



PHAROS
RESEARCH

RWA in Practice: Ondo's On-Chain Bond Experiment



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Abstract

Amid the convergence of DeFi and traditional finance, the Real World Assets (RWA) sector is undergoing a profound paradigm shift. The early experimental phase—represented by Security Token Offerings (STOs)—has given way to a stage centered on yield-bearing tokenized products backed by U.S. Treasuries. From 2023 to 2025, a new era has emerged, characterized by high-performance public blockchains, cross-chain liquidity mechanisms, and structured credit products.

Fixed-income Real World Assets (RWAs)—particularly U.S. Treasuries and high-grade credit assets—are at the forefront of this transformation. This paper focuses on the U.S. market, using Ondo Finance as a representative case from the past two years to analyze its product logic, technical implementation, risk control mechanisms, and institutional participation model. It also compares the differentiated strategies of projects such as Maple and Centrifuge, aiming to provide insights into the practical development pathways of the RWA industry through the interaction of empirical evidence, mechanistic design, and market trends.

Core Insights:

- Compliance, transparency, and liquidity are the key determinants of success for fixed-income RWAs. The competitive frontier of RWAs is shifting from simple “on-chain asset representation” to “liquidity structure reconstruction.”
- There is room to establish differentiated competitive barriers through innovations in token architecture (accumulating vs. rebasing models), cross-chain design, and arbitrage mechanisms.
- For institutional investors, the primary motivation for participation lies not in yield alone, but in the level of trust, legal protection, and operational efficiency offered by the product structure.
- While U.S. Treasury-backed products have already established a foundation of trust, the expansion into credit-based assets—such as commercial paper, high-grade corporate bonds, and accounts receivable—requires carefully designed risk-buffering layers to ensure system resilience.

01 / Evolution and Structural Reality of RWA

1.1 The Three-Stage Evolution of RWA

The evolution of Real World Assets (RWA) has been a gradual process shaped by the interplay of blockchain capabilities, financial market demand, and the regulatory environment.

A brief review of the three main stages is as follows:

- **Phase I: STO Experimental Period (2015–2020)**
Before the rise of Ethereum, many early initiatives sought to tokenize traditional assets—such as stocks, bonds, and real estate rights—into Security Tokens (STOs), mapping conventional securities onto the blockchain through legal contracts. However, this phase faced major challenges: on-chain liquidity infrastructure was underdeveloped, oracle mechanisms were weak, cross-chain interoperability was lacking, and secondary market matching was limited. As a result, most assets continued to trade in traditional markets, with their on-chain representations serving only as symbolic mappings rather than functional financial instruments.
- **Phase II: Yield-Bearing Stablecoins / Tokenized U.S. Treasuries (2020–2023)**
As the DeFi ecosystem matured, stablecoins became the primary gateway for capital entering the blockchain. Following a series of credit crises in the crypto industry, more investors sought stable, low-risk yields. U.S. Treasuries and sovereign bonds, as the credit foundation, were seen as ideal underlying assets and gradually tokenized, either integrated into stablecoin reserves or issued as independent yield-bearing tokens. At this stage, the mainstream form of RWA was no longer equity-based STOs, but rather Treasury-backed structures, introducing low-risk, interest-bearing returns into the on-chain ecosystem through stablecoins or specialized tokenized products.
- **Phase III (Current and Future): Structured Credit + High-Performance Chains and Cross-Chain Liquidity**
From 2023 to 2025, driven by several factors, RWA has entered a more complex and advanced stage. The scale of tokenized U.S. Treasuries has expanded rapidly, while new challenges have emerged—how to support credit-based assets, enable efficient circulation across multiple chains, reduce cross-chain friction, and build high-performance public blockchains as the underlying infrastructure. At this stage, RWA is no longer just about putting assets on-chain, but has evolved into a composite system of liquid assets, structured financial products, and composable financial primitives.

This paradigm shift indicates that blockchain technology is no longer merely a passive ledger, but is evolving into a core component of mainstream financial infrastructure.

1.2 Current Asset Distribution of RWA

As of October 2025, according to CoinGecko's RWA Report 2024 ^[2] and data from the RWA.xyz platform, the asset side of the Real World Assets (RWA) market remains concentrated in a few standardized and highly liquid asset classes. The key categories are as follows:

- **Private Credit / Private Debt:** This is currently the largest segment within the RWA ecosystem, with a total market size of approximately \$17.4 billion, accounting for over 50%

of the total. This category includes institutional credit pools, corporate receivables, and structured debt products, typically offering on-chain yields between 8% and 15% ^[1].

