



Ondo Finance

Tokenization Grand Prix — Ondo (USDY)

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O. Executive Summary

We believe our proposal for USDY, alongside our proposal for OUSG, offers SparkDAO and the Sky ecosystem a best-in-class solution for the diversification of its RWA portfolio. Our proposal has been tailored to meet the requirements of the Sky ecosystem for the highest possible yield, while maintaining healthy liquidity. In addition, Ondo Finance and its affiliates are committed to building a long-term relationship and being the strategic partner to the Sky ecosystem. We are excited to provide the most effective backing for sUSDS and help make it into the preeminent savings instrument onchain for people globally. and be the strategic partner to the Sky ecosystem. We are excited to provide the most cost-effective and multichain backing for sUSDS and help make it into the preeminent savings instrument onchain for people globally.

Unparalleled scale and experience	Ondo is the market leader in RWAs with a combined TVL exceeding \$600M. We have unmatched experience with managing onchain RWAs at scale. Over the past 20 months, Ondo has also pioneered multiple RWA innovations, such as OUSG (the first peer-to-peer transferable fund onchain), USDY (the first quasi-permissionless bearer note backed by US Treasuries), and <u>Flux Finance</u> (“Flux,” the first DeFi protocol designed to support permissioned securities). Going forward, Sky can expect Ondo to pioneer additional innovations that will be accretive to the Sky ecosystem and its products (e.g., USDS and sUSDS).
Best-in-class product features	As the largest quasi-permissionless RWA product, USDY has a clear track record of best-in-class product features. USDY offers the highest yield with daily interest accruals, near-zero fees, rebasing and non-rebasing versions, and unparalleled multi-chain availability (USDY is live on 7 different chains). USDY is designed to be used across a variety of use cases and is integrated with over 70 different protocols.

Robust investor protection	USDY offers industry-leading protections to its holders. USDY holders benefit from a perfected, first-priority security interest in the issuer's US Treasuries and cash assets that fully back and overcollateralize the token value and are held in a bankruptcy remote special purpose vehicle. An independent Collateral Agent protects the tokenholders' interests in these assets, while an independent Verification Agent helps ensure detailed, daily transparency of the issuers assets and obligations.
Highest onchain yield	USDY has historically achieved some of the highest onchain yields (5.35%) due to its backing, efficient management and very low fees. In addition, we will soon support instant redemptions of USDY against other major stablecoins, including USDS, for up to \$25M per day.
Long-term strategic partnership	USDY can offer long-term strategic advantages to SparkDAO and the Sky ecosystem, particularly as it relates to the performance of its RWA portfolio and its multichain footprint. For example, Sky will be able to easily expand the backing of USDS and sUSDS to other chains (and minimize transaction fees for its holders) with the multichain integrations and bridging of USDY. Finally, Ondo's Global Market initiative will be able to bring other fixed-income products and public securities onchain for SparkDAO and the Sky ecosystem, thereby always ensuring the most optimal backing of sUSDS.

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I. Product Summary

Project name	Ondo USDY LLC, a controlled affiliate of Ondo Finance Inc. (the “LLC” or the “Issuer”)
Product name	Ondo US Dollar Yield Token (USDY)
Product type / underlying asset	USDY is a tokenized bearer note that yields a fixed APY set monthly by the Issuer, and is primarily secured and over-collateralized by short duration (< 3 mo) US Treasuries.
Issuer jurisdiction	United States
Product website	ondo.finance/usdy
Primary contact name, title, and method of contact:	Nathan Allman Founder & CEO, Ondo Finance Inc. CEO, Ondo USDY LLC partnerships@ondo.finance

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II. Company Details

Company description	Ondo Finance is a web3 native technology and asset management company that is building towards an open and more accessible financial system by launching institutional-grade assets, services and infrastructure on public blockchains. Over the past 20 months, Ondo has pioneered multiple RWA innovations, such as <u>OUSG</u> (the first peer-to-peer transferable fund onchain), <u>USDY</u> (the first quasi-permissionless bearer note backed by US Treasuries), and <u>Flux Finance</u> (“Flux,” the first DeFi protocol designed to support permissioned securities).
	Ondo currently offers two flagship assets: <u>OUSG</u> , a tokenized US Treasuries fund, and <u>USDY</u> , a quasi-permissionless yieldcoin secured by US Treasuries. Ondo is the market leader in the tokenized treasuries category with a combined TVL exceeding \$615M. Specifically, USDY is the most widely held tokenized US Treasuries product by number of holders, and is live across 7 blockchains with more than 70 integrations.

A comparison of our flagship products:

	 OUSG Ondo Short-Term US Government Treasuries	 USDY Ondo US Dollar Yield Token
 Eligibility	Accredited Investors & Qualified Purchasers Worldwide	Non-US individuals & Organizations
 Yield	5.35%	5.35%
 Underlying Assets	BlackRock USD Institutional Digital Liquidity Fund (BUIDL)	Short-Term US Treasuries
 Permissions & Transfers	Permissioned; Transferable to Approved Holders	Permissionless
 Liquidity	Instant, 24/7 Subscriptions and Redemptions	Daily Subscriptions and Redemptions
 Use Cases	Liquid Cash Management and Settlement	DeFi, Payments, Collateral
 Regulatory Compliance	Continuous Reg D Compliant Offering	Continuous Reg S Compliant Offering Issuer is a US Registered Money Services Business
 Available Networks	 Ethereum,  Polygon,  Solana	 Ethereum,  Mantle,  Solana,  Sui,  Aptos,  Noble,  Arbitrum

Recently, we also rolled out the Ondo Bridge, which seamlessly transfers Ondo's yield-bearing USDY token across blockchains. We have partnered with prominent bridging technologies, such as Axelar, and incorporated state-of-the-art, multi-chain communication primitives together with a novel Ondo risk management layer to help tokenholders bridge RWAs in a safe and efficient manner. It's one of the first Multi-Message Aggregation Bridge implementations with amount-based attestation thresholds, relying on both the Axelar Network and Ondo's off-chain systems to relay and attest messages. Ondo strives to build out the services and infrastructure needed to enhance utility and security for tokenized assets more broadly.

