

DIGITAL GOLD ON THE PUBLIC BLOCKCHAIN

Cindy Sieberts, Business Development Manager

Paxos Trust Company LLC

31 May 2019



Paxos Trust Company LLC

The advantage of an open system for digital gold

| Digital gold on an open system - opportunity for growth and innovation | Digital gold on a closed system - limited growth and innovation |
|--|--|
| Freedom to trade on different systems | Constrained to trade within the system they bought it from, with limited liquidity and pricing |
| Full transparency of the ledger, with the audit trail of what happens on the blockchain completely visible to anyone who wants to view it. | Centralized control on who can read transactions and code |
| Strong security | Weaker security |
| Completely eliminates the middleman, with true peer to peer movement possible | Only partially reduces the middleman |
| Decentralized with no dependency on any single authority | Centralized with dependency on authority controlling the blockchain |
| Open innovation as anyone can develop improvements and applications for the product | Closed innovation as only permissioned users can develop improvements and applications for the product |

What do we see as the future of digital gold on the blockchain

- International regulations will allow usability by more traditional participants
- Allocated ownership for outright legal ownership of physical gold, i.e. full title of gold, in order to maintain the advantages of physical properties, but with fast and efficient mobilization
- Fungibility with conventional gold products for liquidity and price discoverability
- Rise in the cross-functional expertise in management of physical gold, fiat and cryptocurrencies