- **Tokenized U.S. Treasuries / Sovereign Bonds / Yield-Bearing Stablecoins:** U.S. Treasuries remain the most trusted and compliant type of RWA asset, with a total market size of approximately \$8.3 billion. The core principle of this segment is “anchoring on-chain yields to Treasury-backed rates.” Representative examples include Ondo Finance’s OUSG and USDY ^[2], Franklin Templeton’s BENJI Fund, and BlackRock’s BUIDL Fund.
- **Commodities / Tokenized Gold:** With an approximate market size of \$3.1 billion, this segment is dominated by gold-backed tokens such as PAXG and XAUT, serving as non-correlated hedge assets within crypto portfolios. Given gold’s intrinsic value anchoring and globally recognized pricing system, this asset class has demonstrated strong resilience during market downturns.
- **Institutional Alternative Funds / Tokenized Private Equity Funds:** Valued at approximately \$2.8 billion, this segment represents institutional funds tokenized through SPV (Special Purpose Vehicle) structures, such as Janus Henderson’s JAAA Fund and Blockchain Capital’s BCAP Fund. These products enhance the transparency and liquidity of private funds, serving as a key bridge for traditional asset managers entering the DeFi ecosystem.
- **Non-U.S. Government Debt:** With an estimated market size of approximately \$1 billion, this category primarily includes short-term sovereign bonds and notes from Europe and emerging markets, which are still in the pilot phase. Most related products are issued by traditional finance (TradFi) funds through qualified investor channels.
- **Tokenized Traditional Equities / ETFs:** With an estimated market size of \$680 million, this segment remains in the exploratory stage. Companies such as Ondo, Securitize, and Backed Finance have launched tokenized U.S. equity and ETF products, opening a new channel for equity-based assets in on-chain capital markets. However, due to constraints related to regulation, liquidity, and valuation synchronization, the overall market size remains relatively limited.

Comparison Table of Various RWA Asset Blocks

asset class	market size	Representative project/product	Yield range	Core Features and Explanation
Private Credit/Private Debt	17.4 billion US dollars	Maple、Centrifuge、Goldfinch	8 - 15%	High returns, high risks; Covering institutional credit, accounts receivable, etc., information asymmetry and due diligence difficulties are relatively high.
US Treasuries/treasury bond Tokenized/Interest bearing Stable	8.3 billion US dollars	Ondo(OUSG、USDY)、Franklin(BENJI)、BlackRock(BUIDL)	4 - 5%	The most stable and compliant RWA sector supports the interest rate on the chain with treasury bond, and institutional allocation is the mainstream.
Commodity/Gold tokenization	3.1 billion US dollars	PAXG、XAUT	-	Clear value anchoring, strong risk resistance, and stable performance during market downturns.
Institutional alternative funds/private equity funds tokenization	2.8 billion US dollars	Janus Henderson(JAAA)、Blockchain Capital(BCAP)	5 - 12%	By implementing SPV on chain, the transparency and liquidity of funds are improved, and institutional participation is high.
Non US government debt	1 billion US dollars	EU and Emerging Market Bill Products	3 - 6%	In the pilot period, mainly targeting qualified investors.
Traditional stock/ETF tokenization	680 million US dollars	Ondo、Securitize、Backed Finance	-	In the exploration stage, the synchronization between compliance and valuation still needs to be improved.

Source: Pharos Research, Data Source: RWA.xyz

02 / Typical Case of U.S. Fixed-Income RWA: In-Depth Analysis of Ondo Finance

In the U.S. Treasury-backed RWA sector, Ondo Finance stands out as one of the most representative and thoroughly implemented projects.

2.1 Product Logic: How U.S. Treasuries “Come Alive” On-Chain

First, let’s look at how Ondo Finance builds a tokenized Treasury product that combines low risk with high liquidity.

2.1.1 Asset Allocation and Portfolio Strategy

Ondo currently offers two main tokenized financial products: the Short-Term U.S. Government Treasuries (\$OUSG) fund and the Ondo U.S. Dollar Yield Token (\$USDY).

Unlike USDY, the portfolio of OUSG is primarily allocated across multiple institutionally managed Treasury and money market funds, such as BlackRock’s BUIDL, Franklin Templeton’s FOBXX, WisdomTree’s WTGXX, FundBridge’s ULTRA, and Fidelity’s FYHXX, along with a small portion of cash or USDC serving as a liquidity buffer.

This diversified allocation reduces dependence on any single fund or asset manager. It also means that OUSG does not directly hold native U.S. Treasuries, but instead invests in institutionally managed funds that are themselves backed by Treasury assets.

