also suspend, defer or limit transactions in several stress circumstances.
- The contractual documents state that the reserves are beneficially owned by FD121 and that holders are not entitled, by contract or trust, to the reserve assets or their income. Reserve quality must therefore not be confused with direct proprietary rights for token holders.

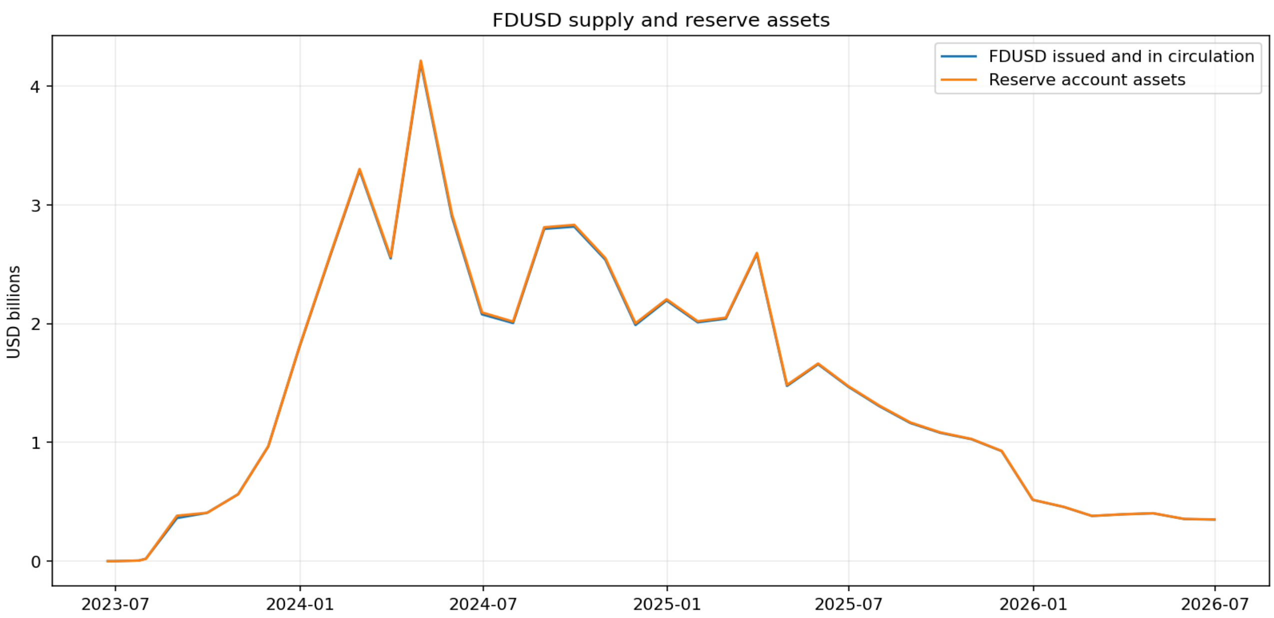

Figure 1 - FDUSD supply and reserve assets
Source: monthly FDUSD attestations; BECTRA calculations

Drivers of the contraction: outstanding FDUSD has fallen by 91.7% from its April 2024 peak. The timeline points to high initial dependence on Binance and trading incentives, followed by a combination of reduced FDUSD promotions, stronger USDC competition, MiCA-related restrictions in the EEA and the April 2025 confidence shock. These factors explain the decline more convincingly than reserve-asset quality, which remained quantitatively sufficient in the attestations.

1.1 Answers to the core questions

Question	Documented conclusion
Directly identified assets	Treasury bills by CUSIP, collateral for certain reverse repos, term deposits and aggregate USD balances. Banks and counterparties are not named.
Coverage	All included reporting dates show assets at least equal to published supply. Coverage is a point-in-time snapshot, not a guarantee of continuous liquidity.
Liquidity	T-bill maturities are short, but effective availability depends on settlement, bank cut-offs, term deposits and contractual suspension powers.
Holder rights	The economic right described is a conditional ability to sell the token to FD121 through an eligible account; it is not a direct right to the reserve assets.
Legal break	FD121 Limited is the historical issuer; FD121 (BVI) Limited becomes the counterparty from 1 August 2025 under the contractual assignment.
Multichain risk	The supply definition progressively expands from Ethereum and BNB Chain to Sui, Solana, Arbitrum and TON. Each network introduces distinct dependencies.

Source: published monthly FDUSD attestations, FDD Terms, FD121 Account User Agreement and FDD Risk Factors.

2. Scope and methodology

The corpus contains 37 monthly reports covering June 2023 to June 2026. Two launch reports each contain two observation dates, bringing the total number of point-in-time observations to 39. The first included observation is 23 June 2023 and the last is 30 June 2026.

Each observation was reconciled across four dimensions: sum of asset categories; assets versus supply; sum of CUSIP lines versus the published Treasury-bill total; and sum of published blockchain supplies versus total supply. Differences below one dollar arising from floating-point precision were treated as zero.

Extraction relied primarily on native PDF text. Targeted optical recognition was used only when layout or document quality prevented reliable extraction, and the results were then checked against source-page images. No published value was changed to force a reconciliation.

2.1 Evidence hierarchy

Level	Treatment
Primary source	FDUSD reports, FDD Terms, User Agreement, Risk Factors and official communications.
Reproducible calculation	Coverage ratios, asset shares, WAM, HHI, concentration and CUSIP transitions.
Technical verification	Network-supply sums as published in the attestations; not an independent query of every historical node.
Inference	Explicit and separate qualification; no economic causality is asserted without evidence.
Unknown	Named banks, bank concentration, deposit insurance, early-withdrawal terms, actual timing and complete insolvency treatment.

2.2 Official CUSIP reconciliation with the U.S. Treasury

External validation was performed using the official Treasury Securities Auctions Data set published by U.S. Treasury Fiscal Data. For each CUSIP line, the review tested the existence of the identifier, security type, original term, initial issue date and maturity date. The value published in the FDUSD report, the normalised value and the official reference were retained separately to avoid any silent correction.

Result: all 392 lines are matched to an official Treasury security and correspond to 250 unique CUSIPs. Maturity dates are identical for 391 lines. Three items require separate treatment: (i) in the October 2023 report, the PDF image shows 912797FJ1, initially extracted as 912797FS1; (ii) in the October 2025 report, the document shows the malformed ten-character string 912797QY62, reconciled to 912797QY6 using the identical 11 December 2025 maturity and its correct reappearance the following month; and (iii) in the December 2025 report, the document shows 912797PM34 with a 21 February 2026 maturity, while the Treasury identifies 912797PM3 with a 19 February 2026 maturity. The final discrepancy is retained as a documentary anomaly.

3. Entities and issuer transition

3.1 Mapping of roles

Entity / layer	Role	Jurisdiction	Documentary limitation
FD121 Limited	Legal issuer through 31 July 2025	Hong Kong	No full corporate/insolvency opinion provided
FD121 (BVI) Limited	Legal issuer from 1 August 2025	British Virgin Islands	Not a bank or trust company; licensing status for stablecoin issuance not demonstrated by supplied documents
First Digital Labs	Brand/platform and commercial designation	Not treated as a separate issuer solely by brand name	Must map references to actual legal entity

Entity / layer	Role	Jurisdiction	Documentary limitation
First Digital Trust Limited	Custodian/public trust company described as related party	Hong Kong	Underlying institution names, balances and insolvency treatment are not disclosed
Underlying financial institutions	Hold cash, deposits and U.S. government debt instruments	Multiple jurisdictions disclosed over time	Names, account-level balances, deposit insurance and concentration not published

Source: reserve reports, FDD Terms and official communications.

