



MBS Blockchain Exchange

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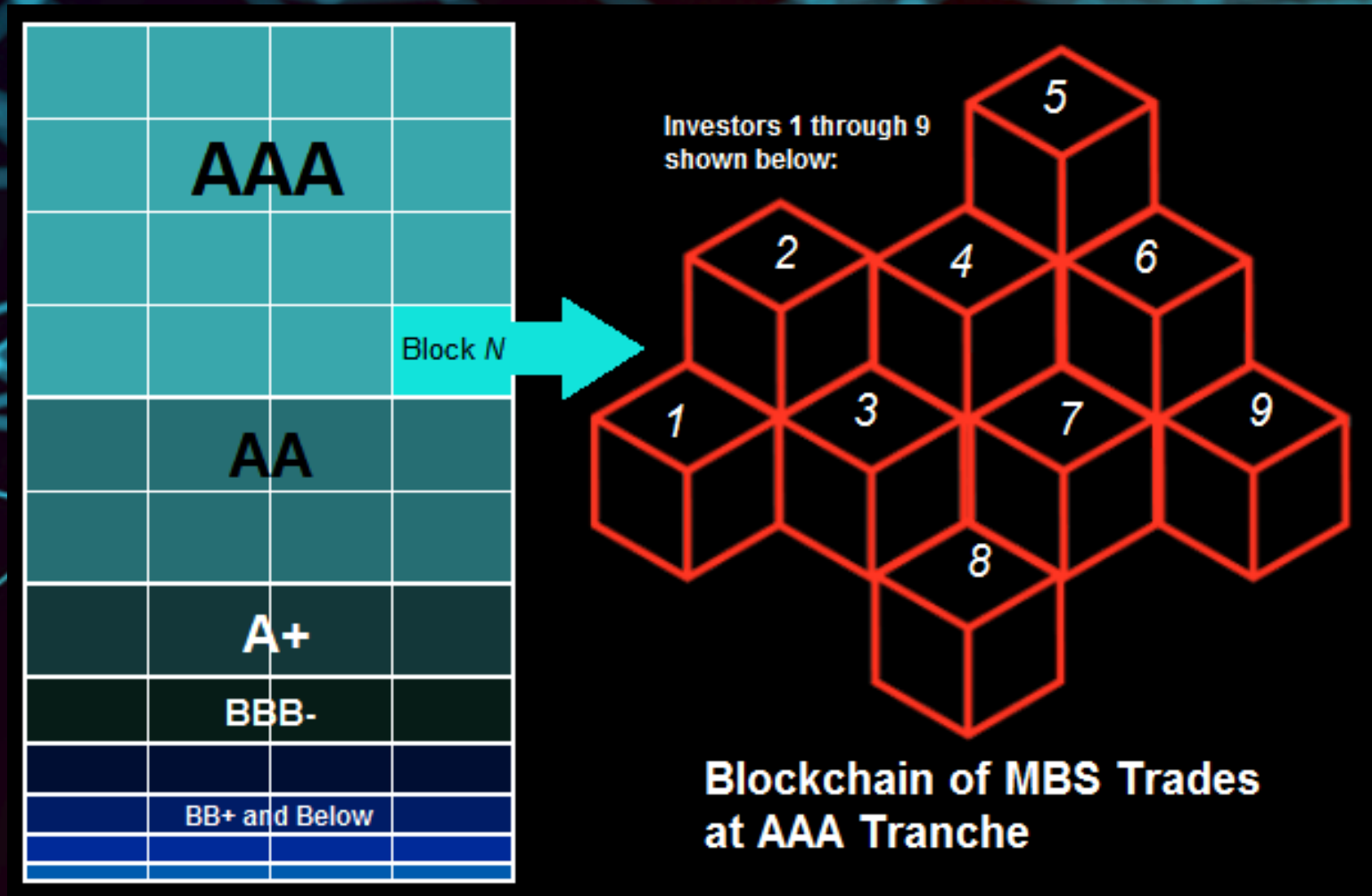
Primary Market MBS Exchange

- Tranches backed by mortgages are deposited into a centralized pool “Genesis Pool” and then structured into Blocks which can be traded at a fractional level.
- In other words, maximum arbitrage can be achieved by selling fractional bonds to a variety of investors, from large-scale institutions to small-scale individual peer-to-peer investing.
- With the MBS Blockchain technology, the KDS Fund will bring to market the first ever Blockchain-driven securitization.
- Trading activity is monitored and accounted in real-time within the Blockchain ledger, and regulatory requirements are met due to superior transparency.

Risk Structuring and Optimal Execution

- Collateral and bond level remittance reporting is streamlined by UBX-Blockchain by instantaneously scanning the Blockchain for bond transaction data and performance data, as well as performance data of the underlying loans.
- Remittance reporting can be done in REAL-TIME (with UBX-Blockchain, there is no more Monthly wait!).
- Bond ratings are maximized due to fully transparent performance metrics visible through the Blockchain.
- This means increased structure-arbitrage opportunities and hence optimal ROI for Fund investors.

