NSDQ
ETF COIN

The world's first security token representing the NASDAQ

White Paper V5

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Abstract

The rapid evolution of blockchain technology has redefined how capital flows, assets are accessed, and investment products are delivered. Yet a substantial gap remains between the traditional financial markets — built on regulated, real-world assets — and the digital asset ecosystem, which is still dominated by speculative tokens lacking intrinsic value. NSDQ ETF COIN (NSDQ) bridges this divide through the creation of the NSDQ token, a fully asset-backed, security token that mirrors the performance of the NASDAQ-100 index.

By combining the proven returns and stability of index-based investing with the accessibility, transparency, and programmability of blockchain, NSDQ offers global investors a new category of investment: a tokenized equity index product that operates within a compliant, blockchain-native framework. Each NSDQ token is minted upon investment and backed by regulated NASDAQ ETF holdings, securely held in custody. The token's value directly reflects the underlying ETF's net asset value (NAV), enabling long-term capital appreciation aligned with the performance of world-leading technology companies.

Built on the Ethereum blockchain and leveraging the ERC-1400 security token standard, NSDQ ensures full investor protection, regulatory compliance, and future extensibility. Investors can access the token at much lower capital requirements while also eliminating traditional brokerage barriers, geographic restrictions, and market-hour limitations.

This white paper outlines the rationale, structure, and roadmap for NSDQ ETF COIN (NSDQ) launch of NSDQ, as well as the broader vision to bring regulated, real-world financial products into the decentralized economy.

NSDQ is not only a new financial instrument — it is the foundation of a more accessible and transparent future for global investing.



Industry overview

The NASDAQ index and its role in the investment landscape

The NASDAQ stock index has demonstrated robust long-term performance, driven by its high concentration of technology and growth companies. Even with periodic downturns, it has outpaced broader indices; for example, from 2007–2021 the Nasdaq-100 gained 803% vs. 333% for the S&P 500.

Such outperformance comes with higher volatility, but not dramatically so – annual volatility has averaged only a few percentage points higher than the S&P's. This upside volatility has rewarded investors with strong returns, as cutting-edge NASDAQ constituents (Apple, Amazon, Microsoft, etc.) have become global economic drivers.

Recent trends underscore NASDAQ's appeal. After a -33.1% decline in 2022 during a tech correction, the index surged +43.4% in 2023 and another +28.6% in 2024, reaching new highs. This impressive recovery highlights the index's resilience and the sustained investor confidence in the technology sector. Volatility has been elevated — for instance, the Covid-19 shock in 2020 and the rapid rise/fall of tech valuations in 2021–2022 — but long-term investors have been rewarded with superior returns.

Notably, NASDAQ has posted positive annual returns in 15 of the past 17 years, illustrating consistent growth. For digitally savvy investors, NASDAQ offers exposure to the companies at the forefront of innovation (cloud computing, e-commerce, fintech, AI, etc.), aligning with their knowledge of digital trends. In summary, despite short-term swings, NASDAQ's long-run trajectory and innovation focus make it a compelling investment exposure for modern investors seeking growth.

The rise of asset-backed tokens

In the early crypto era, most tokens were utility tokens – granting access or usage rights on a platform – with value driven purely by supply and demand, and often no tangible backing. As the market matured and regulators cracked down on unregistered securities, the industry evolved toward security tokens: digital tokens representing real assets or investment contracts.

Since 2020, there has been a pronounced shift from speculative utility coins to asset-backed tokens that give holders legal rights or claims on underlying assets. This evolution is fueled by investor demand for more regulated,

transparent, and intrinsically valued digital assets, after the excesses of the 2017 ICO boom. Security tokens are designed to comply with securities laws (e.g. prospectus or exemption filings), providing investor protections and real asset collateral – effectively merging blockchain technology with traditional finance safeguards.

Empirical data shows surging growth in tokenized real-world assets (RWAs). The market capitalization of security tokens jumped from just $0.2 billion in early 2020 to over $4 billion by March 2022, a 20× increase. This reflects the successful issuance of numerous asset-backed tokens in the past few years. By the end of 2023, tokenized assets expanded further: real estate, private credit, and on-chain U.S. Treasuries saw roughly $1.6 billion of inflows in 2023 (up ~150% from Jan 2023), and new on-chain asset-backed securities (like mortgage and credit products) added another $12 billion in market size.

In total, about $13 billion in real-world assets had been tokenized on public blockchains by late 2023. These include examples such as tokenized U.S. Treasury bill funds (offering on-chain access to government bonds), tokenized real estate trusts, and tokenized equities. For instance, major asset managers have experimented with issuing fund shares as tokens: in 2022 KKR tokenized an interest in a private equity fund on the Avalanche blockchain (min. investment cut from $5M to $100k), and Hamilton Lane offered tokenized access to three funds via Securitize with much lower entry barriers .

Likewise, startups are bringing blue-chip equities on-chain – tokenized stocks of companies like Tesla and Apple were briefly offered on exchanges (backed 1:1 by shares) – demonstrating investor appetite to trade familiar assets in token form. Each of these developments points to increasing convergence between traditional finance and crypto: investors are seeking the credibility of real assets combined with the efficiency of blockchain.

Essentially, tokenized assets are more attractive to institutions and conservative investors compared to traditional cryptocurrencies. Surveys indicate broad confidence in this tokenization trend:

77% of capital market participants believe traditional securities will be digitized within 5–10 years.

Forward-looking estimates are bullish: the tokenized securities market could reach $20 trillion by 2030, as more assets (from stocks to real estate) migrate onto blockchain rails.

In summary, the market is rapidly embracing asset-backed tokens as a next step in fintech evolution, moving beyond purely speculative crypto coins to regulated tokens grounded in real-world value.

The security token offering (STO) landscape

Security Token Offerings (STOs) have emerged post-2020 as a regulated approach to raising capital via token issuance. In an STO, an issuer sells tokens that are explicitly structured as securities (equity, debt, revenue-share, or asset-backed notes), complying with the applicable laws (e.g., registering with regulators or using exemptions like Reg D in the U.S.). This contrasts with the 2017–2018 ICO wave, where tokens were often sold in regulatory gray areas.

The landscape since 2020 shows strong growth and institutionalization of STOs. In 2021 alone, over $1.5 billion was raised via security token offerings, and by 2022 the market infrastructure had matured with many platforms going live. The market capitalization of traded security tokens climbed steadily, exceeding $4 billion by March 2022 (20× higher than in early 2020). This growth was driven by successful token issues in real estate, private equity funds, bonds, and other asset classes. Even traditionally conservative

markets like Japan saw a boom – in FY2023, Japan recorded JPY 97.6 billion (~$0.7B) in security token issuance, a 5.8× increase from the prior year. Clearly, STOs are gaining traction as a legitimate fundraising and product structure.