The underlying assets of USDY consist primarily of short-term U.S. Treasuries and bank deposits. The Treasury portion is held through on-chain tokenized Treasury instruments, while the bank deposits are kept in regulated financial institution accounts. A subordinated equity tranche is included as a risk buffer layer.

Unlike OUSG, which holds Treasuries indirectly through fund shares, USDY is structured as a direct interest-bearing debt instrument linked to the underlying assets. Its yield is dynamically adjusted by Ondo Finance in response to market interest rate movements.

Comparison of Core Features and Key Points between OUSG and USDY

project	OUSG	USDY
underlying asset	It mainly invests in short-term US treasury bond bonds and treasury bond bond repurchase agreements. Funds are distributed across multiple institutional funds and hold some bank deposits and USDC for liquidity management	With short-term US treasury bond bonds and bank deposits as collateral, and equity subordinated structure as risk buffer
Revenue Mechanism	The underlying assets accrue interest daily, and the returns are reflected in the form of net asset value (NAV) growth, meaning that the price of OUSG tokens gradually increases with the returns. There is a certain risk of interest rate fluctuations	Set floating interest rates by Ondo Finance, with no principal fluctuations (unaffected by interest rate risk)
Investor Region	Targeting global investors (including both US and non US regions)	Only for non US investors
Investor qualifications	Only for qualified buyers, i.e. institutional investors	No need for qualified investor certification, both retail and institutional investors can participate
issuing entity	Ondo I LP	Ondo USDY LLC
Legal Structure	Characterize the limited partnership interests (Membership/Equity Interest) held by the fund	Belonging to the form of interest bearing debt
nature	Fund Equity Token	Interest bearing bill token
trading mechanism	Free trading is allowed in the secondary market, but only for users who have completed KYC/compliance registration	There is an initial lock up period, after which users who meet geographical restrictions can freely trade with each other
risk characteristics	Stable, low-risk, affected by interest rate fluctuations	Fixed face value with no net asset value fluctuations, the risk mainly comes from issuance and underlying assets
Source: Pharos Research		

2.1.2 Token Architecture Design: Accumulating + Rebasing + Instant Minting and Redemption

In terms of token design, both OUSG and USDY adopt two structural versions:

- **Accumulating OUSG/USDY:** Each token's Net Asset Value (NAV) increases over time as yields are continuously accrued and compounded.
- **Rebasing rOUSG/rUSDY:** The token price remains fixed at \$1.00, while the system mints additional tokens daily to holders based on accrued yield, distributing returns through supply expansion rather than price appreciation.

This dual-version architecture provides users—especially institutional investors—with greater flexibility, as the official documentation specifies that the two versions are interchangeable at a 1:1 ratio.

Meanwhile, these fixed-income instruments support 24/7 instant minting and redemption. Users can swap USDC or PYUSD for OUSG/USDY (and vice versa) in real time. However, instant transactions are subject to volume limits—large or above-limit redemptions may trigger non-instant processing to ensure liquidity management and operational stability.

2.1.3 Multi-Chain Deployment and Cross-Chain Bridging Strategy

To enable OUSG to circulate across multiple ecosystems—such as Ethereum, Solana, Polygon, and XRPL—Ondo Finance has introduced a multi-chain deployment and bridging strategy.

For example, earlier this year, Ondo partnered with Ripple to deploy OUSG on the XRPL (XRP Ledger), allowing users to mint and redeem using RLUSD, Ripple's stablecoin, as the settlement asset ^{[3][4]}.

This cross-chain approach not only enhances liquidity and expands the user base, but also provides a low-friction pathway for capital to move seamlessly across different blockchain ecosystems.

2.1.4 Fee Model and Yield Distribution

Ondo Finance charges a management fee of 0.15% per annum, which is considered relatively conservative. Yield distribution—whether in accumulating or rebasing form—is based on the net interest income of the underlying portfolio after deducting operational costs. Minting and redemption may involve minor transaction fees or slippage adjustments, although the project states that some operations (such as certain mint/redeem transactions) are fee-free.

In summary, Ondo's product logic centers on transforming traditional safe assets into on-chain, accessible instruments through a combination of stable and auditable Treasury-backed portfolios, flexible token architecture, multi-chain liquidity provision, and a low-fee structure.

2.1.5 Current Performance

As of October 2025, OUSG has a total asset value of approximately \$792 million, with a Net Asset Value (NAV) of around \$113 per token. Over the past 30 days, its secondary market monthly transfer volume was about \$32.85 million, with a circulating supply of roughly 7,011,494 tokens. The holder count stands at only 79, and there are approximately 12 active addresses.