First Digital Labs is treated as a brand, platform or commercial designation where the documents do not identify it as a separate legal person. First Digital Trust Limited is analysed in its custodial role, not as the issuer. FD121 (BVI) Limited is not presented as a bank or trust company.

3.2 Legal break on 1 August 2025

Period	Issuer	Jurisdiction	Basis
23/06/2023 - 31/07/2025	FD121 Limited	Hong Kong	Entity identified as the “Company” in historical attestations.
From 01/08/2025	FD121 (BVI) Limited	British Virgin Islands	Notice of Assignment in the terms and public announcement dated 15/08/2025.

First Digital’s communication states that user flows, custody, governance and attestations were unchanged. That announced operational continuity does not remove the change in counterparty, jurisdiction and insolvency environment.

The terms state that the rights, benefits, obligations and liabilities of FD121 Limited were transferred to FD121 (BVI) Limited and that prior users consented to the novation by continuing to hold or use FDD after the effective date. This report does not provide an independent legal opinion on the effectiveness of that novation in every holder jurisdiction.

Implication for an enterprise

Treasury policies and internal contracts should identify FD121 (BVI) Limited as the counterparty after 1 August 2025. Historical conclusions relating to FD121 Limited should not be carried forward without checking the document applicable at the relevant date.

4. Attestation timeline and level of assurance

The corpus includes examinations performed under AICPA attestation standards and described as providing reasonable assurance over the specified assertions, as well as limited-assurance engagements under ISAE 3000 (Revised). These levels are not equivalent: limited assurance involves less extensive procedures.

From	Firm / extracted signatory	Engagement type
23/06/2023	Not identified	Reasonable assurance examination (AICPA attestation standards)
30/09/2023	Prescient Assurance LLC	Reasonable assurance examination (AICPA attestation standards)
31/10/2023	Prescient Assurance LLC	Examination/attestation - level not extracted
30/11/2023	Not identified	Reasonable assurance examination (AICPA attestation standards)
31/12/2024	Prescient Assurance LLC	Reasonable assurance examination (AICPA attestation standards)
31/03/2025	Ko Chi Kwong, CPA	Reasonable assurance examination (AICPA attestation standards)
31/05/2025	Not identified	Limited assurance (ISAE 3000 Revised)
31/07/2025	Ko Chi Kwong, CPA	Reasonable assurance examination (AICPA attestation standards)
31/08/2025	Not identified	Limited assurance (ISAE 3000 Revised)
30/09/2025	Ko Chi Kwong, CPA	Reasonable assurance examination (AICPA attestation standards)
31/03/2026	AOGB CPA Limited	Limited assurance (ISAE 3000 Revised)
30/06/2026	Ko Chi Kwong, CPA	Reasonable assurance examination (AICPA attestation standards)

Source: published monthly FDUSD reports. The readability of some pages does not always allow the accounting firm to be identified with the same degree of reliability.

The opinion or conclusion addresses management assertions at a specific point in time: supply, existence and presentation of assets under the report criteria. It is not an opinion on FD121 as a whole, the custodian’s solvency, business continuity, IT controls, smart contracts or each holder’s redemption rights.

Key caution

Alternation between providers or assurance levels does not automatically make the figures incomparable, but it changes the evidential strength of the external review. The extracted assurance level is retained for each observation.

5. Reserve composition

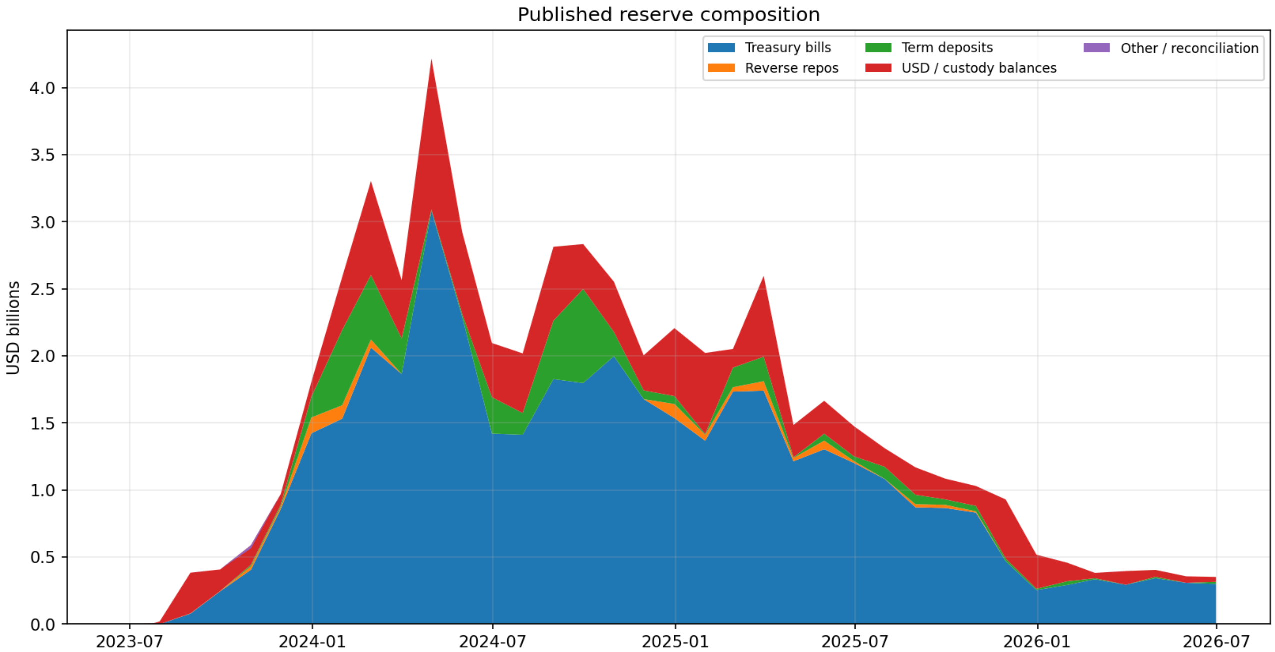

Figure 2 - Evolution of published reserve composition

Source: monthly FDUSD attestations; BECTRA extraction and calculations

5.1 Overall trajectory

The reserves move from an all-dollar structure at launch to an allocation dominated by Treasury bills. Reverse repos appear intermittently. Term deposits become significant in 2024, reaching a published maximum of USD 701.3m on 30 September 2024, before declining sharply.

Indicator	Date	Amount	Share of assets
Supply peak	30/04/2024	USD 4.2bn	99.6 %
Maximum term deposits	30/09/2024	USD 701.3m	24.8 %
Maximum reverse repos	31/12/2023	USD 118.0m	6.5 %
Latest observation	30/06/2026	USD 351.7m	100 %

