



Short-term Treasury Bill Token

Introducing the risk-free interest rate of U.S. treasury bills via smart contracts

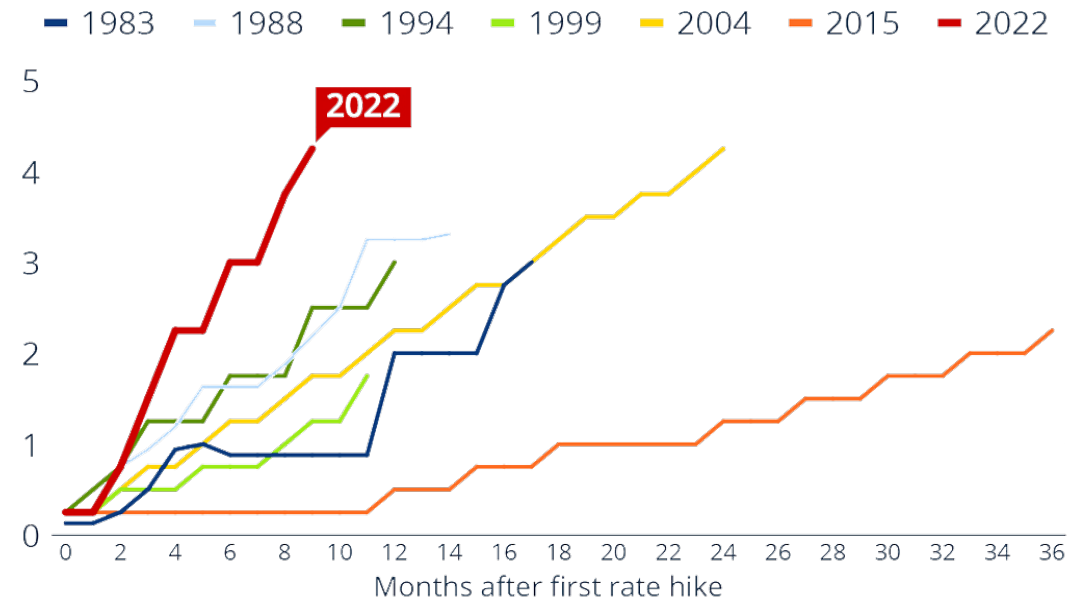
The Rise of Risk-free Interest Rates

As major central banks shift to large rate increases, asset prices have dropped, and the crypto market is no exception. Many investors have reacted by selling equities, cryptocurrencies, and other risk assets and depositing that cash into treasury-backed savings products, such as **money market funds**, **repurchase agreements**, or **US Treasury securities** such as T-bills.

The US Federal Reserve has raised interest rates to combat inflation, which is a tax on everyone and can lead to permanent wealth destruction, recession, and loss of productivity. By raising interest rates, the Fed is trying to slow down investment and spending by offering an attractive yield for sitting on cash instead of investing or spending it.

The Fed Is Hiking Interest Rates Historically Faster To Tame Inflation

Changes in the Federal Funds target rate in the past tightening cycles (in percentage points)



The rate the Fed pays on deposit is considered to be the risk-free rate. Currently, the US Fed is hiking rates further and faster than any time in modern history, making it a good return on investment during this difficult market condition.

Bridging Risk-free Rates to Stable Coins

With liquidations happening across all markets and failures of a few largest household names in banking, many are moving their assets to USD stable coins (USDC).

The equivalent of "risk free" rate on USD stablecoins is offered by AAVE or Compound. Currently, the yield on offer is approximately 1.5%. Furthermore, to earn that yield, one has to take significant counterpart or protocol risk.

Compare this to the rate on short-term US Treasuries (approximately 4.5%) and you can see that yields on-chain simply do not make sense.

Many anticipate that the Fed will continue to stick with high interest rates for some time. And those who prefer to hold USD stablecoins over fiat need to ability to earn the risk-free interest rate. There has been no credible solution to this problem, until the emergence of Short-term Treasury Bill Token, or STBT.

A Sizeable Opportunity

STBT aims to provide a solution to this problem. Given the current circulation of stablecoins, the opportunity is relatively sizable:

As of today, there is over US\$ 150 billion worth of stablecoins in circulation. Given the risk-free rate is roughly at 4.5% annually, that is potentially US\$ 6.75 billion of yield to be redistributed to stablecoin holders.

The Emergence of Short-term Treasury Bill Tokens (STBT)

STBT is a new token that allows accredited investors to earn risk-free US Treasury bill yields with their USD stablecoin holdings. Each STBT token is initially traded at 1 USDC (pegged to US\$ 1) and is backed by the following:



US Treasury securities (T-bills with minimum maturities of 6 months)



Reverse repurchase agreements (overnight loans fully backed by T-bill treasuries)

STBT offers investors the opportunity to diversify their stablecoin portfolios with exposure to risk-free US Treasury Bills.

Why Invest in STBT?