Leading financial hubs have recognized the potential and crafted regulatory frameworks to accommodate security tokens. In the European Union, the new MiCA regulation (effective 2024) and the DLT Pilot Regime (2023) establish a pathway for trading tokenized securities under a controlled environment, and countries like Germany have enacted the Electronic Securities Act allowing blockchain-based bonds and stocks. Liechtenstein was an early mover – its Blockchain Act (TVTG), effective Jan 2020, provides a comprehensive legal



basis for tokenizing virtually any right or asset. This law gives STO issuers clarity and has made Liechtenstein a favored jurisdiction for launching regulated tokens. Dubai and the UAE are also positioned as STO hubs: Dubai's Virtual Assets Regulatory Authority (VARA) has set up a regime for digital assets in 2022, and the Abu Dhabi Global Market (ADGM) and Dubai International Financial Centre (DIFC) have frameworks for digital securities. These jurisdictions seek to attract tokenization projects with clear rules and supportive regulators.

Meanwhile, the United States approaches STOs through existing securities law exemptions – STOs there often use Regulation D (private placements to accredited investors) or Reg A+ (mini public offerings) to comply. U.S. regulators have been cautious but are not standing in the way of compliant offerings; for example, in 2023 the SEC approved blockchain-based trading systems for private securities.

Regulatory "safe havens" in the EU, UAE, and other regions are enabling STO innovation, even as global standards continue to develop.

Today, we see a maturing STO ecosystem: licensed token issuance platforms, custody providers for digital securities, secondary trading venues, and a growing investor base familiar with digital assets. Security Token Advisors' 2023 report called it "the year of institutional tokenization," noting that major banks processed billions in tokenized transactions (e.g. JPMorgan's Onyx handled $700B+ in tokenized repo trades using Treasury tokens). This institutional involvement highlights that STOs are not a theoretical concept but an active part of today's financial market evolution.

Traditional index investing vs. tokenized alternatives

Traditional index investing is typically accessed through mutual funds or Exchange-Traded Funds (ETFs) that track a market index (like S&P 500 or NASDAQ). An index ETF holds a basket of the underlying stocks and issues shares that trade on stock exchanges.

This structure, while efficient in centralized markets, has some limitations for investors in today's digital world. Accessing ETFs often involves custodial friction: investors need brokerage accounts, which come with KYC requirements, potential geographic restrictions, and intermediaries holding one's securities. Cross-border investors face additional hurdles (local exchange access, currency conversion, tax withholding, etc.).

Additionally, while ETFs allow fractional ownership of the index, in practice buying even one share of a popular index fund can require significant capital (for example, one share of a NASDAQ 100 ETF costs hundreds of dollars). Fractional share offerings exist at some brokers but are not universally available. Settlement in traditional systems is also slower (typically T+2 days

for trades to fully settle). Overall, traditional index funds are constrained by the legacy financial infrastructure in terms of hours, geography, and friction.

Tokenized index investing provides a next-generation alternative that addresses these pain points. By issuing a digital token that represents an index portfolio, the benefits of blockchain technology can be applied to index products.

Market demand for tokenized index exposure

Passive index investing has become a dominant strategy in traditional finance, and that trend is now spilling into the digital asset space. In the past decade, passive funds have overtaken active funds in many markets – for example, by 2019 in the US, assets in passive equity funds exceeded those in active funds, as investors poured capital into index-tracking vehicles.

This shift is driven by the appeal of low costs, diversification, and reliable market returns. In 2022 alone, passive U.S. equity funds saw $244 billion of inflows, while active funds had net outflows of $257 billion. Investors, from large institutions to retail, increasingly prefer to “buy the market” via indices rather than pick stocks. This surging demand for index products provides a strong tailwind for an offering that delivers index exposure in a new format.

In the cryptocurrency industry, we observe a similar appetite for diversified, passive investment products. Crypto investors – who might hold volatile single coins – have shown interest in index-like offerings to mitigate risk. This is evidenced by the creation of crypto index funds (e.g., Bitwise 10, Grayscale Large Cap Fund) and on-chain index tokens for sectors of the crypto market. The logical next step is tokenized exposure to traditional indices (like NASDAQ) for crypto-centric investors. Such a product allows crypto investors to diversify into mainstream equities without leaving the crypto ecosystem. It also appeals to traditional investors who want the benefits of blockchain (24/7 trading, instant settlement, fractional units, potential options for tax benefits) for familiar assets.

Currently, however, the availability of regulated, tokenized index products is very limited – creating a clear market gap. While a few pioneering projects exist (for instance, a Swiss fintech tokenized a S&P 500 ETF in 2023, and some exchanges experimented with tokenized stocks), these offerings are not yet widespread. This is primarily due to regulatory complexity and jurisdictional fragmentation - issuing tokenized securities requires strict compliance with national and international securities laws, which vary significantly across regions and are still evolving for digital assets.

Additionally, cautious institutional adoption has further slowed mainstream rollout. Last but not least, major crypto exchanges that briefly offered tokenized stock indices (like FTX with tokenized equity indices futures, or Binance's tokenized stock tokens) had to shut them down due to regulatory concerns.

Thus, as of 2025, there are very few options for an investor to get on-chain exposure to an equity index such as the S&P 500 and the NASDAQ-100 in a fully compliant manner.

Issues and challenges

Despite the explosive growth of both traditional equity markets and digital assets, a significant disconnect persists between them. Investors — particularly those operating within the crypto ecosystem — face considerable friction when seeking exposure to traditional financial products like ETFs. This friction results in lost opportunity, inefficient capital deployment, and underdeveloped investment infrastructure across the digital asset space.

Issue: Complexity and friction in accessing high-quality ETFs

Exchange-Traded Funds (ETFs), particularly those tracking well-known indices like the NASDAQ-100, are widely recognized for their historical performance, diversification, and passive investment appeal. Yet for many

retail investors, especially those without financial advisory support, identifying and accessing suitable ETFs remains a complex process. Key challenges include:

- **Overwhelming choice and limited guidance:** There are thousands of ETFs on the market, many tracking similar indices but with nuanced differences in fees, weightings, or rebalancing strategies. Retail investors often struggle to discern which one is optimal for their goals.
- **Access limitations:** Many high-performing ETFs are listed on U.S. or regional exchanges and are not available to retail investors globally due to brokerage restrictions, minimum investment thresholds, or currency frictions.
- **Manual portfolio construction:** For those wanting to emulate index returns, the process of building or balancing such a portfolio manually involves research, timing, and periodic rebalancing — all of which introduce complexity and potential human error.