Finally, in January 2024, we announced Ondo Global Markets ("Ondo GM"), which will bring publicly listed securities onchain. Ondo GM will unlock access to traditional securities, bringing their liquidity onchain while adding DeFi capabilities to these traditional assets. It is a foundational platform bridging TradFi and DeFi that will include a broker-dealer with accounts at traditional trading, clearing and settlement venues that will accept client orders via API, web app, and smart contract call or token transfer. Ondo GM will combine the asset and liquidity access plus the institutional-grade investor protections of traditional brokerages with the interoperability, composability, and low friction settlement of public blockchains. In summary, Ondo GM will provide native access to traditional securities and associated exchange liquidity for onchain investors and protocol developers.

Years in operation	Ondo Finance Inc., the company which indirectly controls Ondo USDY LLC, was founded 3.5 years ago. USDY was launched just over 13 months ago.
Team size	40+

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III. Product Information

1. Describe the product:

The Ondo US Dollar Yield Token (USDY) is a tokenized bearer note that is overcollateralized and secured by short-term US Treasuries (which constitute over 95% of the Issuer's assets) and US bank demand deposits (i.e. cash deposits in US banks that can be withdrawn upon demand of the issuer). The first-of-its-kind product provides its holders with onchain access to US Treasuries in a bearer form that is composable with DeFi protocols, and is the most widely held, most composable, and most DeFi-integrated tokenized US Treasuries asset available.

USDY yields variable-rate interest, adjusted monthly in advance by the Issuer, in accordance with its procedures, to be competitive with short-duration US Treasury rates. The yield automatically compounds, such that the USD-denominated minting and redemption value of USDY increases each day. As of this writing, USDY yields 5.35% APY.

USDY Overview

 Eligibility	Non-US individuals & Organizations
 Yield	5.35%
 Underlying Assets	Short-Term US Treasuries
 Permissions & Transfers	Permissionless
 Liquidity	Daily Subscriptions and Redemptions
 Use Cases	DeFi, Payments, Collateral
 Regulatory Compliance	Continuous Reg S Compliant Offering Issuer is a US Registered Money Services Business
 Available Networks	 Ethereum,  Mantle,  Solana,  Sui,  Aptos,  Noble,  Arbitrum

USDY also offers significant investor protections. These include (1) creditor rights under Delaware commercial law and US federal bankruptcy law; (2) requirements for Ondo USDY LLC to overcollateralize its obligations to USDY holders; (3) representation by an independent Collateral Agent that holds a first-priority security interest in all of the LLC's assets for the benefit of USDY holders and that is empowered and required to seize those assets and make distributions to token holders in major Issuer default events; (4) the bankruptcy remote design and operation of the Issuer; and (5) daily transparency regarding the Issuer's assets and obligations. See Sections IV.4 and IV.5 below for details regarding these protections.

2. Describe the underlying asset:

USDY is secured and overcollateralized by short-duration US Treasuries with a maximum term of one year and an average maturity of three months, though it may hold small amounts of bank demand deposits to facilitate redemptions and liquidity.

3. How is yield transferred to the tokenholder (i.e., via rebasing, distributions, price accrual, etc.) and how often?

USDY comes in two versions: an ‘accumulating’ version (USDY) whose per-token price increases as yield accrues, and a ‘rebasing’ version (rUSDY) whose price remains at \$1.00. Whereas the price of USDY tokens increases as the value of the underlying assets increase, rUSDY is automatically subdivided into more rUSDY in your wallet; in effect, the yield on the underlying assets accrues in the form of additional rUSDY tokens. For example, if you acquired 100 rUSDY tokens when the price per token of USDY was \$1.00 – and then the price per token of USDY increased to \$1.01, the price per token of rUSDY would remain at \$1.00, but your wallet would now hold 101 rUSDY tokens. This ‘rebasing’ occurs automatically when the USDY price is updated each day.

Tokenholders can easily and instantly convert back and forth between USDY and rUSDY on the USDY [website](#) at any time.

	USDY	rUSDY
Token Type	Accumulating	Rebasing (distributing)
Yield Accrual Profile	Reflected through an increasing redemption price (Reference Token Price)	Reflected as a subdivision of rUSDY tokens into additional rUSDY tokens daily
As Treasury Yield Accrues, the Token Price	Increases	Remains at \$1.00
Best Suited for	Buy-and-hold cash management (some custodians only support accumulating tokens), collateral in smart contracts	Yield-bearing means of settlement or exchange

More information about rUSDY can be found [here](#).

4. What is the jurisdiction of the issuer and key entities?

Issuer: Ondo USDY LLC

USDY is issued by Ondo USDY LLC, a Delaware limited liability company and special purpose vehicle that is designed for bankruptcy remoteness from all other persons and entities, including Ondo operating companies.