5.2 Composition at 30 June 2026

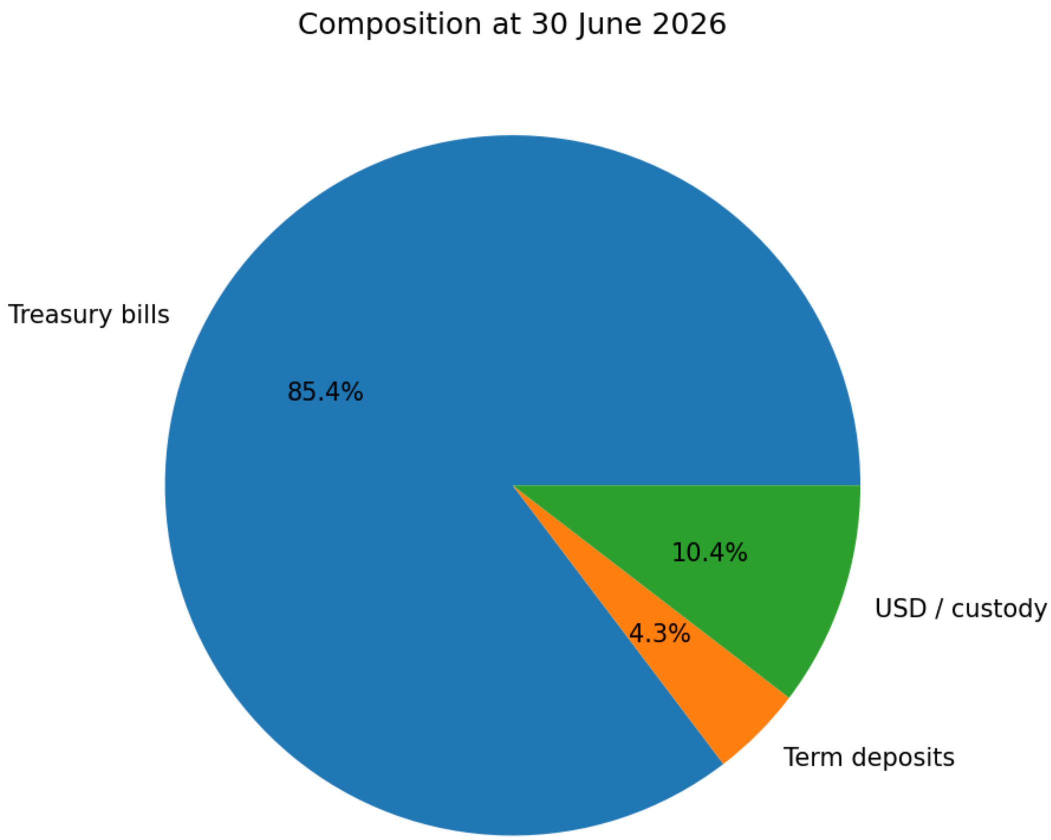

Figure 3 - Breakdown of the latest observation

Source: FDUSD attestation dated 30 June 2026

Category	Amount	Weight
Treasury bills	USD 300.2m	85.4 %
Term deposits	USD 15.0m	4.3 %
USD / custody balances	USD 36.5m	10.4 %
Reverse repos	USD 0.00	0.0 %
Total	USD 351.7m	100.0 %

Source: FDUSD Attestation Reserves 06 2026, Reserve Accounts Report.

The term “cash” should not be used for the entire reserve pool: 85.4% consists of Treasury bills, 4.3% of a term deposit and 10.4% of U.S. dollar balances. The credit quality of Treasury bills alone says nothing about the availability of bank cash or the contractual ability to redeem tokens.

5.3 Drivers of the contraction in FDUSD outstanding

Nature of the phenomenon. The decline observed in the attestations is not a reported accounting loss on reserve assets: published assets continue to cover supply. It is a contraction in outstanding tokens, meaning net redemptions and burns exceeded new issuance. Supply peaks at **USD 4.20bn on 30 April 2024** and falls to **USD 350.1m by 30 June 2026**, a decline of **91.7%**. The path is not perfectly continuous: there are several rebounds, but the underlying trend is a contraction in stages.

Analytical conclusion. The most robust explanation is a combination of commercial dependence on Binance, reduced trading incentives, stronger competition from USDC, restricted European access and the April 2025 confidence shock. None of these factors, on its own, allows a precise amount of redemptions to be attributed. They are therefore classified below by strength of evidence.

Explanatory factor	Documented fact and timeline	Link to observed supply	Assessment
BUSD-to-FDUSD migration on Binance	On 31 August 2023, Binance encouraged users to convert BUSD to FDUSD free of charge. Remaining BUSD balances were then automatically converted to FDUSD from 2 January 2024.	Supply rises from USD 362.8m at 31 August 2023 to USD 3.29bn at 29 February 2024, then reaches USD 4.20bn at 30 April 2024.	Strongly documented contribution to the initial growth phase. It shows that outstanding supply depended heavily on a Binance distribution decision.
Concentration of use on Binance and zero-fee pairs	Kaiko observed in January 2024 that Binance accounted for more than 99% of FDUSD and TUSD volumes in its sample, with limited use outside zero-fee pairs.	Demand concentrated on one platform and a fee promotion is more reversible than diversified demand for payments, treasury use or settlement.	Major structural factor. It explains the vulnerability of outstanding supply to changes in Binance's commercial policy.
Reduction of the zero-fee promotion	On 17 April 2024, Binance announced that standard taker fees would apply from 25 April to regular and VIP 1 users on several FDUSD pairs.	After the 30 April 2024 peak, supply falls to USD 2.90bn at 31 May (-30.8%), then to USD 2.08bn at 30 June (a further -28.4%).	Strong temporal correlation and a credible economic mechanism. The exact share of the decline attributable to fees cannot be demonstrated from the attestations alone.
Stronger USDC competition on Binance	On 11 December 2024, Circle and Binance announced an alliance aimed at expanding access to and use of USDC across Binance products, including Binance's corporate treasury.	FDUSD no longer benefits from the same quasi-exclusive positioning as Binance's preferred alternative stablecoin. Supply remains volatile in early 2025 before resuming its decline.	Credible competitive factor, but quantifying the effect would require trading volumes, market depth, customer balances and pair-specific incentives.
MiCA restriction in the European Economic Area	On 3 March 2025, Binance announced the removal, for EEA users, of trading pairs involving stablecoins deemed non-compliant with MiCA, including FDUSD, from the end of March 2025.	This measure reduces the trading and intermediation universe available in Europe. It coincides with a decline from USD 2.59bn at 31 March to USD 1.48bn at 30 April.	A definite negative factor for European access. Its global weight cannot be isolated from the confidence shock that occurred at the same time.
Confidence shock and temporary depeg on 2 April 2025	Public insolvency allegations concerning First Digital Trust triggered a temporary FDUSD depeg. First Digital disputed the allegations and stated that FDUSD remained fully backed.	Supply falls from USD 2.59bn at 31 March 2025 to USD 1.48bn at 30 April 2025, approximately -43.0%. The price subsequently returns to par, but outstanding supply does not return to its previous level.	A highly plausible accelerating factor. Monthly attestations do not allow every burn or redemption to be attributed to this event.
Insufficient diversification after the shock	First Digital announces new networks and institutional partnerships between 2024 and 2026, but supply continues to decline after several temporary rebounds.	From USD 1.66bn at 31 May 2025, outstanding supply falls to USD 516.3m at year-end 2025 and USD 350.1m at end-June 2026.	Timeline-based inference: new distribution channels did not offset the reduction in historical demand. Actual usage generated by each partnership is not disclosed.

Consolidated reading. FDUSD's growth phase appears to have been driven to a large extent by the substitution of BUSD and the commercial incentives offered on Binance. Contraction begins as those incentives are reduced, and continues in an environment where USDC receives stronger support, European access is restricted and the April 2025 episode damages confidence. Reserve coverage alone therefore does not explain the supply trajectory: market demand and distribution appear to be the main determinants.

Causality limitation. The corpus does not contain daily redemption requests, time-stamped burns reconciled to bank transfers, FDUSD balances by platform, trading volumes and market shares by pair, or Binance's complete commercial terms. It is therefore not possible to calculate the exact contribution of each factor. The hierarchy above distinguishes documented facts, temporal correlations and inferences.