The result is that retail investors — particularly those outside major financial centers or with limited financial literacy — are often excluded from efficient index-based investing, or must pay high fees to intermediaries for access.

Issue: Lack of ETF-like products in the crypto ecosystem

The cryptocurrency market has made significant strides in tokenizing real-world assets (RWAs), but there remains a notable absence of products that mirror traditional stock market ETFs in a regulated, compliant, and widely accessible manner. Current limitations include:

- **Scarcity of tokenized index products:** Despite strong demand, only a handful of tokenized equity index products exist, and many are short-lived or restricted by regulatory uncertainty. Most on-chain investment tokens focus on crypto-native portfolios or single-asset exposure.

- **Regulatory ambiguity for tokenized stocks:** Past attempts by major exchanges to offer tokenized stock or ETF access (e.g., Binance, FTX) were shut down due to compliance concerns, leaving a vacuum in this product category.
- **Missed synergy potential:** Traditional indices like NASDAQ are composed of technology companies that align naturally with the crypto investor's profile — forward-thinking, innovation-driven, digital-native. Yet crypto investors have no easy way to invest in them without leaving the crypto environment entirely.

This lack of seamless, blockchain-native access to traditional index exposure represents an untapped market with substantial cross-sector demand.

Issue: Crypto market volatility and the need for anchor assets

The inherent volatility of the cryptocurrency market continues to deter many investors, particularly those seeking predictable, long-term returns. Key concerns include:

- **High daily price swings:** Unlike equities, which tend to exhibit smoother price movements and are backed by underlying earnings and business fundamentals, most cryptocurrencies remain highly speculative. This volatility is unsuitable for investors with moderate or conservative risk profiles.
- **Limited diversification options within crypto:** While some crypto indices and diversified portfolios exist, they tend to correlate strongly with broader crypto market movements and do not offer meaningful exposure to non-crypto assets.

- **No bridge between crypto and traditional stability:** Investors must exit the crypto ecosystem entirely — incurring tax events and friction — to access traditional stable, regulated products like ETFs or money markets.

There is a clear need for crypto-native investment products that offer price stability and long-term performance — characteristics traditionally associated with blue-chip equity indices like NASDAQ. The NSDQ Coin finally closes the gap between the volatile crypto investment world and traditional stability.

Issue: Geographic and systemic access barriers

Global retail investors, especially those in emerging markets, face systemic obstacles to accessing high-quality equity index investments. In many regions, access to U.S.-based ETFs require working through intermediaries, often with high fees, strict compliance requirements, or outright

inaccessibility. This disproportionately affects smaller investors and those in less-developed financial systems. The lack of 24/7, borderless access to high-quality index investment products remains a major inefficiency.

Issue: Inefficient taxation and exit mechanics

In most jurisdictions, converting from crypto to fiat — necessary when exiting crypto to invest in traditional ETFs — is considered a taxable event. For investors aiming to rotate capital from digital assets to safer long-term holdings, this creates several problems:

- **Immediate tax liabilities**: Investors face capital gains tax upon exiting crypto, even if their intention is to reinvest in a more stable asset.

- **Delayed reallocation:** Moving from a crypto exchange to a bank account, then to a broker, delays portfolio adjustments and exposes the investor to market risk.
- **Loss of ecosystem advantages:** Exiting to fiat means forgoing benefits like 24/7 liquidity, on-chain settlement, and smart contract composability.

These inefficiencies penalize investors who seek to gradually derisk their portfolios within the digital ecosystem, discouraging optimal asset allocation and reducing capital efficiency.

Issue: The institutional adoption gap

Institutions and high-net-worth individuals have shown increasing interest in digital assets — particularly those backed by real-world value. However, their entry is hindered by:

- Lack of regulated, yield-bearing, and equity-linked digital assets
- Concerns over custody, compliance, and legal clarity
- Concerns over custody, compliance, and legal clarity
- Absence of structured, index-based investment options in crypto

This leads to a significant capital pool remaining on the sidelines. Bridging this gap with fully compliant, index-linked investment tokens — starting with the NSDQ — would unlock institutional flows and credibility for the broader tokenized asset space.

NSDQ ETF COIN (NSDQ) project — an introduction

NSDQ ETF COIN (NSDQ) is a blockchain-based investment project that bridges traditional stock market investing with the flexibility of cryptocurrency. Its core product, the NSDQ token, is a security token representing an investment in a portfolio of NASDAQ index exchange-traded funds (ETF). The project's purpose is to democratize access to the NASDAQ's growth by allowing investors of all sizes and global locations to easily purchase a crypto-token that mirrors the performance of the NASDAQ stock index.

At a high level, NSDQ ETF COIN offers a simple value proposition: investors can buy a digital token that is backed by shares of NASDAQ ETFs held by the project. Each NSDQ token corresponds to a proportional share of the underlying ETFs' net asset value (NAV). As the NASDAQ index rises or falls, the token's value rises or falls in tandem, ensuring the token reflects real-world asset performance. By having a portfolio of different ETFs, such as the "iShares Nasdaq 100 UCITS ETF (Acc), ISIN: IE00B53SZB19" or the "Invesco EQQQ Nasdaq-100 UCITS ETF, ISIN: IE0032077012, the project ensures a high degree of diversification that mitigates risk.

Unlike purely speculative cryptocurrencies, NSDQ has intrinsic value from day one – every token is collateralized by actual ETF holdings. This provides investors with confidence that their token holdings are supported by real assets, not just market sentiment. This will be confirmed by independent yearly audits by companies such as Armanino LLP, Certik and Moore Global Network to ensure a higher degree of decentralization.



The project will unfold in several development phases:

- **Phase 1:** The first phase, which is the core offering of the NSDQ token and the focus of this white paper, is going to ensure the creation and backing of the NSDQ token with the portfolio of NASDAQ ETFs. It will lay out the foundations for the project and serve as a Proof of Concept to the whole vision of NSDQ ETF COIN (NSDQ).
- **Phase 2:** Phase 2 will introduce a Peer to Peer (P2P) exchange option that will allow users to swap between the NSDQ token via a mobile app. This will greatly enhance the use cases of the NSDQ token and will provide access to a variety of additional USPs.
- **Phase 3:** The last phase will expand on the previous phases by introducing additional tokens and investment options - the project will introduce further tokens for different indexes like S&P 500 and others, as well as introduce their own native ETF. A possible transition towards a managed hedge fund with minimal fees will be considered.