Transparent

Full on-chain transparency, including daily custodian reports are available

Secure

Underlying assets are held by third-party custodian and applied as collateral

Exclusive

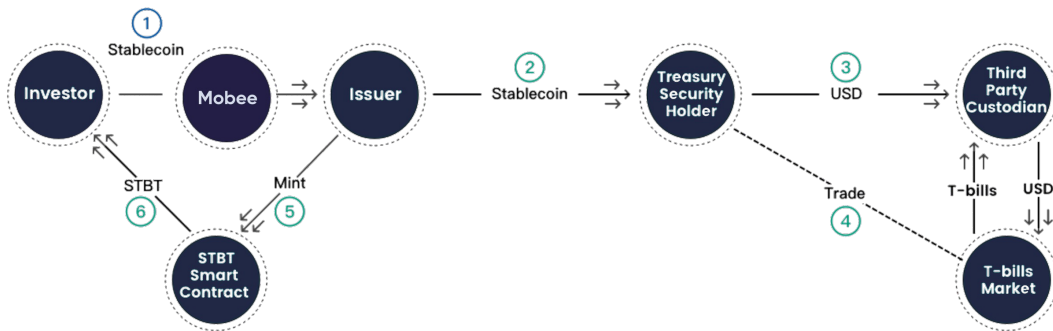
Only accredited investors who meet our financial criteria can trade STBT

Risk Segregation

The entity is structured such that the issuer of STBT will remain bankruptcy remote

How STBT Is Issued To The Investor

STBT can be issued (minted) by depositing USDC and confirming the underlying T-bill subscription and/or reverse repurchase agreements via STBT smart contract. Please note, minting STBT can take up to 3-4 New York Banking days given the operational process.

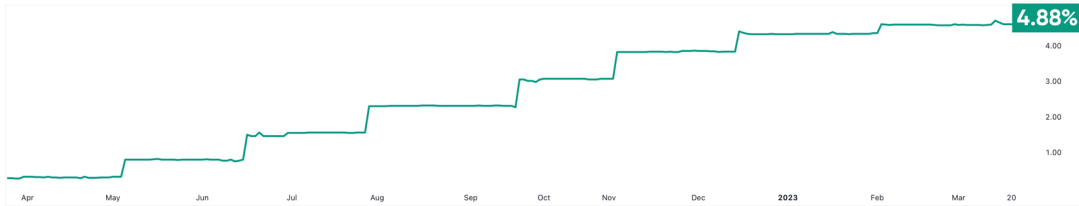


STBT Mint Flow Process

- 1 Investor makes a STBT purchase via Mobee who declares the trade agreement with the Issuer.
- 2 Issuer makes the purchase to its bankruptcy remote subsidiary, the Treasury Security Holder.
- 3 The Treasury Security Holder converts the Stablecoins to fiat to purchase the corresponding T-bills via a third-party custodian.
- 4 The Treasury Security Holder confirms to the Issuer that a T-bill trade has been made and is held as collateral.
- 5 The Issuer proceeds with minting STBT via smart contract
- 6 As an accredited investor, the STBT is transferred to the whitelisted wallet address. For non-accredited STBT accounts, Mobee will act as the accredited account holder under a separate over-the-counter agreement.

STBT Interest Mechanism Explained

USRR 1-year Interest Trend



The above graph shows a one-year trend of reverse repurchase agreements backed by T-bills, which is currently at 4.88% APR.

As many believe the Feds will stick with high interest rates for some time, the yield accrued from STBT will range between 4% to 5%

The Mobee website will update the 7-day average APR for reference.



STBT uses an **interest rebase mechanism** to calculate the interest payments on its tokens. In order to do this, the total supply of STBTs is measured in terms of the **Net Asset Value (NAV)** of the underlying asset portfolio¹. This means that the value of all the assets in the portfolio is added up, and this total value is equal to the total number of STBTs in circulation.

Daily Distributed Interest =

$$\text{NAV (current day)} - \text{NAV (last rebase day)} - \text{Expenses}^*$$

*The all-inclusive expenses are estimated to be 0.3%

Note: it is possible that in rare cases, the NAV on a certain day is lower than the NAV of the preceding day, resulting in negative interest temporarily. STBT Issuer refrains from rebasing negative interest to STBT holdings due to DeFi protocol restrictions.

In such rare cases, no rebase will be made until a positive interest day occurs again.

¹The underlying asset portfolio includes US Treasury bills, reverse repurchase agreements are overnight loans, and cash reserves held in the portfolio at any given time.

STBT Investment Requirements & Fees

Only accredited investors that meet the financial criteria can hold a whitelisted STBT wallet. When accredited, daily interest is distributed directly to the whitelisted wallet and STBT can be swapped instantaneously for stablecoins. Holders can also provide liquidity into the Curve Pool and earn a portion of the trading fees the pool generates. The minimum investment to become an accredited investor is:

USD \$100,000 (Mobee charges a 0.15% Service Fee on top of the investment principal)

Note: The Issuer charges 0.1% Redemption Fee on the redemption amount.

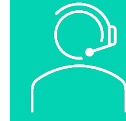
For investors who do not meet the accredited financial criteria can still invest in STBT via Mobee's whitelisted wallet. Mobee will hold the STBT tokens on behalf of the investor and will provide the investor regular reporting on the interest generated over time. The minimum investment for un-accredited investors is:

USD \$50,000

Mobee charges a 0.25% Service Fee on top of the investment principal. No redemption fee is charged.

Indonesian Tax on Crypto Assets

The Minister of Finance Regulation charges income tax of 0.1% on crypto assets when withdrawn to fiat. These charges will be automatically billed.



Onboarding Process

Mobee's onboarding process is quick and easy. Please follow the the onboarding steps below.

Website

Go to www.mobee.io and navigate to the STBT product page to to get started.

Verification

Sign-up and complete the identity verification (KYC) onboarding process

Trade Agreement

Confirm the trade agreement for purchasing STBT tokens including Term and Conditions if applying to become an accredited investor

Deposit

Deposit instructions will be provided. Once IDR funds are received, conversion to USDC (stablecoins) is made to purchase STBT

Should you have further enquiries, or need help registering to Mobee's platform, you can scan the QR code below to get in touch with our Client Services.

Mobee Indonesia
WhatsApp business account