External sources used for this section:

- Binance, 31 August 2023 — Progressive conversion of BUSD to FDUSD
- Binance, 29 November 2023 — BUSD withdrawal and automatic conversion to FDUSD
- Kaiko, 22 January 2024 — Dependence of FDUSD volumes on Binance zero-fee pairs
- Binance, 17 April 2024 — Revision of the FDUSD zero-fee promotion
- Circle, 11 December 2024 — Circle–Binance strategic partnership for USDC
- Binance, 3 March 2025 — Delisting of non-MiCA-compliant stablecoin pairs in the EEA
- The Block, 2 April 2025 — FDUSD depeg following allegations concerning First Digital
- CoinDesk, 2 April 2025 — First Digital response and FDUSD price movement

6. Treasury bills and CUSIP portfolio

6.1 Size, maturity and concentration

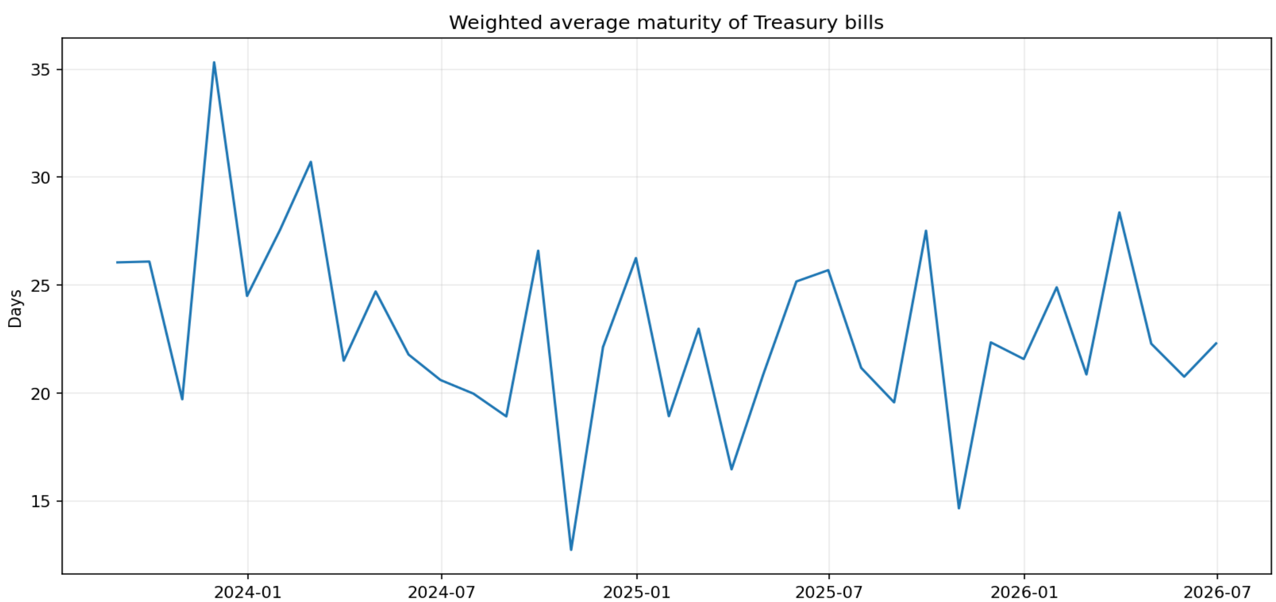

Figure 4 - Weighted average maturity of Treasury bills

Source: published market values and CUSIP-line maturities

WAM is calculated as the sum of each position's value multiplied by its remaining days to maturity, divided by the sum of position values. Across observations containing Treasury bills, average WAM is 22.9 days. It ranges from approximately 12.7 to 35.3 days.

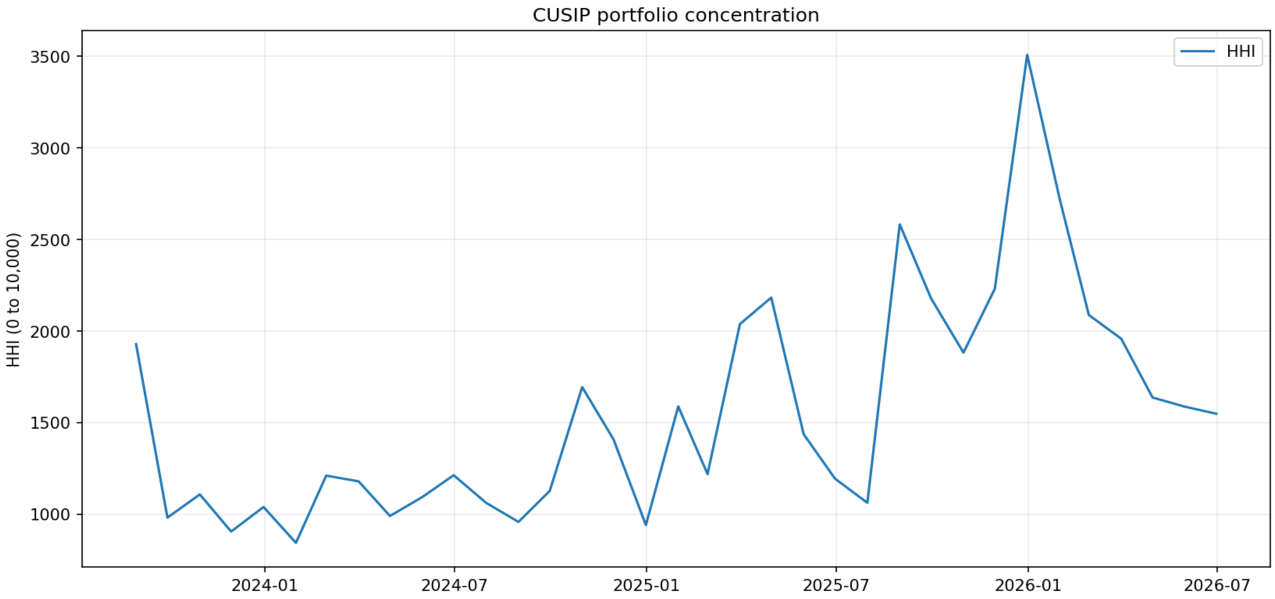

Figure 5 - HHI concentration of the portfolio

Source: BECTRA calculation based on published market values

The HHI is the sum of the squared weight of each line, multiplied by 10.000. A higher HHI means the portfolio is concentrated across fewer CUSIPs. This measure applies to directly identified securities; it does not measure bank concentration or reverse-repo counterparty concentration.

CUSIP	Maturity	Published value	Remaining days	T-bill weight
912797UP0	14/07/2026	USD 70.9m	14	23.6 %
912797TP2	23/07/2026	USD 59.9m	23	19.9 %
912797UR6	28/07/2026	USD 38.6m	28	12.8 %
912797UU9	18/08/2026	USD 34.8m	49	11.6 %
912797UN5	07/07/2026	USD 33.3m	7	11.1 %
912797UQ8	21/07/2026	USD 30.8m	21	10.3 %
912797TQ0	30/07/2026	USD 21.9m	30	7.3 %
912797UC9	30/06/2026	USD 10.0m	0	3.3 %

Source: attestation dated 30 June 2026. Identifiers are those published in the source report.

At 30 June 2026, the largest position accounts for 23.6% of the portfolio and the five largest for 79.1%. HHI is 1.548. The portfolio is therefore materially more concentrated than an evenly distributed portfolio, without being concentrated in a single maturity.