These figures indicate that OUSG has achieved meaningful scale and maintains a compliant institutional structure. However, its secondary market activity remains limited—the low number of active addresses and holders suggests that liquidity is highly concentrated among a few large or institutional participants, underscoring that OUSG functions primarily as an institutional-grade product rather than an open, retail-oriented DeFi asset.

In contrast, USDY demonstrates significantly greater user reach and on-chain engagement. Its total asset value is approximately \$691 million, with a Net Asset Value (NAV) of about \$1.11 per token

and an annual percentage yield (APY) of roughly 4.00%. More importantly, USDY has around 15,959 holders, 1,124 active addresses per month, and a monthly transfer volume of approximately \$22.66 million. These figures clearly indicate that USDY has a broader user base and higher on-chain activity, highlighting its stronger capacity for network expansion and user adoption [12].

2.2 Technical Architecture: On-Chain Systems and Trusted Interfaces

Product logic forms the foundation, but successful implementation depends on whether the technology can reliably connect off-chain assets, cross-chain mechanisms, and on-chain smart contracts.

2.2.1 Smart Contract System and Access Control

OUSG deploys standard ERC-20 or security token-compatible contracts on mainchains such as Ethereum, providing functions for minting, redemption, price querying, and rebasing. The contract architecture incorporates access control mechanisms—including administrator roles, pause functions, minting whitelists, and redemption limits—to prevent unauthorized actions or misuse.

To minimize risks, the contracts have undergone multiple security audits, including static analysis and fuzz testing. According to public disclosures, Ondo Finance has confirmed that its contracts are audit-certified.

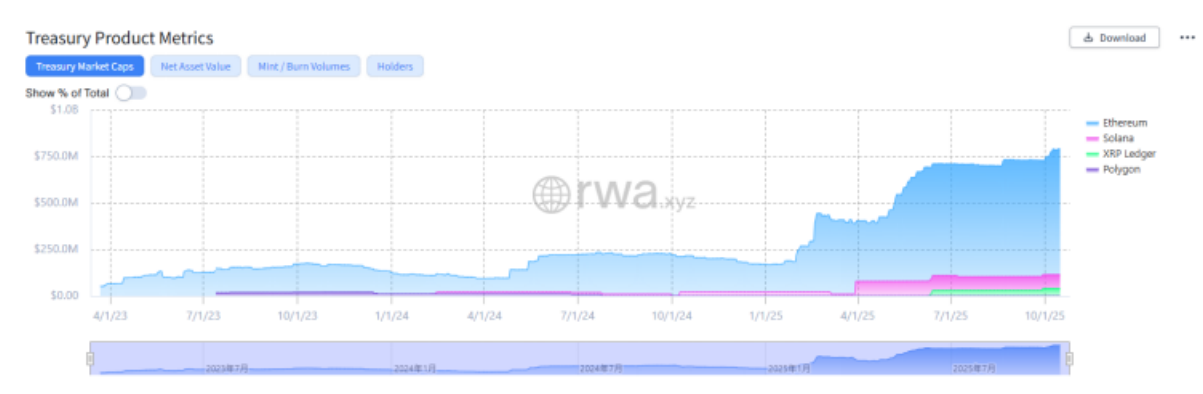
2.2.2 NAV / Valuation Oracle and Transparency Mechanism

To keep the on-chain token value synchronized with off-chain asset valuations, a reliable and tamper-resistant NAV Oracle system is essential. Ondo Finance entrusts a third-party fund administrator to access underlying asset accounts, calculate daily net asset value (NAV) and portfolio composition, and transmit this data on-chain through off-chain-on-chain interfaces using Pyth Network and Chainlink oracles.

In terms of transparency, Ondo provides investors with portfolio breakdowns, daily reports, audit statements, and custodian disclosures. Platforms such as RWA.xyz display key indicators for OUSG and USDY, including asset composition, number of holders, and net asset value, ensuring full on-chain transparency.

2.2.3 Cross-Chain Bridging and Arbitrage Synchronization

Figure 3 Market capitalization trends of Treasury-backed RWA products across different blockchains



Source: RWA.xyz

To maintain price consistency and convertibility of OUSG and USDY across different chains, Ondo employs a cross-chain bridging mechanism—based on lock-and-mint / unlock-and-burn processes—paired with an arbitrage synchronization system. When the price of OUSG on one chain deviates from its Net Asset Value (NAV), arbitrageurs can restore parity by conducting cross-chain redemption, transfers, and minting/redemption cycles.

Since cross-chain bridges are inherently high-risk zones, Ondo has implemented multiple security safeguards, including multi-signature controls, redemption buffers, and asset segregation mechanisms. The deployment on XRPL serves as a representative case: OUSG is issued on the XRPL, with RLUSD used as the settlement token for minting and redemption. This cross-chain collaboration is a core strategy for Ondo's ecosystem expansion.