Servicer and Administrator: Ondo Finance Inc.

Ondo Finance Inc., a Delaware corporation, provides technical, financial, operational and administrative services to the Issuer, including smart contract development and administration, daily valuation calculations, accounting services, and financial operation and reporting.

Other

Category	Entity	Jurisdiction
Brokers / Custodians	Morgan Stanley Stone X	United States
Collateral Agent	Ankura Trust Company	United States
Verification Agent	Ankura Trust Company	United States
Banking Partners	Silicon Valley Bank	United States
Fiat-to-Stablecoin Conversion	Coinbase	United States

5. What is the asset eligibility criteria and/or concentration limitations for the portfolio as defined by the underlying documents?

Ondo USDY LLC is a special purpose vehicle with strict, narrow asset allocation requirements. Specifically, it must allocate its assets to acquire US Treasuries with a term of one year or less, to make US dollar demand deposits in qualifying US banks, or to convert proceeds from the sales of USDY tokens to US Dollars only. At least 95% of the portfolio is invested in short-duration US Treasuries, diversified across multiple US Treasury issuances in accordance with USDY's asset allocation procedures.

6. Are any hedging or derivatives permitted in the underlying portfolio?

No.

7. Provide a list of all counterparties and service providers used by your product (i.e., custodians, trustees, reporting agents, exchange agents, banks, etc). Provide flow-charts or diagrams for all related entities and counterparties, if available.

[Ankura Trust Company](#), whose professionals average over 23 years of global financial markets experience, serves as USDY's Collateral Agent and Verification Agent. Control agreements that we have entered into with Ankura Trust Company and each of the banks and custodians holding assets backing USDY give Ankura the legal right and obligation in its role as Collateral Agent, to take control of USDY's assets and repay Tokenholders upon the occurrence of certain events of default and upon acceleration of the loans by the requisite consent of USDY holders. In its capacity as Verification Agent, Ankura Trust provides daily transparency reports with detailed asset holdings. These reports are made public and [posted on our website](#). On a monthly basis, we also provide more detailed reconciliation reports by the 20th of the following month; these reports are reviewed by Ankura in accordance with the relevant governing documents, and [posted on our website](#).

[Morgan Stanley](#) is a US Globally Systemically Important Bank (G-SIB) with an S&P (long-term) rating of A+. Morgan Stanley holds US Treasuries backing USDY in a 'cash custody' account, as well as bank deposits of the Issuer.

[StoneX](#), a publicly traded company meeting the highest standards of regulatory compliance in the markets they serve, is an institutional-grade financial services franchise, where US Treasuries backing USDY are held in a ‘cash custody’ account.

[Coinbase Prime](#) is an integrated solution offering advanced trading, custody, and financing services for institutional investors, and serves as Ondo USDY LLC’s partner for stablecoin-to-fiat conversion.

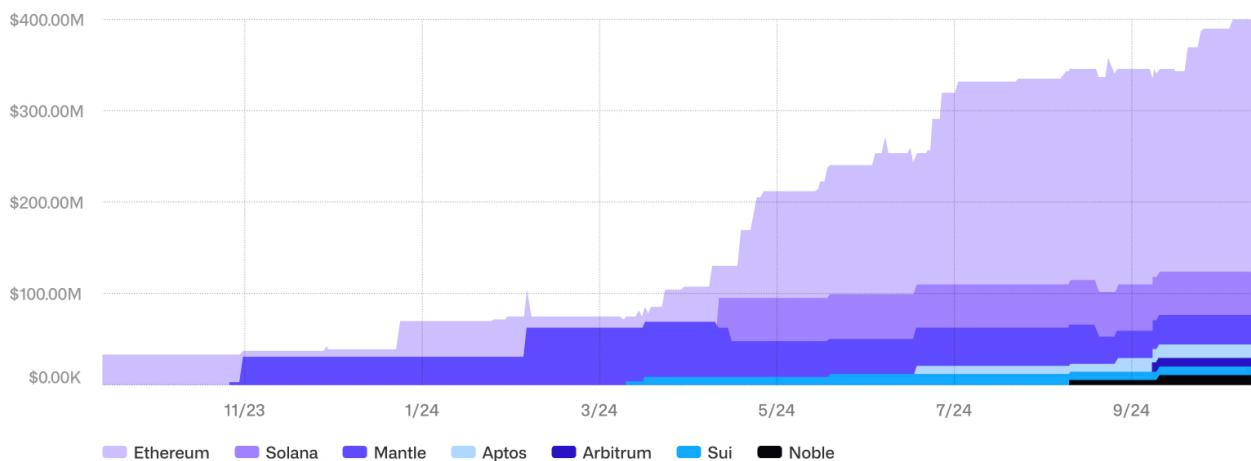
[Silicon Valley Bank](#) is a division of First-Citizens Bank & Trust Company, an FDIC regulated US bank with an S&P (long-term) rating of BBB+, and holds USDY LLC’s bank deposits.

8. What is the AUM of the product? Provide a breakdown by blockchain:

As of September 10, 2024, USDY has \$396.4 million dollars in AUM.