6.2 CUSIP life cycle and transitions

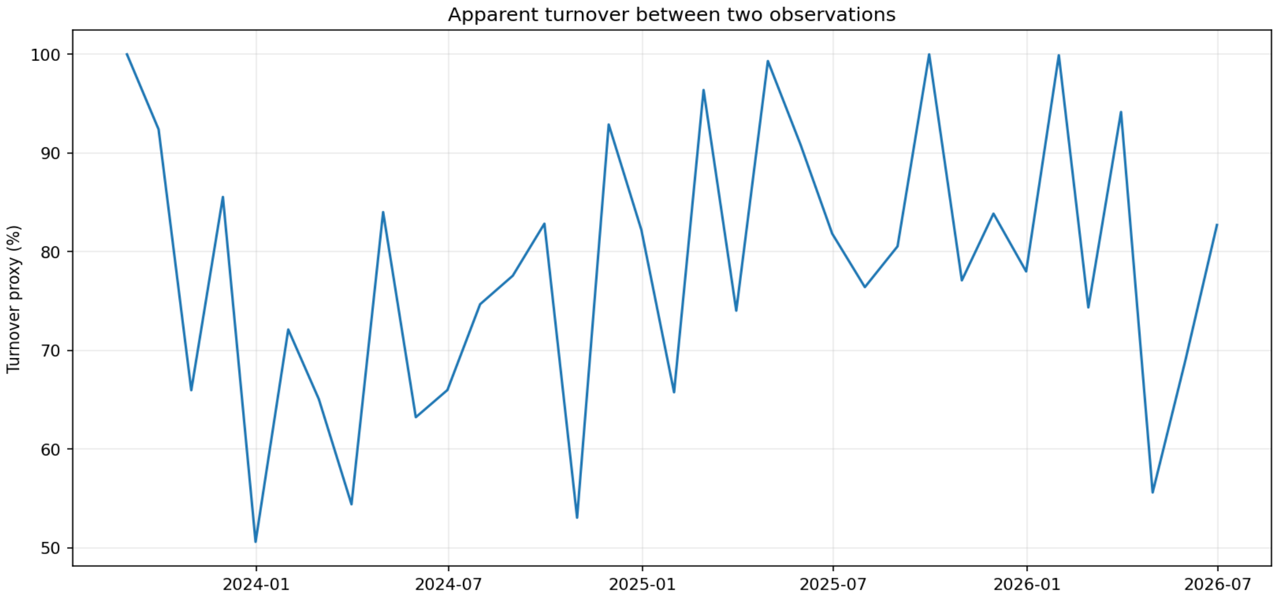

Figure 6 - Apparent turnover proxy

Source: BECTRA calculation; additions and exits between two monthly snapshots

The turnover proxy adds apparent purchases and apparent exits, then divides that total by the sum of the opening and closing portfolios. It proves neither a sale nor a redemption. A disappearance may be consistent with maturity, transfer, reclassification or a change between documentary snapshots.

From	To	Turnover	New	Disappeared	Maturity within interval
31/07/2023	31/08/2023	100.0 %	8	0	0
31/08/2025	30/09/2025	100.0 %	9	8	7
31/12/2025	31/01/2026	99.9 %	7	4	4
31/03/2025	30/04/2025	99.3 %	10	8	8
31/01/2025	28/02/2025	96.4 %	10	7	7
28/02/2026	31/03/2026	94.2 %	7	6	6
31/10/2024	30/11/2024	92.9 %	7	7	6

Cautious interpretation

Turnover episodes close to 100% are largely consistent with the rolling of a very short-maturity portfolio. The reports do not demonstrate a causal link to a market decision, a bank or a regulatory constraint.

6.3 CUSIP control

Status	Lines	Treatment
Valid	378	Formally valid check digit; no correction.
OCR corrected	14	Correction checked against the source line and a valid check digit.

7. Bank balances, term deposits and reverse repos

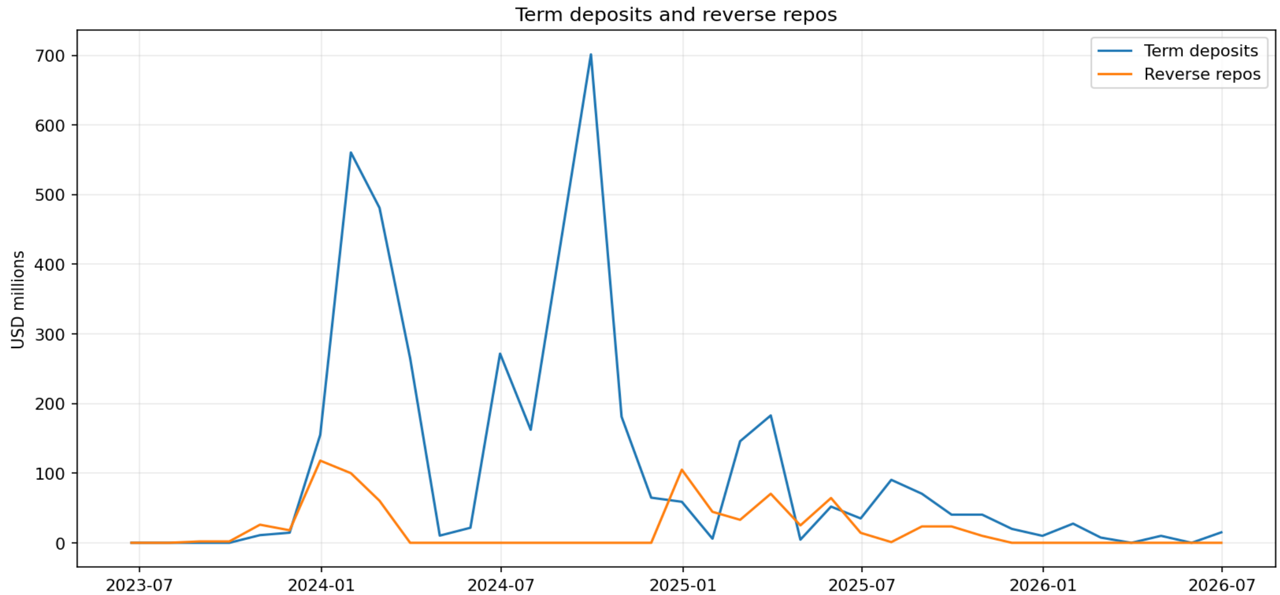

Figure 7 - Evolution of term deposits and reverse repos

Source: FDUSD attestations; BECTRA calculations

7.1 U.S. dollar balances

The reports describe a Custody Account managed by a related party that is a Hong Kong public trust company, together with separate accounts opened by the custodian in its own name for the benefit of the issuer. The jurisdictions cited change over time and include, among others, Hong Kong, Singapore, Australia, Canada, Switzerland, Luxembourg, Malta, the United States, the United Kingdom, Bahrain, Liechtenstein and Georgia, depending on the period.

The institutions are not named and balances are not broken down by bank. The corpus therefore does not allow bank concentration, insured deposit amounts, credit limits, cut-off times, intraday transfer capacity or the exact treatment of a bank failure to be calculated.

7.2 Term deposits

The corpus contains 115 term-deposit lines. Labels cover overnight, 7-day, 14-day, 30-day and other short maturities. The reports generally state that carrying value approximates fair value, but do not disclose interest rates, early-withdrawal penalties or mobilisation rights.

Remaining maturity	Number of lines	Observed cumulative value
<=1 day	9	USD 370.7m
2-7 days	66	USD 2.6bn
8-14 days	26	USD 806.5m
15-30 days	14	USD 364.3m
>30 days	0	USD 0.00

Source: sum across observations, not unique outstanding positions; the same position may appear in multiple reports.

7.3 Reverse repos

Reverse repos are not present at every date. Where reported, the reports identify Treasury collateral by CUSIP and describe the transactions as overcollateralized overnight reverse repurchase agreements. They do not systematically disclose the counterparty, haircut, triparty agent, collateral value or custody location.

The mere fact that reverse repos are authorised does not establish that they are present. This report counts them only when an amount appears in the monthly statement.