NSDQ ETF COIN (NSDQ) aims to create an ecosystem where investing in a major stock index is as easy as buying a crypto token on your phone. The project's innovative approach offers the growth potential of NASDAQ stocks to a broad audience, all through a secure token that provides real asset ownership, continuous liquidity, and compliance. Additionally, the project introduces the advantages of cryptocurrency to the traditional financial world - such as the broader accessibility and lower entry barriers, as well as the favorable taxation conditions.

Core USPs

The NSDQ token stands out by combining the strengths of traditional finance with blockchain technology in a compliant manner. Key differentiators include:

Real Asset Backing: Most crypto tokens derive value solely from supply and demand dynamics, but NSDQ tokens represent ownership of a real financial asset (NASDAQ ETFs shares). This anchors the token's value to a concrete portfolio of stocks, making it a more stable and transparent investment vehicle.

Lower Barrier to Entry: Traditionally, investing in an index ETF might require a brokerage account, paperwork, or minimum investment sizes. With NSDQ tokens, anyone with as little as $500 can get started, even without a brokerage account. This opens stock market opportunities to the "small investor" who can now participate in the NASDAQ's growth with modest sums.

Global and Continuous Access: Through blockchain, NSDQ tokens can be purchased by investors worldwide (subject to compliance checks) without the usual national restrictions. A compliant KYC process ensures regulations are followed, but otherwise there are no geographic limitations – an investor in Europe, Asia, or elsewhere can equally partake in the NASDAQ's performance via the token. Moreover, unlike stock markets that operate only during business hours, the NSDQ token can potentially be traded 24/7 on crypto exchanges. Investors are not constrained by stock exchange trading hours; they can buy or sell tokens at any time, even when the NASDAQ market is closed.

Liquidity and Flexibility: The NSDQ token introduces liquidity features beyond a normal ETF. Investors can hold the token as a long-term investment ("HODL"), confident in its underlying value, but they can also react quickly to market conditions. For example, even if it's a weekend or holiday, an investor could find a buyer for NSDQ tokens on crypto exchanges.

Tax Efficiency Potential: By leveraging crypto tokens, investors in certain jurisdictions can benefit from tax rules that favor crypto-to-crypto trades. For instance, moving from NSDQ tokens to an existing crypto stablecoin may not trigger a taxable event in some countries, unlike selling an ETF for fiat. This means investors could rebalance in case of a bearish market or "park" gains in a stable asset without immediate tax impact, then later convert to fiat when it's advantageous or reinvest back into the NSDQ token (when the market becomes bullish again). In essence, NSDQ can offer a more tax-efficient way to manage index investments (though investors must follow their local laws).

Compliance and Security: Recognizing that NSDQ is a security token, the project is built with regulatory compliance from the ground up. Every investor undergoes Know-Your-Customer (KYC) verification and anti-money-laundering checks. Meanwhile, the actual funds and ETF shares are managed by licensed custodians and brokers for safety. This focus on compliance provides an additional layer of trust and legal validity that many crypto projects lack, making NSDQ attractive to more conservative investors and institutions.

Problems and solutions at a glance

Issue: Complexity and friction in accessing high-quality ETFs

Solution: The NSDQ ETF COIN (NSDQ) project eliminates the complexity of ETF selection by offering a single, high-quality, tokenized exposure to the NASDAQ index via the NSDQ token. Investors do not need to research thousands of ETFs, compare fee structures, or manually build diversified portfolios — NSDQ is purpose-built to track the performance of well-established NASDAQ ETFs, professionally managed and transparently reported. By offering a pre-packaged, blockchain-native product, NSDQ

simplifies decision-making for retail investors while delivering the same benefits as traditional index investing.

Moreover, access is globally available through a streamlined digital platform. Investors do not need a brokerage account, nor are they subject to high minimums, complex currency conversion, or paperwork. The onboarding process includes integrated KYC, and investments start at just $500, enabling broader participation. In short, NSDQ offers a low-barrier, all-in-one solution for global retail investors to gain blue-chip index exposure efficiently.

Issue: Lack of ETF-like products in the crypto ecosystem

Solution: NSDQ ETF COIN (NSDQ) fills the existing product void by delivering a fully regulated, tokenized security that tracks a major equity index — the NASDAQ. Unlike prior experiments with tokenized stocks that were shut down for compliance failures, NSDQ is structured as a security token offering (STO), with legally enforceable backing by real ETF holdings and full regulatory alignment. This allows NSDQ to operate confidently within existing financial frameworks while still offering the technological advantages of digital assets.

The token's design captures the synergy between traditional equity investing and crypto-native infrastructure. By investing in the NSDQ token, users gain seamless, on-chain access to traditional market returns without leaving the crypto environment. This product-category innovation addresses pent-up demand from crypto investors seeking exposure to real-world, institutional-grade assets.

Issue: Crypto market volatility and the need for anchor assets

Solution: NSDQ introduces a new type of token: a real-asset-backed security token with growth potential directly tied to a leading equity index.

Unlike speculative cryptocurrencies, NSDQ reflects the performance of NASDAQ ETFs, which in turn are supported by the earnings and growth of the largest U.S. technology companies. This linkage to real economic value gives the token intrinsic stability and directional growth over time.

By acting as a "crypto-native anchor asset", NSDQ provides an important portfolio component for users seeking to derisk from volatile tokens. It offers diversification benefits and smooths portfolio returns without requiring users to exit the crypto ecosystem. In short, NSDQ helps investors hedge volatility without compromising accessibility or blockchain-native flexibility.

Issue: Geographic and systemic access barriers

Solution: NSDQ is designed to be globally accessible from day one. The token can be purchased and held by any KYC-approved user, regardless of nationality or local brokerage access, thanks to its on-chain issuance and transferability. NSDQ ETF COIN (NSDQ) eliminates systematic friction by removing the need for traditional broker-dealers, banks, or custodians from the end-user's perspective — all critical infrastructure is integrated and abstracted behind a user-friendly digital interface.

Moreover, NSDQ offers a minimum entry point of $500, significantly lower than many traditional funds. It also allows fractional ownership, enabling investors to deploy small amounts without penalty. Transactions are borderless, and token transfers on exchanges the token is listed on can occur 24/7, offering unprecedented liquidity for an index-tracking investment product. This flattening of financial barriers empowers retail investors in emerging markets and underserved geographies to participate in the long-term growth of major global indices, such as the NASDAQ.

Issue: Inefficient taxation and exit mechanics

Solution: The NSDQ ETF COIN (NSDQ) roadmap includes the future introduction of a P2P transaction mechanism via a mobile app. This future feature allows investors to exit NSDQ positions in stablecoins rather than fiat, potentially avoiding immediate tax liability in jurisdictions where crypto-to-crypto transactions are not taxed. This approach creates a tax-efficient reallocation mechanism within the ecosystem.