2.2.4 Building Composability and Lending Integration

To make OUSG and USDY truly functional within the DeFi ecosystem, Ondo has introduced complementary protocols such as Flux, enabling OUSG to be used as collateral for borrowing, liquidity mining, and portfolio strategies—essentially positioning OUSG as a foundational DeFi asset. This composability design transforms OUSG from merely a yield-bearing instrument into a core component of more complex financial operations.

In addition, Ondo announced in February 2025 the launch of its own base layer network (Ondo Chain), designed to support large-scale RWA operations.

2.3 Risk Control Mechanism: From Trust Building to Contingency Management

Even with solid product and technical architecture, institutional capital will remain hesitant without a sound risk management framework. Ondo's risk control design is therefore a critical aspect

2.3.1 Compliance, Legal Structure, and Asset Segregation

Ondo places OUSG under a regulated trust/SPV (Special Purpose Vehicle) structure and classifies its tokens as securities compliant with U.S. securities laws, issued to qualified investors under Regulation D. By setting investor qualification thresholds, implementing KYC/AML checks, and maintaining an address whitelist system, Ondo ensures on-chain compliance and access control.

The underlying assets—such as U.S. Treasuries and fund shares—are held by independent custodians, with contracts and fund agreements clearly defining asset ownership and investor rights. This structure provides legal asset segregation, ensuring that in the event of platform failures or operational risks, investors can legally reclaim ownership and benefit from asset recovery protections.

Traditional DeFi protocols rely primarily on smart contracts for fund management and yield distribution, typically lacking a legal entity and clear asset ownership definition. As a result, users have limited recourse in cases of contract vulnerabilities, liquidation risks, or hacks. This combination of legal, regulatory, and custodial safeguards represents the key distinction between Ondo and purely DeFi-native project

2.3.2 Transparency, Auditing, and Disclosure Mechanisms

Ondo appoints third-party fund administrators to conduct daily NAV calculations and disclose portfolio details and NAV reports, while independent annual auditors review custodied assets, cash flows, and reporting procedures.

On-chain, its smart contracts publicly display minting and redemption records, token circulation data, and holder address structures. Platforms such as RWA.xyz also provide key metrics for OUSG, including asset size, number of holders, and NAV fluctuations.

This dual transparency mechanism—on-chain and off-chain—serves as the foundation for trust and accountability [5].

Figure 4 Overview of current market data for OUSG

Market Data	
Total Value ⓘ	\$788,342,408 ▲
NAV ⓘ	\$113 ▲
Price ⓘ	\$113 ▲
Token Supply	6,974,340.61 ▲
Circulating Supply	6,974,340.61 ▲
Yield to Maturity ⓘ	—
Holders ⓘ	78 ▲
Trailing 30D Active Addresses ⓘ	12
Monthly Transfer Count ⓘ	16
Monthly Transfer Volume ⓘ	\$32,836,460 ▲

Source: RWA.xyz

2.3.3 Redemption and Liquidity Risk Management

To prevent run-on-liquidity shocks, Ondo Finance employs a three-layer hybrid redemption framework for its on-chain Treasury products, consisting of an instant redemption limit, a liquidity buffer pool, and a redemption queue mechanism.

Regular users can redeem instantly within the preset limit, while redemptions exceeding that threshold are processed through a non-instant (queued) redemption procedure [6].

The Buffer Pool consists of cash and highly liquid assets to meet daily redemptions and unexpected liquidity needs, avoiding forced Treasury sales during market volatility. It works alongside an instant redemption limit, which caps the amount redeemable per day or per transaction. Requests within the limit are settled immediately from the buffer pool or liquid reserves. Those exceeding the limit enter a non-instant redemption process, pending pool replenishment, asset liquidation, or queue-based execution. The redemption queue activates when demand surpasses limits, processing requests sequentially while periodically restoring liquidity. This tiered redemption structure balances liquidity and stability, allowing 24/7 minting and redemption while preventing systemic risks from large-scale withdrawals.

2.4 Institutional Participation Pathways: Who, How, and Why

After establishing sound product and technical frameworks, the most critical step is attracting institutional capital. The table below summarizes the participation pathways of institutional investors in the fixed-income RWA sector for reference.