8. Reconciliations and reserve coverage

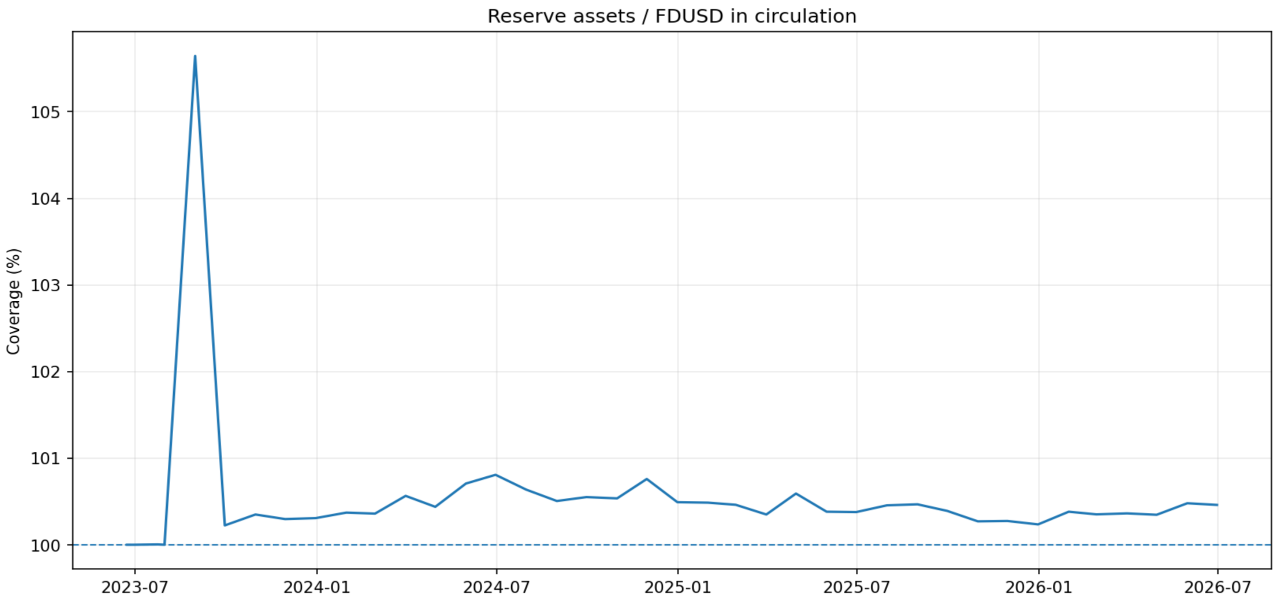

Figure 8 - Published coverage of FDUSD in circulation

Source: reserve assets / FDUSD supply; monthly attestations

The reserve coverage ratio is at least 100% for all 39 included observations. It ranges from 100.0% to 105.6%. At 30 June 2026, the surplus is USD 1.6m, or 0.5% of supply.

The surplus is neither regulatory capital nor a legally ring-fenced liquidity buffer. It is the arithmetic difference between published assets and FDUSD issued and in circulation at the same point in time.

8.1 Explicitly identified timing item

Date	Amount	Description	Treatment
31/10/2023	USD 23.0m	Funds transferred immediately before report time; corresponding FDUSD minted immediately after report time	Reconciliation deduction between gross categories and the published total.

Source: report dated 31 October 2023, note 5.

The October 2023 report states that USD 22,999,990 was transferred to the Reserve Accounts immediately before the observation time and that the corresponding FDUSD was minted on 1 November, after the cut-off. This explains the difference between the gross sum of categories and the published total, and illustrates timing risk across banking, accounting and blockchain systems.

8.2 Analytical coverage measures

Measure	Definition	Limitation
Published coverage	Total report assets / published supply.	Includes management treatments and criteria.
Before reconciliation	Gross sum of categories before the explicitly deducted item.	Analytical measure, not an attested figure.
After excluding unknown items	Demonstrated categories only.	May understate coverage where information is merely undisclosed rather than absent.
Horizon liquidity	Cash plus assets maturing within the horizon.	Does not account for cut-offs, prices, suspension powers or banking access.

9. Multichain supply and technical dependencies

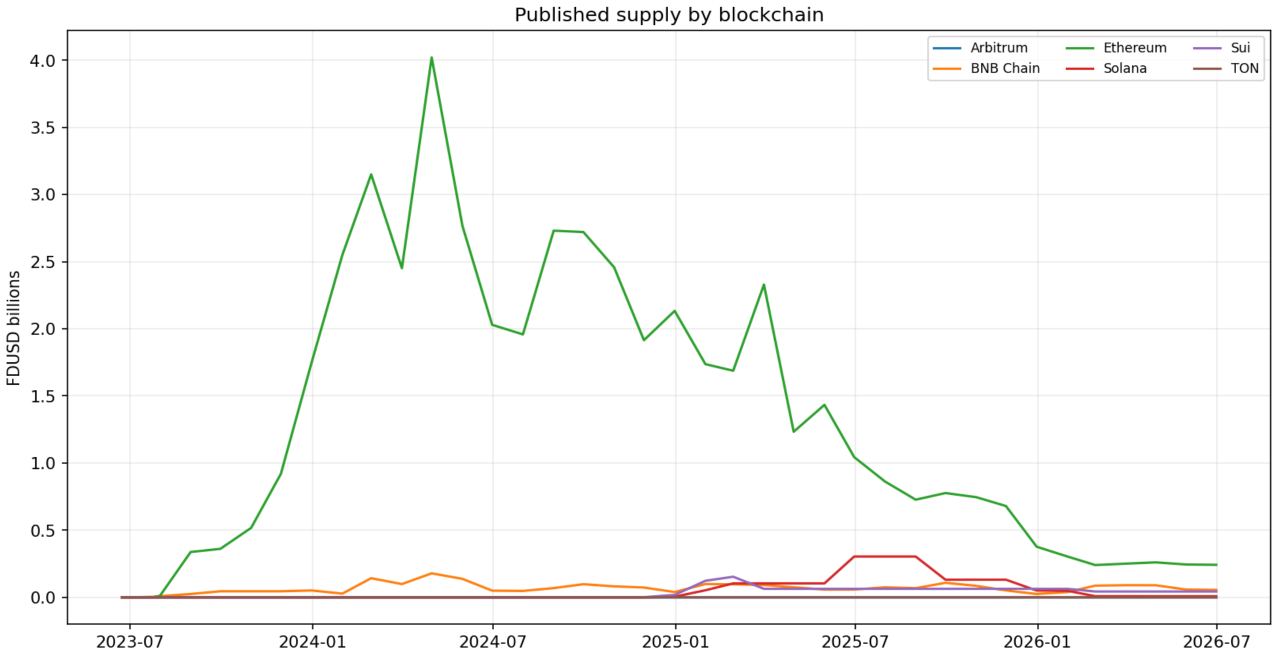

Figure 9 - Evolution of published supply by blockchain

Source: notes to the FDUSD attestations

The earliest observations cover Ethereum and BNB Chain. The scope later expands to Sui, Solana, Arbitrum and TON. The network set applicable at a given date is the set actually included in that date's report; the current network list is not applied retroactively.

Network	Supply at 30/06/2026	Share
Ethereum	USD 242.3m	69.2 %
BNB Chain	USD 55.6m	15.9 %
Sui	USD 43.6m	12.4 %
Solana	USD 8.5m	2.4 %
Arbitrum	USD 44,738.03	0.0 %
TON	USD 1,087.65	0.0 %

Source: attestation dated 30 June 2026; sum reconciled to total supply.