Additionally, by enabling peer-to-peer swaps, the project offers 24/7 liquidity and flexibility without forcing a sell-off of the underlying ETF. Investors can derisk into stablecoins over weekends or during market volatility, and re-enter at will, all while maintaining their portfolio on-chain. This removes friction, reduces exposure to tax and timing risks, and preserves the blockchain-native advantages of speed, composability, and privacy. The result is a more flexible, efficient way to manage real-world investment positions within the crypto asset environment.

Issue: The institutional adoption gap

Solution: NSDQ is purpose-built for institutional compatibility. Its security token classification, full regulatory alignment, KYC/AML enforcement, and professional custody make it a credible investment product for funds, family offices, and regulated crypto entities. The backing by real ETF shares and the transparency of smart contract infrastructure offer auditability and trust, essential for institutional mandates.

Furthermore, NSDQ provides institutions with a non-custodial, programmable, and globally transferable equity index position, enabling innovative use cases such as treasury allocation, on-chain collateralization, and hybrid portfolio strategies. By solving compliance, custody, and credibility concerns in a

single product, NSDQ ETF COIN (NSDQ) opens the door for institutional capital to enter the tokenized equities space. NSDQ serves as a gateway asset for the next generation of institutional digital finance.

Ecosystem Architecture

To deliver on its promise, the NSDQ ETF COIN (NSDQ) ecosystem is composed of several core components. Each building block plays a crucial role in ensuring that the system operates seamlessly, securely, and in a user-friendly manner.

NSDQ Token (Security Token): The NSDQ token is the centerpiece of the ecosystem – a digital security token that represents an investor's stake in the NASDAQ ETF portfolio. Because it qualifies as a security token, it confers an investment claim on real assets (unlike utility tokens). Every NSDQ token is backed by a fraction of the NASDAQ ETF holdings managed by the project. Its value is directly tied to the underlying assets' value. This means if the NASDAQ index (and thus the ETF) grows 5%, the value of NSDQ token should also rise ~5%.

The NSDQ token does not need a fixed supply or mining – it is minted on-demand only when new investments come in, which flow towards the NASDAQ ETFs. This ensures that the token supply always corresponds to the assets held. Being a security token, NSDQ is issued under relevant securities laws, and token holders do not get arbitrary new tokens via staking or other inflationary mechanisms; instead, their token strictly mirrors the ETFs performance (including dividends or splits, which are reflected in token value or via periodic token adjustments rather than traditional dividend payouts). The NSDQ token is effectively a digital ETF share recorded on blockchain.
Issuance & Blockchain Infrastructure: The blockchain infrastructure is what makes NSDQ tokens possible and tradeable globally. NSDQ ETF COIN (NSDQ) is going to be an Ethereum token based on the ERC1400 standard, which is the most widely accepted and established security token standard.
When an investor buys NSDQ, a new batch of NSDQ tokens is minted and

sent to that investor's wallet address. The blockchain provides an immutable ledger of token ownership, enabling transparency and auditability of the circulating supply.

All token transactions such as issuance and transfer incur blockchain gas fees, which are accounted for in the distribution of new funds into the ecosystem (more on that below).

Investment Backend (NASDAQ ETF Exposure): The investment backend refers to the off-chain engine that takes investor funds and converts them into actual ETF investments. It is essentially the bridge between the blockchain and the traditional stock market. Here's how it works:

When a user places an order to buy NSDQ tokens (e.g., $1,000), the backend receives this order (after KYC approval) and orchestrates the purchase of $1,000 worth of the NASDAQ ETF in real time (or as soon as possible at prevailing market prices). The project will use a brokerage or trading interface to buy shares of the chosen NASDAQ ETF (for example, an ETF that tracks the NASDAQ-100 index) on the stock market. These shares are then held in custody to back the tokens. The investment backend ensures that between 90% (for tokens purchased during the crowdsale) and up to 99% (for token purchased after the crowdsale) of the user's funds go directly into buying ETF shares (this proportion maintains a strong collateral backing while reserving a small portion for fees and operational costs).

The backend system handles price feeds, trade execution, and allocation of ETF shares to the project's portfolio corresponding to each token issuance. Importantly, the investment backend might aggregate multiple investor orders and execute trades in bulk for efficiency – for example, if several users buy NSDQ around the same time, the backend can pool the funds to purchase the appropriate number of ETF shares in one transaction, then distribute the equivalent tokens to each investor.

In essence, the investment backend is the asset management engine that guarantees NSDQ tokens are always backed by the correct amount of NASDAQ ETF assets.



KYC/Compliance Layer: Because NSDQ is a security token offering, regulatory compliance is paramount. The KYC/Compliance layer is responsible for verifying each user's identity and eligibility before they can participate. When a new user signs up on the web platform or the app, they must go through a Know Your Customer (KYC) process, providing identification documents and possibly proof of address, and being screened against sanction or politically exposed person lists. This process is handled either by an integrated compliance team or through a specialized third-party KYC service provider. Only after a user passes KYC and any required accreditation checks (if applicable for certain jurisdictions) are they authorized to invest and receive NSDQ tokens.

The compliance layer ensures the project adheres to anti-money laundering (AML) regulations as well – monitoring transactions for suspicious activity and enforcing any limits or reporting requirements mandated by law. On a technical level, addresses (wallets) that pass KYC will be whitelisted on the platform. This prevents the tokens from being freely transferred to unverified parties, maintaining control and regulatory oversight even in a decentralized environment.

The KYC layer is continuous – it not only vets new users but also keeps user data updated (periodic KYC refresh) and can revoke permissions (for example, if a user is later found to be non-compliant or requests account closure). By building this compliance gateway, NSDQ ETF COIN (NSDQ) ensures that while the token is globally accessible, it remains fully legal and transparent, giving comfort to investors and regulators alike that the system isn't facilitating illicit activity.

Compliance extends to the offering structure as well: the project will operate under relevant securities frameworks, ensuring that the NSDQ token issuance is properly registered or exempt in the jurisdictions where it's offered.

Custody and Fund Management: Safekeeping of the assets and funds is handled by the custody and fund management component. When investor money is converted into ETF shares, those shares (and any cash reserves) need to be held securely.



NSDQ ETF COIN (NSDQ) partners with a licensed custodian or brokerage firm to hold the NASDAQ ETF assets on behalf of token holders. This means that based on the supply of NSDQ tokens in circulation, the equivalent value in ETF shares is kept in a custodial account. The custodian's role is to ensure the assets backing the tokens are safe (protected against loss, theft, or misuse) and to facilitate any necessary transactions (buying or selling ETF shares upon instructions from the investment backend).

