



Investment Thesis

Ondo Finance

ONDO

Basic Information

Token type	Governance Token
Price	\$1.02
GCCS Classification	Decentralized Finance, Tokenization, Governance Token
Sector	Decentralized Finance

Source: CoinGecko, Data as of November 24, 2024

Key Metrics

Price Range (1Y)	\$0.20 - \$1.46
All-Time High	\$1.46
All-Time High Date	5 June 2024
Down From All-Time High	-30.14%
Market Capitalization	\$1.47B
Volume (24H)	\$265.14M
Circulating Supply	1.44B ONDO
Max Supply	10B ONDO
Total Value Locked (TVL)	\$641.15M
Number of Integrations	11 Chains

Source: CoinGecko, DeFiLlama, Artemis
Data as of November 24, 2024

Overview

Ondo Finance launched in 2022, pioneering the tokenization of real-world assets (RWAs) like U.S. Treasuries and money market funds. Ondo bridges traditional finance and blockchain, with **\$2.2B** in tokenized assets, offering transparency, efficiency, and accessibility to institutional-grade securities.

Ondo manages approximately **\$600M** in tokenized assets, with two tokenized products, USDY (U.S. Dollar Yield Token) and OUSG (U.S. Short-Term Government Bond Fund), Ondo has rapidly grown from **\$125M** at the start of 2024, reflecting strong demand for its solutions. Ondo's tokenized securities bring significant benefits, including instant settlement, eliminating delays and higher costs with flexible yield options by offering investors the choice between rebasing or accumulating returns. These assets are increasingly integrated into the DeFi ecosystem, available across 11 blockchains and providing liquidity on over 47 platforms, allowing users to earn passive income or utilizing them as collateral.

These advantages uniquely position Ondo to sustain its growth even as global interest rates decline, offering an efficient and accessible solution for yield generation through blockchain-powered RWAs.

- **April 2022:** Ondo Finance raised **\$20M** in Series A funding, led by Founders Fund and Pantera Capital.
- **May 2022:** ONDO token launched via CoinList.
- **August 2022:** Ondo launched Flux Finance, enabling borrowing and lending with tokenized RWAs.
- **2023:** USDY debuted on Solana with integrations into major dApps like Raydium, Orca, and deBridge.
- **2024:** Ondo Finance transferred **\$100M** into BUIDL; Paypal stablecoin, PYUSD enabled for conversation in and out of OUSG.
- **November 2024:** USDY integrated into Solana's Drift protocol, enabling yield-bearing collateral for prediction markets.

Key Takeaways

- Ondo Finance is pioneering the tokenization of RWAs, capturing a **30%** market share with over **\$650M** in TVL.
- By leveraging blockchain, Ondo offers instant settlement, flexible yield options, and collateral usability, significantly reducing transaction costs.
- Ondo's ONDO token facilitates community governance, enabling token holders to shape the protocol's direction while driving innovation and adoption.

Risk Factors

- **Interest Rate Dependency:** A prolonged period of falling or low U.S. Treasury yields could reduce the attractiveness of Ondo's products, impacting demand.
- **Competitive Risk:** Ondo faces increasing competition from other RWA tokenization platforms such as Securitize and Circle, which could challenge its market dominance.
- **Limited Token Utility:** The ONDO token currently lacks complex functionality or technical applications, which may limit its value proposition and price performance over time.

Price Performance



Source: CoinGecko. Data from January 18, 2024 - November 24, 2024

Total Value of Tokenized Assets



Source: Dune Analytics. Data from January 30, 2023 - November 24, 2024

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