9.1 Contracts and native status

Network	Contract / mint	Decimals	First inclusion	Status
Ethereum	0xc5f0f7b66764F6ec8C8Dff7BA683102295E16409	18	30/06/2023	Native
BNB Chain	0xc5f0f7b66764F6ec8C8Dff7BA683102295E16409	18	30/06/2023	Native
Sui	0xf16e6b723f242ec745dfd7634ad072c42d5c1d9ac9d62a39c381303eaa57693a	6	30/11/2024	Native
Solana	9zNQRsGLjNKwCUU5Gq5LR8beUCPzQMVMqKAi3SSZh54u	6	31/01/2025	Native
Arbitrum	0x93C9932E4afa59201F0B5E63f7d816516F1669fE	18	30/06/2025	Native
TON	EQD0Evpk4timFOHmy4Sv3l_KEUXlM-dN1_KhroTCfB2wkO89	6	31/07/2025	Native

The corpus does not provide exhaustive evidence of administrator roles or mint, burn, freeze, blacklist, pause or upgrade powers for each contract. The announcement of EIP-3009 functionality on BNB Chain confirms an evolution in programmability, but does not replace a review of bytecode, keys and governance processes.

9.2 Native, bridged and third-party representations

Type	Treatment
Native FDUSD	Token issued on an officially supported network and included in the attestation supply.
Bridged FDUSD	Representation transferred through a bridge; it must not be added to the native version if assets are locked elsewhere.
Wrapped or synthetic	Third-party claim or representation whose risk depends on the protocol, not solely on FD121.
Platform deposit	Position against an intermediary; rights also depend on the platform's terms and segregation arrangements.

Treasury control
The approved-address policy should link network, official contract, decimals and custody mechanism. An "FDUSD" ticker alone is not sufficient to establish authenticity or the rights attached to a token.

10. Minting, redemption and holder rights

10.1 Eligibility for direct redemption

The FDD Terms state that a Holder may sell FDD to FD121 only after opening an FD121 Account and only if eligible. The services are described as intended for institutions in supported jurisdictions; U.S. persons and entities, and persons acting on their behalf, are excluded.

The theoretical ability to hold a token, Holder status, existence of an FD121 Account, account compliance, ability to submit a request and bank receipt of U.S. dollars are separate steps. Secondary-market liquidity on a platform is also distinct from direct redemption.

Topic	Documented finding	Implication
Direct redemption eligibility	A holder may sell FDD to FD121 only after opening and maintaining an eligible FD121 Account; ineligible holders do not have direct redemption access.	A token holder on a platform or wallet is not automatically operationally redeemable with the issuer.
Eligible customer	FD121 Account services are currently described as available to institutions in supported jurisdictions; U.S. persons/entities and persons acting for them are excluded.	Eligibility must be checked before treating direct redemption as a liquidity source.
Reserve ownership	FDD Reserves are stated to be beneficially owned by FD121; holders are not entitled by contract or trust to the reserve assets or their income.	Reserve quality does not create direct proprietary rights in the assets for holders.
Suspension/deferment	FD121 may cancel, suspend, restrict, defer or limit buying/selling in several stress circumstances.	Redemption liquidity is conditional, not unconditional or immediate.
Account closure	Redemption may be refused when an account is suspended/terminated, prohibited by law/court order, or tokens are considered fraudulently obtained.	Compliance and account status are operational dependencies.
Deposit protection	Fiat transferred in connection with an FD121 Account is stated not to benefit from Hong Kong or BVI deposit protection.	Do not classify account-related fiat as insured bank deposits.
Market price	FD121 does not guarantee price stability across platforms.	A secondary-market depeg can coexist with apparently sufficient reserves.
Issuer transition	Rights and obligations under the terms were assigned from FD121 Limited to FD121 (BVI) Limited with effect from 1 August 2025.	Operational continuity does not eliminate the legal change in counterparty and jurisdiction.

Source: published versions of the FDD Terms, FD121 Account User Agreement and FDD Risk Factors.

10.2 Suspension and blocking powers

FD121 reserves the ability to suspend, restrict, defer or limit purchases and sales when reserves cannot be realised at an appropriate price, during large requests, volatility, platform closure, legal requirements or comparable circumstances. The user agreement also provides for account suspension or closure and the blocking of certain addresses.

These clauses do not mean that a suspension will necessarily occur. They do, however, prevent direct redemption from being modelled as an unconditional, immediate source of cash available to every holder.

10.3 Ownership of reserve assets

Published right

The FDD Terms state that the FDD Reserves are beneficially owned by FD121. Holders are not entitled, by way of contract, trust or otherwise, to the reserve assets or to interest or income generated by them. The token represents a conditional ability to sell it for the reference currency through an FD121 Account.

This wording contradicts any simplified presentation in which each holder directly owns a pro-rata share of Treasury bills or bank accounts. The corpus does not provide an independent insolvency opinion establishing that the assets would be beyond the reach of all creditors in every jurisdiction.