The fund management aspect involves overseeing the entire pool of assets: tracking the total investments, ensuring that at least 90% during the STO and up to 99% after the conclusion of the STO is invested in the ETF, managing the remaining balance for liquidity or fees, and possibly handling corporate actions like ETF dividends. For example, if the underlying NASDAQ ETF pays out a quarterly dividend, the fund management system will capture that dividend (which comes as cash into the custodial account) and reinvest it into more ETF shares to increase the NAV of the token, since the NSDQ token is meant to reflect a total return (price + dividends).

The custodian provides an extra layer of trust, often coming with insurance or regulatory oversight (e.g., a brokerage governed by financial authorities). This means investors are not relying solely on the NSDQ ETF COIN (NSDQ) company; there is an independent custodian accountable for the assets. Overall, this component ensures financial integrity and continuity of the ecosystem's asset pool.

Frontend / User Interface: The user interface is the accessible front-end through which investors interact with the entire system. NSDQ ETF COIN (NSDQ) will provide a modern app and web dashboard where users can register, complete KYC, deposit funds, and manage their NSDQ token holdings. The frontend is designed for simplicity, making the experience akin to using a regular fintech or trading app rather than dealing directly with complicated blockchain operations.

Through the interface, an investor can see the current NSDQ token price, request to acquire more NSDQ tokens, view their portfolio value, and track performance over time. Important information such as the minimum

investment ($500), current NAV per token, any fees, and trading hour considerations are clearly communicated. The frontend integrates all other components: for example, when a user submits identity documents for verification, the app channels that to the KYC service; when they place an investment order, the app connects to the backend to initiate the purchase of ETF shares.

The interface will provide the option to connect their wallets (e.g Metamask) to store NSDQ tokens. Users will have the ability to see their token balance and transaction history transparently. Another aspect of the frontend is customer support and education – as an investor-facing product, it will provide help sections explaining how NSDQ works, what the risks are, and how to use the features (for instance, explaining that orders outside stock market hours will be executed when the market opens, etc.).

The frontend serves as the user-centric layer that consolidates all ecosystem functions into a coherent, easy-to-use experience.

User journey

This section explains how the entire system works end-to-end – from the moment an investor decides to buy NSDQ tokens, through the investment process, to how tokens can be traded or redeemed. It will also describe the interactions between all components outlined above, illustrating the flow of funds and tokens through the ecosystem.

Investment Flow (Minting Process)

To purchase NSDQ tokens, an investor follows a sequence of events that ties together the frontend, compliance checks, backend trade execution, and token issuance. There are two stages of the investment flow - the first one starts with the STO (Security Token Offering), the second one after the end of the STO. Both are similar in nature.

Initial supply: Security Token Offering

90% of the funds acquired via the Security Token Offering are directly invested in bulk into a portfolio of NASDAQ ETFs. The initial supply is preminted and all tokens are sent to the users once they purchase them. The 90% are only applicable during the STO - this percentage increases to up to 99% for any subsequent investments. The goal is to raise the necessary funding for the technical setup of the ecosystem, which, once completed, allows us to increase the percentage to nearly 100%, as there will be no development costs.

After the STO, the token has a solid capital foundation, allowing NSDQ ETF COIN (NSDQ) to move towards the next phase where continuous investments in the token will be possible.

Post STO investment process

The post STO investments are what will allow the NSDQ token to grow over time additionally to the growth of the ETFs portfolio.

Onboarding & KYC: The investor registers on the NSDQ ETF COIN (NSDQ) platform (via the app or web app) and submits required KYC documents. Existing users who participated during the STO can skip this process. The compliance layer verifies the information. Once approved, the investor's account is unlocked for purchasing NSDQ - until this step is completed, no transactions can occur.

Placing an Order: The investor initiates a purchase order for NSDQ tokens. For example, they indicate they want to invest $1,000. The frontend will typically show the investor an estimated number of NSDQ tokens they will receive for that amount, based on the latest NAV/price (minus fees). The minimum investment is $500, so any order must meet or exceed that to proceed.

Funding the Order: The investor provides the funds for the order. This could be done by a SEPA bank transfer, credit/debit card, or a cryptocurrency



transfer in stablecoins to avoid price volatility. Any deposits in cryptocurrencies can incur additional fees for the exchange to fiat.

Let's assume the investor transfers $1,000 via bank - the funds arrive into the NSDQ ETF COIN (NSDQ) client account. If the investor chooses crypto, then the crypto must be exchanged to fiat first as an intermediate step.

Backend ETF Purchase: Once the $1,000 is confirmed, the investment backend promptly executes a purchase of close to $990 (99%) worth of the NASDAQ ETF on the stock market in the project's custodial brokerage account. Now, effectively ~$990 of NASDAQ ETF shares are held in custody backing this investor's upcoming tokens. (If multiple investors' orders are being processed around the same time, the backend might batch trades; but each investor's contribution is accounted for.)

The reason why not 100% of all funds is invested lies in the fees that the process incurs for the NSDQ ETF COIN (NSDQ) project. These include:

- Minting of new NSDQ tokens,
- The transaction fees for sending the tokens to the investor
- The fees connected with the acquisition of the ETF shares
- The custodial fees for storing the ETFs,
- Auditing fees
- The project's commission of 1% of the amount

With the expansion of the ecosystem, we will be able to maximize the percentage so that it approaches nearly 100%.

Token Minting: With the ETF shares purchased, the NSDQ tokens to mint for the investor are then calculated. Suppose the current NAV per token is $1 at that time. $990 invested in the ETF corresponds to 990 tokens (since $990/$1 = 990). The project has to thus mint 990 NSDQ tokens: these tokens are created on the blockchain and delivered to the investor's wallet address.

Confirmation to Investor: The investor sees in their app interface that 990 NSDQ tokens have been added to their portfolio (the app might show this as



“NSDQ Balance: 990 tokens”, and possibly the fiat equivalent value). They now officially own these security tokens, which are reflected on the blockchain ledger and backed by the ETF assets held by the custodian.

The fees incurred in the process are already factored in in the percentage of investment to NSDQ conversion we mentioned earlier.

Post-Trade Updates: The total supply of NSDQ tokens system-wide is increased by 990 to include this new issuance. The backend and custody records now show that an additional $990 of the ETF is held, matching the 990 new tokens. The project’s asset backing remains ~99% as per design, with the small portion covering the fees we mentioned earlier.
Important to note is that investors will be able to purchase only during NASDAQ trading hours to minimize price differences.