USDY Treasury Product Metrics

Market Cap	Monthly Transfer Volume	Monthly Active Addresses	Holders
\$396,809,681	\$408,704,420	713	4,365



Network	Market Cap
Ethereum	\$282,415,178
Solana	\$44,662,905
Mantle	\$27,388,442
Aptos	\$15,524,778
Arbitrum	\$10,588,034
Sui	\$8,230,292
Noble	\$8,000,048

USDY Token Contract Addresses by Chain

Blockchain	Address
Ethereum	0x96f6ef951840721adbf46ac996b59e0235cb985c
Mantle	0x5bE26527e817998A7206475496fDE1E68957c5A6
Arbitrum	0x35e050d3C0eC2d29D269a8Ec Ea763a183bDF9A9D
Solana	A1KLoBrKBde8Ty9qtNQUtq3C2ortoC3u7twggz7sEto6
Sui	0x960b531667636f39e85867775f52f6b1f220a058c4de786905bdf761e06a56bb
Aptos	0xcf864b32833f157f042618bd845145256b1bf4c0da34a7013b76e42daa53cc
Noble	https://www.mintscan.io/noble/assets/native/YXVzZHk=

9. What are the standard fees (i.e., subscription, redemption, management, etc.)?

Management and Performance Fees

USDY charges no management or performance fees. When you invest in USDY, we earn interest on the US Treasuries and bank deposits to which the proceeds are allocated. We earn any difference between that interest and the yield that accrues to USDY.

Transaction Fees

There are no mint fees for USDY. There is a 20 bps fee on redemptions. There are no incoming and outgoing wire / money transmission fees for transactions over \$100,000.

10. Other than the fees described above, can other expenses be paid from the proceeds of the product/assets?

Proceeds from the issuance of USDY, whether direct or indirect, are used by the Issuer for payments to maintain the Issuer's operations (i.e. payments to Ankura Trust Company as the Collateral Agent and Verification Agent, and to Ondo Finance as Servicer and Administrator). Such use of proceeds, however, does not release the Issuer's obligation to tokenholders to maintain sufficient overcollateralization of its USDY liabilities. The interest that accrues to USDY is net of any and all such payments.

11. How is your product permissioned? (e.g., primary users, secondary users)

Primary purchasers and redeemers of USDY must undergo and successfully complete customer due diligence with Ondo USDY LLC as a condition to primary purchase and redemption. The LLC's customer due diligence process screens these persons for (1) anti-money laundering and sanctions compliance and (2) jurisdictional purposes in connection with the LLC's regulatory obligations as a US registered money services business and under US federal securities and tax laws, respectively.

Due to restrictions imposed by US federal securities laws, primary purchasers of USDY initially receive a non-tokenized electronic record of their ownership (their "Temporary Global Certificate"), which is eligible for automatic conversion to USDY tokens 40-50 days post-purchase (based on the USDY price at the time of initial subscription).

Because USDY is a bearer asset, once it is minted it becomes transferable peer-to-peer without Issuer KYC or recordation of ownership. Accordingly, USDY is a highly composable and liquid asset.

12. What is the monthly transaction volume for the product?

The 30-day transaction volume is \$408,704,420 as of September 18, 2024. Additional metrics can be found on [this dashboard](#).

13. What is the expected and maximum time for users to subscribe to and redeem from your product? Have you had any interruptions in your ability to process redemptions and subscriptions?

Investors typically receive their USDY Temporary Global Certificate the first business day after a subscription request; it is the acknowledgement date on this certificate that determines when the investor begins earning yield. For subscriptions made via the USDY web app, this acknowledgement date is the date that the investment was made, even if certificate issuance is delayed. Actual USDY token issuance currently happens 40-50 days after the initial subscription, based on the price at initial subscription.

Investors can request redemptions of Temporary Global Certificates or USDY tokens. In both cases, it typically takes between 2-3 business days to redeem. Any redemption in excess of \$100,000 must be made no later than 5 business days after the demand for payment.

To date, we have not had any interruption in our ability to process subscriptions or redemptions.

14. Provide a description of the subscription and redemption process. Include a diagram of the flow of funds, including each party involved.

Onboarding & KYC Verification

Before any subscription can proceed, prospective tokenholders must successfully complete the Issuer's customer due diligence to ensure compliance with regulatory standards. This ensures that only verified investors can mint or redeem USDY tokens.

Subscription Process

Step 1: Subscription Request (Immediate / Atomic)

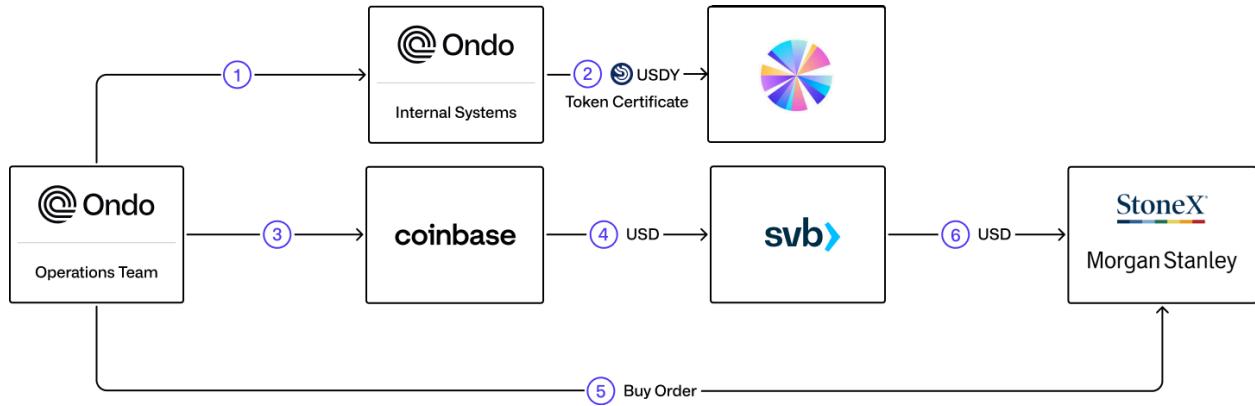
The investor (1) interacts with the USDYManager contract, which (2) routes the investor's USDC to USDY's Coinbase account. This information is also logged in our internal, centralized systems.