Institutional investors' participation path in fixed income RWA				
type	Representative Institution	access method	Main motivation	Characteristics/Cases of Participation
Encryption native institution	MakerDAO、Aave、Maple、Centrifuge	Purchase or mortgage RWA assets through on chain protocols; Issuing stablecoins and credit products	Enhance protocol yield, diversify asset risks, and strengthen off chain asset support	Maple issues on chain credit fund
Traditional financial institutions	BlackRock、Franklin Templeton、WisdomTree、Ondo Finance	Issuing or hosting token treasury bond and monetary funds; Collaboration with DeFi Protocol	Expand the digital asset market, improve asset liquidity and distribution efficiency	Franklin launches BENIJ Digital Fund; BlackRock enters the treasury bond market on the chain through BUILD
Payment and settlement institutions	Ripple、Visa、Mastercard、Circle	Cooperate with RWA platform to build on chain clearing and payment channels	Expand new payment infrastructure and explore the combination of compliant stablecoins and on chain assets	Ripple collaborates with Ondo to deploy OUSG to XRPL and support RLUSD casting; Mastercard launches Multi Token Network (MTN)
Asset Management and Fund Companies	WisdomTree、Superstate、Securitize	Issuing RWA tokenized products in the form of funds or SPVs	Reduce management costs, broaden investor base, and enhance transparency	Securitize issues build, transparent and compliant access to US bond holdings
Qualified Investors and Family Offices	Apollo、Brevan Howard、Galaxy Digital、a16z	Directly or indirectly participate in RWA investment portfolios, DeFi protocols, or token funds	Obtain stable returns, lay out on chain financial infrastructure, and participate in early dividends	Apollo invests in on chain credit pools; A16z supports RWA infrastructure projects
Regulatory and Compliance Participants	SEC、FINRA、Central banks of various countries and sandbox regulatory projects	Supporting RWA compliance pilot through sandbox policies and regulatory exemptions	Promote asset transparency, reduce financial risks, and prevent illegal financing	The GENIUS stablecoin bill and CLARITY bill in the United States promote the standardization development of RWA
Source: Pharos Research				

2.4.1 Crypto-Native Institutions / DAOs / Protocols

These participants are typically the first adopters, holding large amounts of stablecoins but lacking secure yield channels. Through OUSG and USDY, they can access annualized yields (APY) of around 4–5%, comparable to short-term U.S. Treasury rates.

DAOs, project teams, and crypto funds tend to trust on-chain mechanisms, are familiar with smart contract systems, and are willing to assume smart contract risk, making them Ondo's natural early user base.

2.4.2 Traditional Finance / Asset Management Firms / Banks

These institutions place high demands on legal structure, compliance, asset custody, and operational efficiency. Ondo's approach focuses on:

Reducing legal and trust barriers through auditable and regulated SPV/trust structures, KYC and compliance thresholds, and transparent disclosures.

Providing API integrations, custody connectivity, and batch operation interfaces to enable institutional access via familiar workflows.

Ensuring competitive management fees, sufficient liquidity, and low leverage or arbitrage costs to maintain capital efficiency.

In April 2025, Ondo established a custody partnership with Copper Markets, allowing both institutional and individual clients to custody OUSG and USDY through the platform. Although specific institutional participants have not been publicly disclosed, the successful onboarding of even a few institutional investors could create a demonstration effect, effectively lowering the psychological entry barrier for others.

2.4.3 Family Offices / High-Net-Worth Individuals / Trusts / Foundations

Although smaller in scale than large institutions, these investors are characterized by high flexibility, low risk tolerance, and a focus on stable returns. Once sufficient trust and transparency are established, they are willing to allocate a portion of their capital to OUSG or USDY to earn secure yields [7].

For this group, the key factors are product usability, transparent reporting, customer support, and legal protection. If Ondo excels in these areas, it can attract such investors as long-term holders.

2.4.4 Market Makers / Liquidity Providers / Arbitrageurs / DeFi Protocols

These participants act as the market's liquidity facilitators.

Market makers and arbitrageurs help maintain OUSG's price peg by exploiting price differentials across multiple chains and trading pairs.

Liquidity providers (LPs) supply OUSG/USDC (or other pairings) on DEXs, earning trading fees in return.

DeFi protocols integrate OUSG into their collateral, lending, and strategy portfolios, thereby expanding its utility and circulation within the on-chain ecosystem.

To attract these ecosystem participants, Ondo must ensure ample OUSG liquidity, strong contract compatibility, and low cross-chain transaction costs. These players, in turn, enhance OUSG's composability and broaden its influence across the DeFi ecosystem.

2.4.5 Achievements and Scale Performance

By mid-2025, Ondo's OUSG and USXY had been listed in multiple reports as top-three U.S. Treasury-tokenized products, with tokenized asset values in the billions of dollars. Its deployment on XRPL has further benefited from Ripple's liquidity commitments, boosting overall market activity ^[8].