Trading and Transfers

Once investors hold NSDQ tokens, they have a few options:

Holding the tokens: They can hold the tokens long-term, effectively keeping their investment in the NASDAQ index via the token.

Selling the tokens on exchanges: They can sell their tokens on exchanges, allowing them to also swap them for stablecoins, essentially realizing their gains.

In the future, we will enable additional possibilities such as direct P2P exchange between users via a modern app and web dashboard. Refer to the chapter Future developments for more information.

Tokenomics

The NSDQ token's economics (tokenomics) and the underlying blockchain infrastructure are structured to ensure fair value representation, sustainability, and compliance. This section covers how the token is backed and managed, the fee model, the chosen blockchain network considerations, and how the token's price stays tied to the ETF's value.

Token Backing and Value Allocation

NSDQ is an asset-backed security token. For every unit of value invested in NSDQ during the STO, at least 90% is used to purchase the underlying NASDAQ ETF assets. The remaining ~10% is allocated to fees and reserves. Specifically, 1% is taken as a project fee (revenue for NSDQ ETF COIN (NSDQ) to cover operational costs, management, development, etc.), and the rest (approximately 9%) is generally kept in the system as a buffer for liquidity, gas costs, and any slippage. This means at inception, each NSDQ token is approximately 90% collateralized by real ETF holdings, with a small portion of its implied value being in the system's reserve rather than in the ETF.

After the conclusion of the STO, this percentage will be increased to nearly 99%, as the ecosystem will have no development costs, allowing us to maximize the collateralization of the NSDQ token by the ETF holdings.

Over time, as the ETF value changes, the token remains backed by those shares; and if dividends from the NASDAQ ETF portfolio are reinvested, the backing could even grow. The project commits that each token's value is always tied to real assets – there is no scenario where tokens are minted without backing or used for unrelated investments. This disciplined approach to collateral ensures that NSDQ tokens behave very predictably: their value per token is near to the net asset value of the pool of ETF assets divided by the number of tokens.

Token supply and minting

NSDQ does not have a fixed supply cap or a pre-mine distribution. Instead, new tokens are minted on-demand manually by the project team when investors buy in. This dynamic supply model is similar to how open-ended mutual funds or ETFs create and redeem shares based on demand. If the project becomes very popular and billions are invested, the token supply will increase accordingly (with equivalent billions in ETF assets backing it).

This removes dilution concerns in the traditional sense – you're not diluted by new tokens because each new token comes with new backing assets. Likewise, there's no staking reward token emission or other gimmicks – the token's "reward" is simply the capital appreciation and dividends of the NASDAQ ETF itself (dividends reflected in the price and not paid out to investors).

Blockchain Choice and Infrastructure

The NSDQ ETF COIN (NSDQ) NSDQ token is issued on Ethereum, the world's most established and secure smart contract platform. Ethereum is the industry standard for asset tokenization, offering a mature ecosystem, broad interoperability, institutional-grade tooling, and strong regulatory alignment. It is used by leading security token platforms, digital asset custodians, and financial institutions around the globe.

Key reasons for selecting Ethereum include:

- **Security and decentralization:** Ethereum's consensus mechanism and large validator network ensure robust protection against attacks, censorship, or manipulation.
- **Smart contract flexibility:** Ethereum supports complex programmable logic, enabling token issuance, compliance enforcement, and future modular extensions.

- **Ecosystem maturity:** Ethereum enjoys strong wallet, custodian, and compliance integrations, including support from institutions like Coinbase, Fireblocks, MetaMask Institutional, and regulated token marketplaces.
- **Interoperability with industry standards:** Ethereum natively supports widely adopted token protocols and can integrate with secondary trading venues, custodians, and KYC systems.

To ensure regulatory compliance and modular extensibility, the NSDQ token is built using the ERC-1400 standard, Ethereum's leading framework for security tokens.

ERC-1400 was specifically designed to meet the needs of tokenized securities — such as equity, debt, or asset-backed instruments — and addresses limitations of basic token standards like ERC-20. It combines the features of fungible token behavior with security-specific compliance controls, enabling seamless integration with traditional finance processes.

- **Partitioned ownership:** Allows flexible representation of share classes, lockup periods, or rights by organizing holdings into partitions — useful for future developments like dividends or different investor groups.
- **Transfer restrictions:** ERC-1400 allows on-chain enforcement of compliance, meaning only whitelisted (KYC-approved) investors can receive and hold NSDQ tokens. Transfers are blocked unless conditions are met.
- **Off-chain and on-chain data linkages:** The standard allows attaching documents (e.g. offering memoranda, legal rights) or metadata to the token via off-chain references, preserving legal enforceability.
- **Granular role control:** Minting, burning, transferring, or forcing redemptions can be restricted to specific parties — enabling proper oversight and authorization in regulated environments.

- **Transparency and auditability:** Each token action (issuance, transfer, redemption) is immutably recorded on-chain, supporting investor audits, regulatory reporting, and full traceability.

By using ERC-1400, NSDQ ETF COIN (NSDQ) ensures that NSDQ tokens are fully programmable, compliant, and interoperable with both Ethereum-native infrastructure and regulated financial systems.

Future developments

Disclaimer: The future development of the Peer to Peer exchanging option is not part of the current white paper, which legally deals only with the launch of the NSDQ token. The content of the following chapter is to be understood as future planning for the project and thus not part of the NSDQ Security Token Offering.

While the NSDQ token represents the initial phase of the NSDQ ETF COIN (NSDQ) project, the long-term vision extends far beyond a single asset. The infrastructure being built today lays the foundation for a broader tokenized investment ecosystem that bridges traditional financial markets and digital assets.

The next evolutionary steps will focus on enhancing liquidity, flexibility, and portfolio efficiency for NSDQ holders. This includes the introduction of a secure, investor-friendly swap layer enabling seamless transitions between assets within the NSDQ ETF COIN (NSDQ) ecosystem. This planned development is designed to offer:

- Enhanced liquidity options beyond traditional market hours
- Potential for optimized tax strategies and crypto-native asset allocation
- A scalable architecture to support additional tokenized index products.

Further details will be shared in upcoming announcements as these features move into active development. All enhancements will maintain the project's core values: real asset backing, full regulatory compliance, and transparency.

NSDQ ETF COIN (NSDQ) is building not just a token — but a next-generation investment platform. The NSDQ token is only the beginning.

Token Sale

NSDQ will have an unlimited maximum supply, which will ensure that continuous investments in the token are possible in order to grow the shares of the NASDAQ ETF backing the token.