Step 2: Token Certificate Issuance & Treasury Purchase (Next Business Day)

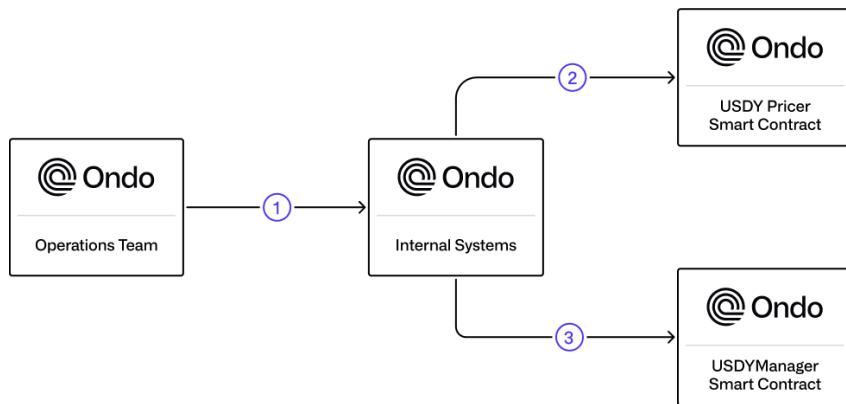
The next business day, our operations team (1) interacts with our internal systems to process the subscription and (2) issue the investor a redeemable USDY Temporary Global Certificate, which indicates the number of USDY tokens that will be minted for this subscription based upon USDY's token price at the time when the subscription is processed..

The operations team also (3) converts the investor's USDC into USD, then (4) wires that money to SVB. Lastly, the operations team (5) places a buy order for US Treasuries at one of its brokers and (6) wires the USD.



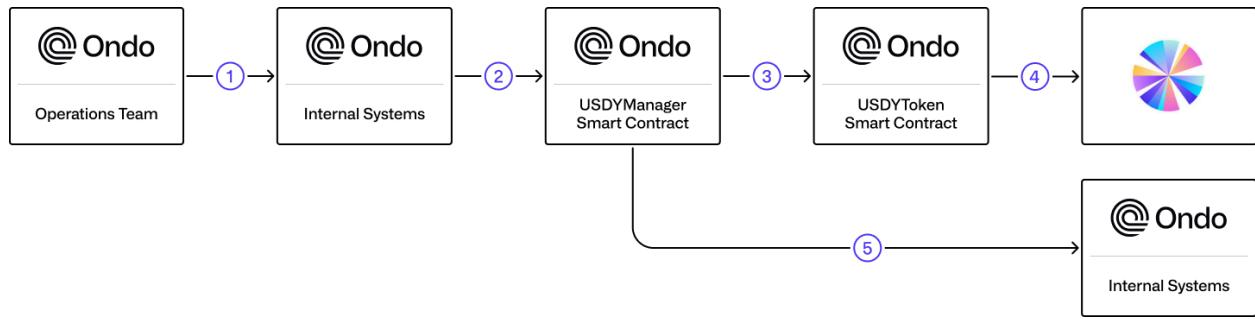
Step 3: Internal Processing (Prior to Minting)

On a regular cadence, our operations team (1) interacts with our internal systems to process the subscription onchain and prepare for token minting. First (2) the USDY Pricer contract is used to associate the appropriate USDY price with the particular subscription. Finally, the system (3) sets a “Claimable Timestamp” for the subscription in the USDYManager contract, which indicates when the tokens associated with the subscription can be minted.



Step 4: USDY Token Minting (~40 Days After Subscription Request)

Once the Claimable Timestamp time has been reached and the tokens can be minted, the operations team (1) interacts with our internal systems to (2) initiate the mint process via the USDYManager contract. The USDYManager Contract (3) proposes a mint transaction to the USDY Token contract, which both the internal operations team *and* senior management must approve and sign. Once signed, the USDY token contract (4) mints the USDY tokens to the investor's wallet, and the USDYManager contract state is updated to reflect this. Once complete, (5) our internal systems automatically update to indicate that the USDY temporary certificates have been successfully converted into USDY tokens.

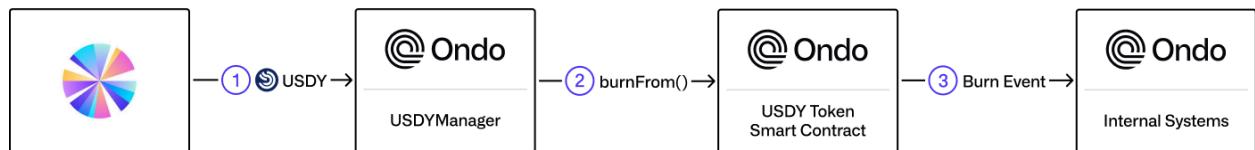


For more information, please see the [How It Works: Subscriptions](#) section of our support documentation.