Ondo has also been integrated into Mastercard's Multi-Token Network (MTN) as the first RWA provider, aiming to advance the use of tokenized assets within traditional payment and financial networks. These developments indicate that Ondo is transitioning from the periphery of DeFi toward becoming part of mainstream financial infrastructure ^[9].

03 / Comparative and Trend Analysis: Maple, Centrifuge, and Future Directions

After examining Ondo's success path, this section broadens the perspective to compare the strategies and risk profiles of credit- and structure-oriented RWA projects such as Maple and Centrifuge, highlighting potential lessons for Ondo and outlining future development trends in the RWA sector.

Comparison of Core Features and Key Points of Ondo, Maple, and Centrifuge			
comparative dimension	Ondo Finance	Maple Finance	Centrifuge
Types of underlying assets	US treasury bond bonds, money market funds, bank deposits	Credit assets such as corporate loans, encrypted fund credit, accounts receivable, etc	Real world assets such as accounts receivable, lease claims, bills, etc
product structure	Interest bearing treasury bond fund (OUSG/USDY), NAV accumulation or Rebase architecture	Credit pool+combinable income token	Layered securitization structured asset pool
Risk control mechanism	SPV/Trust Architecture+Compliance Whitelist+Third Party Custody and Audit+Multi Source Oracle Pricing	First loss capital mechanism+due diligence and post loan management by the principal	Asset stratification+risk buffer pool+on chain audit and dynamic net asset value update
Compliance Architecture	Reg D/Reg S+Qualified Investor Limited (OUSG)+Non US Retail Open (USDY)	Partial compliance, mainly targeting institutions and DAO credit pools	Operated under SPV architecture, compliance level depends on asset class and jurisdiction
Yield range	About 4-5% (depending on the yield of treasury bond)	About 4-9.9%, with significant fluctuations	Approximately 3.65-7.5%, depending on the quality of underlying bills
User Positioning	Institutional investors, DAO vault (OUSG)+global retail users (USDY)	Professional lenders, cryptocurrency funds, institutional investors	Qualified investors, small institutions, DeFi users
Liquidity and Trading Characteristics	24/7 casting and redemption, cross chain deployment (ETH/Solana/XRPL)	Liquidity is relatively concentrated, with some pools offering secondary trading	Weak secondary liquidity, mainly relying on on on on chain asset pool redemption
Transparency and Disclosure	Daily net asset disclosure+audit report+on chain query	Loan pool data public+default records available for inspection	Net asset value and audit transparency, but with a longer cycle
Source: Pharos Research			

3.1 Credit Buffering and Structuring: The Next Step for Ondo?

The emergence of Ondo Finance marks the transition of fixed-income RWA into a phase of standardization and institutionalization.

However, relying solely on Treasury-backed assets is insufficient to provide the depth and diversity needed for RWAs to become part of mainstream financial infrastructure. To further enhance credit expansion and yield stratification, Ondo must draw lessons from other mature RWA projects—most notably Maple Finance and Centrifuge. The former offers insights into on-chain credit lending and risk buffering mechanisms, while the latter showcases approaches to structured securitization and multi-tier yield distribution ^{[12][14]}.

From Maple's development framework, the key takeaway for Ondo lies in establishing an institutionalized credit risk buffer under credit expansion. Maple Finance's business model centers on institutional credit lending, involving three key participants: borrowers, liquidity providers, and Pool Delegates. Borrowers—typically crypto-native institutions such as market makers or hedge funds—obtain under-collateralized loans (collateral ratio of 0–50%). Liquidity providers deposit capital into lending pools to earn interest, with principal redemption allowed only after loan maturity. Pool Delegates act as fund managers, conducting credit assessments and setting loan terms, while being required to stake a certain amount of capital (usually no less than \$100,000 in USDC-MPL LP tokens) as a first-loss reserve to compensate lenders in case of default. This model establishes an on-chain mechanism of incentive alignment and risk sharing, creating a dynamic balance between loan security and capital efficiency. Centrifuge's experience offers Ondo a valuable reference for developing a structured and composable asset securitization framework. Its Tinalake system is built on real-world assets such as accounts receivable, issuing tranchified yield tokens representing different risk-return levels, allowing investors to choose based on their risk appetite. This tranching mechanism enhances flexibility in RWA risk management and enables modular on-chain capital participation across various risk tiers ^{[11][13]}. If Ondo adopts a similar model, it could build a structured asset layer on top of the low-risk OUSG and USDY base yields. For instance, it may launch future products such as "OND Yield+" or "OND Structured", combining OUSG as the secure base layer with credit or high-yield debt tranches, achieving multi-tier risk–return matching. This approach would meet both institutional and retail investor needs, while unlocking higher yield potential without compromising underlying stability ^[15].