The NSDQ ETF COIN (NSDQ) Token Security Token Offering (STO) will be split in three rounds and a total funding goal of 15 million USD. The token sale will offer discounts for early investors who participate at the first two rounds.

Initial supply: Security Token Offering

Token name	NSDQ
Initial supply	22.976.190 NSDQ
Total for sale	16.083.333 NSDQ (70% of the initial supply)
Flat currencies accepted	USD
Cryptocurrencies accepted	BTC, ETH
Hard cap	15.000.000 $

	Private sale	Pre sale	Main sale
Dates	02.01.2026 — 28.02.2026	01.03.2026 — 30.04.2026	01.05.2026 — 30.06.2026
Hard cap in NSDQ	3.750.000 NSDQ	3.750.000 NSDQ	3.750.000 NSDQ
Hard cap in $	3.000.000 $	3.000.000 $	3.000.000 $
Price	0,80 $ (20% discount)	0,80 $ (20% discount)	0,80 $ (20% discount)

Token distribution

The token supply of NSDQ will be distributed as follows:

Crowdsale — 70%

To raise the necessary capital to kickstart the project, most of which will be used for investments in NASDAQ ETF / ETFs.

Reserve — 15%

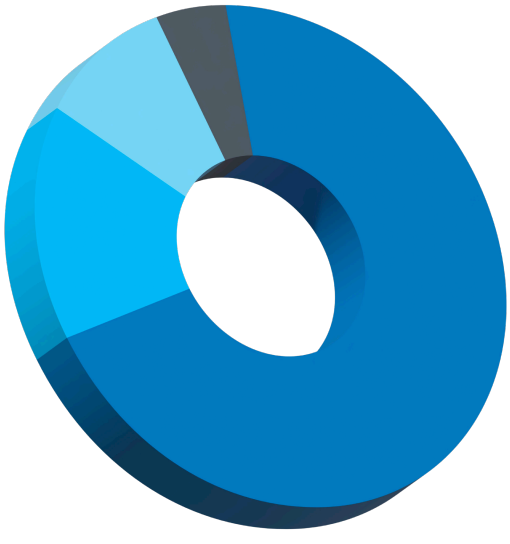
A portion of the supply will be kept in reserve to be used for future opportunities or unforeseen expenses. This may also serve to strengthen liquidity during high-demand periods.

Liquidity — 10%

These tokens are needed for exchange listing to facilitate trading of the token.

Team — 5%

These tokens will be reserved for the team and advisory board. The very low percentage will translate into a more democratic power distribution among investors, as the team will not have price power due to the low percentage of tokens it holds.

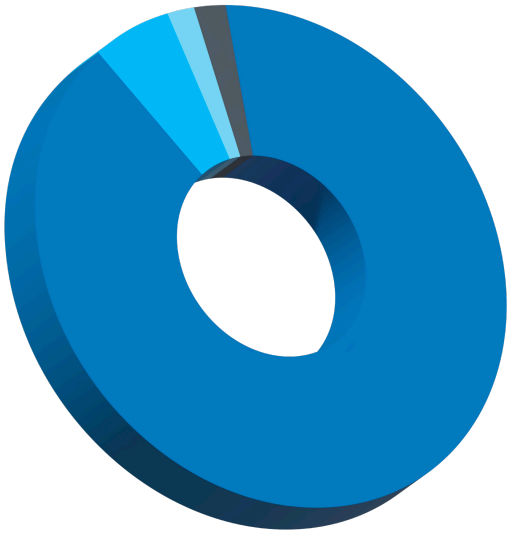


Funds distribution

The funds raised through the crowdsale will be used as following:

NASDAQ ETF investments — 90%

From the initial supply, we will dedicate 90% to the acquisition of the NASDAQ ETF, which will make the token almost fully backed by it and represent its price. Any subsequent token sales will also translate to a nearly 99% investment of the newly entered funds into the acquisition of NASDAQ ETFs.



Development and operational — 6%

Will be used to develop the needed technical infrastructure to facilitate the ecosystem, acquire oversight and auditing services for higher investor protection and others.

Legal costs — 2%

These costs include everything related to legal costs, including the company incorporation etc.

Other costs — 2%

Will be reserved for any unforeseen circumstances.

Roadmap

Timeline	Milestones
May 2025	• Final version of the white paper, one pager including design. • Legal approval of all documents • STO company incorporation
June 2025	• Technical development of the project's website, investor dashboard and smart contract • Smart contract audit • Marketing and community building preparation • Selection of list of potential investors • Creation of investor relations materials (pitch deck, investor sheet, investor proposals) • Pitching the project to a network of 500 private investors
October 2025	• Start of the community building and marketing • Start approaching private investors / companies • Selection of top performing NASDAQ ETFs
January 2026	• Start of the private sale • First investments in the NASDAQ ETFs based on the selection criteria
March 2026	• Start of the pre sale
May 2026	• Start of the main sale
June 2026	• End of the main sale
Q3 2026	• Listing of NSDQ on exchanges
Q4 2026	• Start preparation for the introduction of the P2P transfer option
Q2 2027	• Introduction of the P2P transfer option
Q2 2028	• Introduction of the proprietary NASDAQ ETF

Team



Kaloyan Iliev

CEO

- Co-founder and managing Partner of a subsidiary of an Austrian world-leading plastic machinery manufacturer
- Early adopter of Bitcoin and the crypto world.
- Vast experience in traditional investing methods

Advisory board



Syed Rizvi

Legal advisor

- Senior Associate at Rizvi Law Associate
- More than 14 years of experience as a corporate lawyer
- Specialty in blockchain-based project
- Expertise in credit risk management

Risks and concerns

Risks of cyber attack

Hackers are focused on finding and exploiting potential weaknesses. Attacks also extend to the open source algorithms of smart contracts running on blockchains, which is why we must consider the risk of attempted hacking at any given time.

Risks of fluctuating gains

We warn you that we do not guarantee that the project will achieve the same returns stated in this white paper.

Risks of delayed operational process

Unforeseen circumstances such as natural disasters might impair the profitability of the company.

Regulatory risks of blockchain industry

Governments of many countries are still in the process of studying blockchain technology, and some countries impose restrictions (for example, the United States, China, South Korea). New laws that might come into force in the future could significantly affect the activities of blockchain projects, including NSDQ ETF COIN (NSDQ). We warn you that such laws can significantly limit and even stop the project activity, we are not responsible for the negative consequences associated with the possible regulation of the industry in the future.

Risk of not being listed on exchanges

We do not guarantee that there will be an opportunity to exchange NSDQ on exchanges. The decision ultimately resides within the exchange and whether they are willing to list NSDQ or not.