Redemption Process

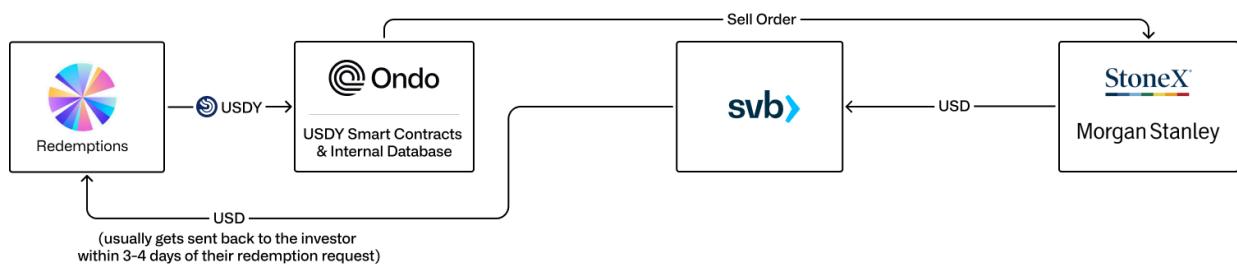
Step 1: Redemption Request (Immediate / Atomic)

When the investor requests a redemption, the (1) USDYManager contract is called, which in turn (2) calls burnFrom() on the USDY Token contract to burn the investor's USDY. This action causes the USDYManager contract to (3) emit an event which is detected by our internal systems.



Step 2: Treasury Sale & Redemption Fulfillment

The next business day, the operations team initiates a sell order for the appropriate amount of Treasuries. Once the cash settles from the trade, the USD is wired to USDY's bank account, and ultimately onto the investor's non-US bank account. This process typically takes 1-2 business days.



For more information, please see the [How It Works: Redemptions](#) section of our support documentation.

15. Have any liquidity vehicles been established to enhance redemption and subscription efficiency? If so, describe how they work.

Please refer to the materials we submitted privately.

16. With what product can subscriptions and redemptions be made? (i.e., fiat, Dai, USDC, etc.)

Currently subscriptions can be made in both USD (via bank wire) and USDC. Primary redemptions can only be serviced in US dollars to non-US bank accounts, though USDC and USDT may be exchanged with USDY on secondary markets.

17. What are your future development plans for the product?

The future development plans for USDY include several key updates aimed at enhancing its functionality, flexibility, and user experience. Alongside the current support for USDC, USDY will soon support USDS and other major stablecoins for subscriptions and redemptions. For more information, please refer to the materials we submitted privately.

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IV. Legal Structure

1. Explain the legal structure of the product and the jurisdictions in which it operates:

Ondo USDY LLC is structured as a special purpose vehicle whose activities are limited to (1) borrowing funds from prospective lenders, (2) issuing USDY tokens to evidence the LLC's debt obligations to those lenders, (3) allocating the proceeds of borrowing to US Treasuries and US bank demand deposits, (4) creating and perfecting a security interest in its assets, and (5) related incidental activities.

The LLC is co-owned by Ondo Finance Inc. and Flux Finance Inc., a British Virgin Islands business company and wholly owned subsidiary of the Ondo Foundation, a Cayman Islands foundation company (which are unaffiliated with the Ondo Foundation). Ondo Finance holds 100% of the Class B interests in the LLC, which afford the right to appoint the members of the LLC's board of directors and which pay an annual preferred return – but which otherwise have no economic rights. The Class A interests of the LLC are held by Flux Finance (> 99%) and Ondo Finance (< 1%) and provide pro rata rights to the equity of Ondo USDY LLC.

USDY is offered and sold by the LLC in reliance on Regulation S under the 33 Act, which exempts USDY from the securities registration requirements of the 33 Act. Accordingly, USDY can only be issued and sold by the LLC to non-US persons in transactions outside the US. Ondo USDY LLC is also registered as a money services business with the Financial Crimes Enforcement Network of the US Department of the Treasury ("FinCEN"). Investors also must undergo customer due diligence for anti-money laundering and sanctions compliance purposes in accordance with the anti-money laundering program that the LLC has adopted to comply with the US Bank Secrecy Act.

The LLC has granted Ankura Trust Company a perfected, first-priority security interest in all of its assets, including the US Treasuries and demand deposits that overcollateralize the USDY tokens. Copies of the Uniform Commercial Code financing statement and amendment thereto that have been filed with the US state of Delaware to perfect the interest, are being delivered with the private supplement to this application.

The LLC is organized in and operates from the United States, with its principal place of business in the state of Connecticut. USDY is marketed primarily via Internet channels from the United States in the English language, and does not target any specific jurisdiction or jurisdictions. The LLC only offers and sells USDY to non-US persons outside of the US who successfully complete its customer due diligence process, which screens sanctioned persons and persons in sanctioned or other high-risk jurisdictions.

2. What regulatory bodies oversee the product?

As an issuer of a product that is available in a wide range of jurisdictions, Ondo USDY LLC is mindful of regulatory requirements both in its own jurisdiction and the jurisdictions of its tokenholders.

In the US, the offer and sale of USDY is structured to comply with Regulation S, an exemption from securities registration requirements that is enforced by the US Securities and Exchange Commission (the “SEC”). FinCEN has regulatory oversight over the anti-money laundering compliance activities of the LLC as a registered money services business.