3.2 Trend Outlook and Future Pathways

Based on the above comparisons and case studies, the following outlines the likely development paths and trends for fixed-income RWAs over the next 2–3 years:

- **Tokenized Treasuries Maturing:** Over the next 1–2 years, U.S. Treasury RWAs will continue expanding, integrating with stablecoins and institutional cash management, becoming a core asset class.
- **Credit Expansion Progressing:** Credit assets—such as commercial paper, corporate bonds, microloans, and receivables—will enter the RWA ecosystem, supported by credit buffers, insurance, ratings, and legal enhancements.
- **Cross-Chain and High-Performance Infrastructure:** As RWAs scale, demand for speed, efficiency, and interoperability will grow. High-performance L1/L2 chains with fast finality and parallel execution will form the next infrastructure layer.
- **Bridge and Cross-Chain Security Evolution:** Cross-chain bridges remain critical but risky. Stronger multi-signature controls, exit buffers, and cross-chain insurance will become standard.
- **Standardization and Compliance Infrastructure:** Security token standards, KYC whitelist APIs, and platforms for custody, auditing, credit rating, and legal services will emerge as core public infrastructure.
- **Capital Layering and Modular Architecture:** Future platforms will introduce multi-tranche structures (safe, credit, leveraged) to serve diverse risk-return profiles.
- **Regulatory Integration:** In the U.S., EU, and Hong Kong, evolving stablecoin laws, securities regulations, and custody rules will define RWA adoption boundaries.

04 / Conclusion

The significance of fixed-income RWAs goes far beyond simply “putting traditional assets on-chain.” The case of Ondo Finance demonstrates that true on-chain assetization requires a complete alignment between financially sound product design, secure and controllable smart contracts, transparent and robust risk frameworks, and institutional trust mechanisms. Only when these elements form a coherent cycle can RWAs achieve systemic relevance in the financial ecosystem.

However, Ondo’s success is only the beginning. As tokenized U.S. Treasuries enter the maturity stage, the core competition in RWA will shift from “whether assets can be tokenized” to “how to build new liquidity structures and capital order once they are on-chain.” The next phase will center on credit expansion, structured securitization, cross-chain interoperability, asset portfolio integration, and regulatory collaboration. Projects that can strike a balance between technological efficiency, financial innovation, and institutional trust will be the ones capable of defining the future of financial infrastructure.

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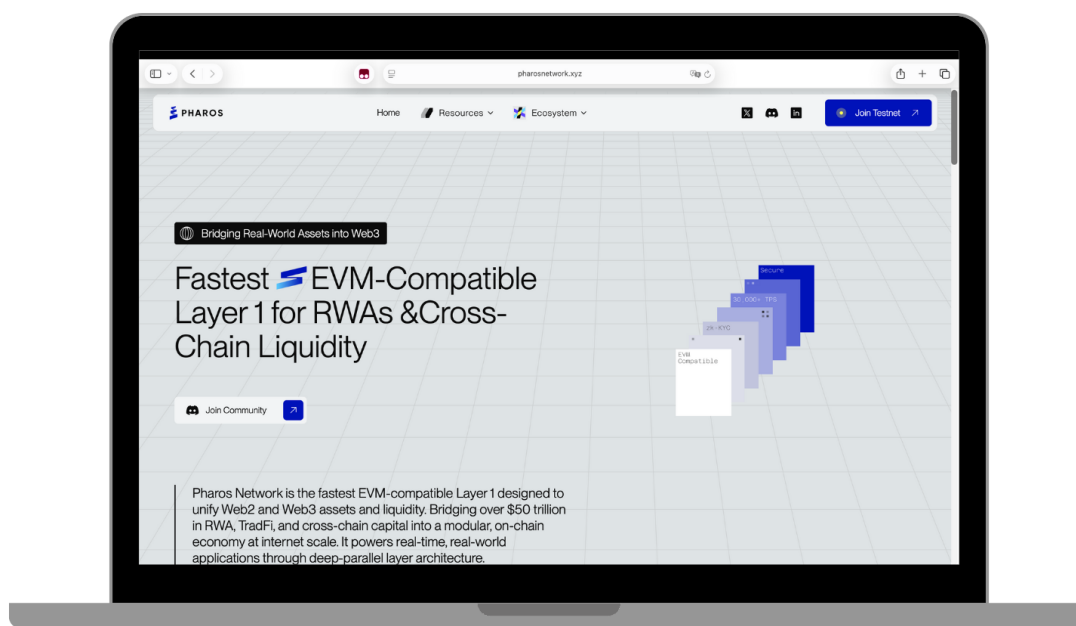
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