Blockchain Trading of MBS on Fractional (Block) Basis



Secondary Market MBS Trading (Relative Value and Mis-Pricing Arbitrage)

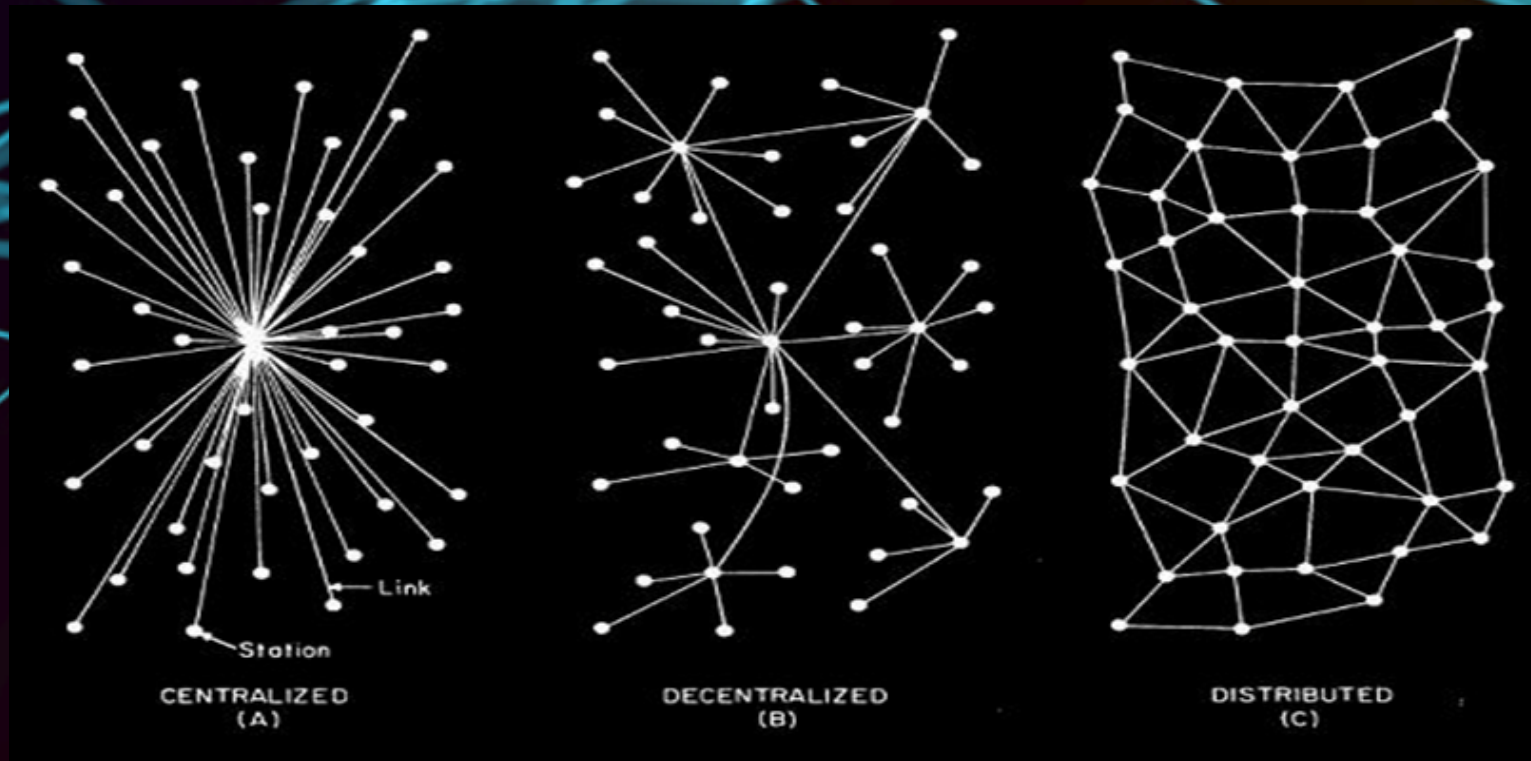
- Using SR pricing, trading opportunities would be identified across all tradable MBS.
- Once in the Fund, the acquired bonds would be part of a Blockchain.
- Continued trading visibility of the Blockchain allows streamlined Mis-Pricing Alerts and real-time relative value analysis accomplished with traders and AI.
- For trading strategies that require price opacity, while the rest of transaction is visible, we have created Blockchain Dark Pool Technology (BlockChain DPT) for anonymous trading prices.

Neural Network Technology Leveraging Blockchain

- **Genesis Block (First Block) is created within UBX-Blockchain Platform, and all future Blocks in the Blockchain are distributed over a Neural Network.**
- **All investors in the Fund have transaction data that is always traced back to the UBX Genesis Block through a highly cryptographic hash code.**
- **With KDS's new era of Neural Network Mapping technology, the Fund's internal Neural Network intelligence, efficiency and speed allows UBX-Blockchain to function as an *N*-dimensional BlockSurface, rather than a traditional Linear Chain**

Centralized, De-Centralized, and Distributed MBS Trading Funds

- The MBS Blockchain framework allows the Smart Contracts to be located on a chain that is centralized (Fully Transparent and regulatory-based, de-centralized (Dark Pools), or distributed (across a Neural Network).



Streamlined MBS Reporting, and Regulatory Transparency

- Regulatory standards met with high efficiency through transparent and impenetrable Blockchain transaction history. Full transparency from origination to secondary market.
- Real-time settlement (No more T+3, T+2, or T+1)!
- Blockchain only results in 100% fundamentally valid transactions which are transparent and non-editable once executing, resulting in streamlined and accurate P&L accounting.
- No need for maintaining tedious transaction databases which are vulnerable to corruption or being lost.

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