Globally, the LLC relies on exemptions or exclusions from applicable securities or digital asset approval, registration, licensing, permitting and similar requirements. These exemptions and requirements are enforced by various regulatory bodies, including the following regulatory bodies in top jurisdictions for USDY issuance:

- Cayman Islands Monetary Authority;
- British Virgin Islands Financial Services Commission;
- Jersey Financial Services Commission;
- Securities and Commodities Authority (United Arab Emirates, mainland); and
- Virtual Assets Regulatory Authority (Dubai, United Arab Emirates, mainland).

See the Section IV.3 below for further information on these exemptions and exclusions.

3. What licenses, permits, certificates, authorizations, registrations, concessions, approvals, exemptions does your product or company hold?

In the US, Ondo USDY LLC is registered as a money services business with FinCEN. Ondo USDY LLC offers and sells USDY in reliance on the Regulation S exemption from the registration requirements of the US Securities and Exchange Commission, which requires, among other things, that USDY is only offered and sold to non-US persons outside the United States.

Globally, the Fund, its affiliates and OUSG rely on exemptions or exclusions from applicable securities or digital asset approval, registration, licensing, permitting and similar requirements. These include exemptions and exclusions for sales pursuant to reverse solicitations; cross-border transactions; absence of operations and other activities in the applicable jurisdictions; and combinations thereof.

4. How is bankruptcy remoteness established for assets of this product? Does the issuer have more than one product? Please provide separately any related legal opinions or supplementary documents regarding bankruptcy remoteness

Ondo USDY LLC is structured to maximize bankruptcy remoteness and investor protection. Specifically, it has been designed with and maintains all of the well established and widely recognized indicia of a bankruptcy remote structure, including those listed below. Because a variety of jurisdictions – including jurisdictions where the issuer is organized, jurisdictions where key business decisions are made, and jurisdictions where creditors or other interested parties reside or conduct their business – may assert jurisdiction to enforce creditor rights (with respect to Ondo USDY LLC or any other issuer), it is crucial to adhere to bankruptcy remoteness principles that are widely recognized across jurisdictions. The LLC’s maintenance of these characteristics is designed to prevent voluntary and involuntary bankruptcy filings, to prevent the substantive consolidation of the LLC with another person or entity in the event of the latter’s bankruptcy, and

to protect the USDY holders' rights to the principal and accrued interest evidenced by their tokens in the event of any such bankruptcy. A non-consolidation opinion from a major global law firm is enclosed with the private supplement to this application.

- *Restrictions on Activities.* The LLC is structured as a special purpose vehicle with significant restrictions on its activities. Specifically, its business is limited to (1) borrowing funds from prospective lenders (i.e. prospective USDY holders), (2) issuing USDY tokens to evidence the LLC's debt obligations to those lenders, (3) allocating the proceeds of borrowing to US Treasuries and US bank demand deposits, (4) creating and perfecting a security interest in its assets, and (5) related incidental activities (e.g. engagement of the Collateral Agent, Verification Agent, Servicer and Administrator in furtherance of the activities described in (1) through (4)).
- *Security Interests in Assets.* The LLC has also granted its Collateral Agent a perfected, first-priority interest in all of its assets to ringfence them for the benefit of USDY holders in the event of any bankruptcy.
- *Limitations on Incurring Indebtedness.* The LLC cannot incur any indebtedness for money borrowed, other than debt evidenced by USDY.
- *Independent Director Requirements.* The LLC is not permitted to authorize or take any material action without the approval of an independent director (and the approval of the requisite majority of LLC members). Material actions include, among other things: modifying the LLC's permitted asset guidelines; initiating or consenting to a bankruptcy or similar action; liquidating or dissolving the LLC; and merging, consolidating or dividing the LLC.
- *Restrictions on Organizational Changes.* In addition to the restrictions on organizational changes referenced immediately above, the LLC is not permitted to merge, consolidate or divide; to liquidate or dissolve; or to change material terms of the LLC's obligations to USDY holders without the consent of the requisite majority of USDY holders.
- *Operational Separateness.* Ondo USDY LLC maintains organizational separateness from Ondo Finance Inc. and other persons and entities in a variety of manners, including conducting business in its own name only; not commingling assets with any other person or entity; maintaining separate books, records, accounts and financial statements from any other person or entity; not acquiring any securities or other interests in its members or creditors; not incurring any guarantee or obligation with respect to any other person's or entity's debts; not pledging its assets; not making any loans or advances; and observing all limited liability company formalities.

5. What rights do tokenholders have?

USDY holders have creditor rights under Delaware commercial law and US federal bankruptcy law, and they also enjoy significant and unparalleled investor protections.

First, Ondo USDY LLC's obligations are required to be overcollateralized by a combination of (1) the US Treasuries and demand deposits that fully back its obligations to token holders and (2) an additional first-loss equity buffer held in US Treasuries and demand deposits and is funded in part by the capital contributions of Ondo Finance Inc. and Flux Finance Inc. The Issuer must maintain a quarterly overcollateralization ratio of 103.00% and a daily ratio of 100.50%. The current overcollateralization ratio is 103.43%.

Second, the interests of USDY holders are protected by the independent Collateral Agent, Ankura Trust Company, LLC, which is empowered and required to seize the Issuer's assets and make distributions to tokenholders in the event that the Issuer fails to timely make any redemption of at least \$100,000, fails to adequately maintain its daily overcollateralization obligations, or files for bankruptcy or similar, if so directed by requisite tokenholder consent.