11. Risks and implications for enterprises

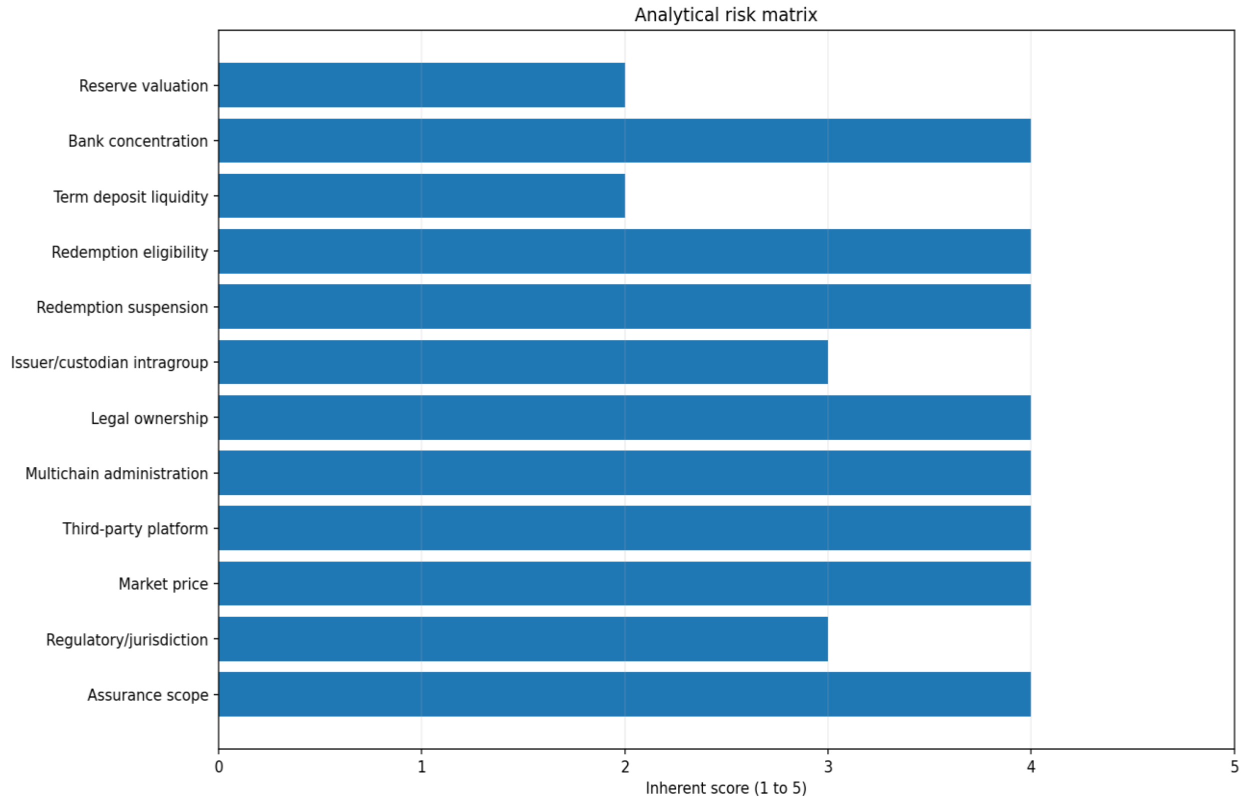

Figure 10 - Analytical risk matrix

Source: BECTRA assessment based on the source corpus

11.1 Risk matrix

Risk	Level	Missing information	Recommended control
Reserve valuation	Medium	Point-in-time assurance; no intramonth visibility	Monitor coverage and WAM; set internal haircut
Bank concentration	High	Names, balances by bank and deposit protection are not disclosed	Counterparty limits; alternative liquidity lines
Term deposit liquidity	Medium	Early-withdrawal rights and penalties not disclosed	Exclude non-overnight deposits from day-one liquidity
Redemption eligibility	High	Supported jurisdictions, thresholds and timing are not exhaustively public	Do not rely solely on direct redemption; maintain secondary-market exits
Redemption suspension	High	Discretion and operational thresholds are broad/not public	Liquidity buffers and multiple venues
Issuer/custodian intragroup	Medium-High	Conflict governance and insolvency opinions not provided	Obtain legal opinions and service continuity plan
Legal ownership	High	Insolvency ranking and cross-border enforceability not demonstrated	Legal review before material holdings
Multichain administration	High	Admin keys, pause/blacklist/clawback controls not fully documented	Network-specific due diligence and approved-wallet policy
Third-party platform	High	Platform insolvency/segregation varies	Self-custody or qualified custody; venue limits
Market price	High	Secondary-market liquidity can disappear	Price triggers, haircuts, stop-loss/escalation plan

Risk	Level	Missing information	Recommended control
Regulatory/jurisdiction	Medium-High	Future licensing status and cross-border recognition uncertain	Jurisdictional legal mapping; eligibility review
Assurance scope	High	No assurance over smart contracts, controls, solvency or continuity	Treat attestations as one control, not complete due diligence

11.2 Accounting, audit and treasury implications

Area	Practical implication
Accounting classification	Assess contractual rights, platform exposure, availability and the business model; do not infer "cash equivalent" automatically from parity alone.
Valuation	Reserves exceeding supply do not guarantee a USD 1 market price. Document the price source, liquidity and depeg events.
Internal control	Whitelist by network and contract, key segregation, proof of wallet ownership, custodian limits and recovery procedures.
Audit	Obtain the applicable terms, confirm redemption eligibility, reconcile wallets and platforms, and test subsequent events and third-party dependencies.
Continuity	Maintain an alternative rail, bank receiving capacity, backup assets and escalation thresholds in the event of suspension or depeg.
Credit risk	Assess FD121, the custodian, banks, platforms, bridges and networks separately; T-bill quality does not cover all of these risks.

12. Limitations and conclusion

12.1 Information not demonstrated

- Identity and concentration of underlying banks, balances by institution and deposit guarantees.
- Reverse-repo counterparties, haircuts, collateral values and agents where not disclosed.
- Interest rates, penalties and early mobilisation rights for each term deposit.
- Actual minting and redemption timing, cut-offs, bank holidays and intraday capacity.
- Enforceability of segregation and bankruptcy-remoteness in each insolvency scenario.
- Administrator rights and security of each smart contract without an independent technical review.
- Current eligibility of each specific jurisdiction or enterprise for an FD121 Account.
- One documentary discrepancy remains for 912797PM3: FDUSD report maturity 21/02/2026 versus official Treasury maturity 19/02/2026.
- Secondary-market liquidity, order-book depth and market-maker exposure.

12.2 Anomalies and review points

Item	Status	Treatment
Official CUSIP reconciliation	Completed	250 official CUSIPs found; 392/392 lines matched; 391/392 maturities agree.
October 2023 report	Explicit timing reconciliation	USD 22,999,990 transferred before the reporting cut-off; FDUSD minted afterwards.
Deposit matured but unsettled in March 2024	Documented	Retained as a term deposit; not treated as available cash.
Alternation between reasonable and limited assurance	Documented	Assurance level retained by observation; no implicit merging of levels.
Issuer transition	Documented	Legal break on 1 August 2025.
October 2023 report - CUSIP 912797FJ1	Corrected extraction	The PDF image shows FJ1; the FS1 reading was incorrect. The Treasury maturity of 09/11/2023 confirms FJ1.

Item	Status	Treatment
October 2025 report - string 912797QY62	Malformed source	The document contains ten characters. Reconciled to 912797QY6, with both official and published maturity on 11/12/2025.
December 2025 report - 912797PM3	Documentary anomaly	The document states 21/02/2026; the Treasury states 19/02/2026. The two-day difference is retained and disclosed.

12.3 Conclusion

FDUSD reserves are documented as quantitatively exceeding supply at every included date. The Treasury-bill portfolio is short-dated, identifiable and reconciled to the published totals. External reconciliation confirms 250 unique official CUSIPs across 392 observation lines, with 391 matching maturities and one residual documentary anomaly. At 30 June 2026, T-bills represent 85.4% of assets, with a WAM of 22.3 days.

This apparent asset quality is not sufficient to establish unconditional system liquidity. Direct redemption depends on an eligible account, compliance, banking rails and FD121’s contractual powers. Holders are not presented as owners of the reserve assets, and the custody structure remains opaque at the underlying-institution level.

For an enterprise, FDUSD should therefore be treated as a set of dependencies: a British Virgin Islands issuer, a related Hong Kong custodian, unnamed financial institutions, multichain contracts, the custody platform or wallet, and secondary-market liquidity. A holding decision should assess asset quality, contractual rights and operational redemption capacity separately.

Evidence conclusion

Quantitative reserve coverage is demonstrated in the statements provided. Universal and immediate redemption access, direct ownership of reserve assets, the effectiveness of segregation in every insolvency scenario, and technical continuity are not demonstrated by the attestations.

Appendix A - Summary timeline

Date	Event	Observation
23/06/2023	First observation in the corpus	532.52 FDUSD; reserves in U.S. dollars.
31/08/2023	First Treasury bills identified in the corpus	8 CUSIPs and USD 2m of repo collateral.
30/04/2024	Documented supply peak	4.20bn FDUSD; USD 4.22bn of assets.
20/11/2024	Official deployment on Sui	Network subsequently included in the attestations.
15/01/2025	Official deployment on Solana	Included in published supply.
05/06/2025	Official deployment on Arbitrum	Low initial supply in the attestations.
28/07/2025	Official deployment on TON	Added to the multichain supply definition.
01/08/2025	Assignment effective date	FD121 (BVI) Limited becomes the contractual counterparty.
18/12/2025	EIP-3009 on BNB Chain	Authorised / sponsored transfers announced.
30/06/2026	Latest observation	350.1m FDUSD; 100.46% coverage.

Appendix B - Portfolio indicators

Indicator	Value
Monthly reports analysed	37
Observation dates	39
CUSIP lines	392

Indicator	Value
Unique official CUSIPs	250
Lines with valid check digit and no correction	378
OCR-corrected lines with valid check digit	14
Unverified lines	0
Term-deposit lines identified	115
Blockchains included	6
Distinct legal issuers	2
CUSIP reconciliations	39/39 PASS
Coverage reconciliations	39/39 PASS
Network reconciliations	39/39 PASS
Official CUSIPs found	250/250
Lines matched to Treasury data	392/392
Matching maturities	391/392
Treasury documentary anomalies	1

Appendix C - Main sources

First Digital Labs - Transparency - Published monthly FDUSD reserve reports, June 2023 to June 2026. Access source

FDD Terms - Terms applicable to the token, reserves and redemption. Access source

FD121 Account User Agreement - Eligibility, suspension, closure, deposit protection and blocked addresses. Access source

FDD Risk Factors - Price, third-party platforms, operational risks and regulatory treatment. Access source

FDUSD transition announcement - Communication dated 15 August 2025 concerning the BVI issuer. Access source

U.S. Treasury Fiscal Data - Treasury Securities Auctions Data, official source used for line-by-line reconciliation of CUSIPs, issue dates and maturities.