Third, the Collateral Agent holds a perfected, first-priority security interest in all of the assets of the Issuer, for the benefit of the USDY token holders, under Delaware law. This security interest works in tandem with the Collateral Agent's rights and obligations in the events of default described above

Fourth, the Issuer has been designed from first principles to be bankruptcy remote from all other entities, including Ondo Finance Inc. See Section IV.4 above for further discussion of bankruptcy remoteness.

Fifth, transparency in the Issuer's assets and obligations is ensured by the independent Verification Agent, who reviews and confirms the amounts and valuations of those assets and liabilities (and any related calculations) each business day and publishes daily reports detailing outstanding USDY token and Temporary Global Certificate balances and asset amounts, types and custodians. See Section V.2 for additional discussion.

6. Are there any pending or threatened legal proceedings or investigations against the company or any of its officers?:

Yes; however, the Ondo USDY LLC does not expect any resulting material adverse effect on its financial condition or operations, including its abilities to fulfill any of its USDY-related obligations.

7. Describe any conflicts of interest the company or product may have with its officers or MakerDAO:

Nathan Allman is a director and officer of the Issuer, as well as a director and officer of Ondo Finance Inc., which indirectly controls the Issuer and holds a minority (< 1%) of its Class A interests.

While we do not believe that the following relationships constitute an actual or potential conflict of interest, we note that Sébastien Derivaux is a director of Ondo USDY LLC, as well as the co-founder and Chief Executive Officer of Steakhouse Financial.

8. Explain the potential tax implications associated with the product:

Ondo USDY LLC expects to be treated as a partnership (and not as an association or a publicly traded partnership treated as a corporation) for US federal income tax purposes. Accordingly, the LLC does not pay US federal income tax, but instead passes through its profits, losses, deductions and credits to its partners.

The LLC further expects that the USDY tokens will be treated as debt, and that the LLC will not be

treated as being engaged in a trade or business in the US, for US federal income tax purposes. Accordingly, the LLC does not expect payments of interest to USDY holders to be subject to any US federal withholding tax – and the LLC does not withhold any taxes on such interest payments.

The LLC will deliver applicable US tax forms to USDY holders consistent with these expectations.

USDY is also structured to comply with the requirements of TEFRA D, which exempts the LLC from excise taxes that generally apply to the principal amount of bearer debt.

Note that foreign taxes, or US state and local taxes, may apply to a tokenholder's interest income depending on the tokenholder's personal tax circumstances. You should consult with your own tax advisor regarding the tax consequences of and risks of acquiring, holding and selling USDY. We cannot provide assurances regarding those consequences or risks.

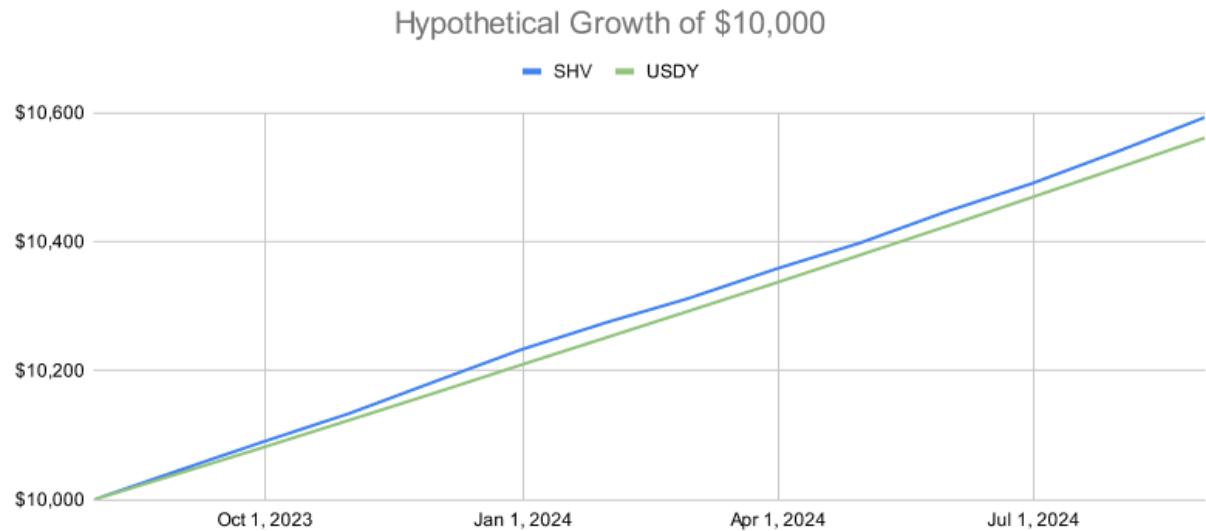
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V. Performance, Reporting, and Technical

1. Provide historical performance relative to the most relevant benchmark and explanations for any deviations from the benchmark:

While never set as an explicit benchmark, since its launch in September 2023, USDY's annualized return has been 5.17%, vs BlackRock iShares Short-Term Treasury Bill ETF (SHV)'s 5.46%:



	Annualized Yield	Growth of \$10K	Max Drawdown	Monthly Vol	Tracking Error
SHV	5.46%	\$10,593	-0.009%	0.44%	N/A
USDY	5.17%	\$10,561	0%	0.42%	0.040%
Difference	0.29%	-\$32	0	-0.02%	

Deviations are the result of the Issuer's setting of the monthly yield, informed by the yield earned on its underlying portfolio of US Treasuries.

2. Describe the frequency, content, and process for performance and portfolio transparency reports. Who provides these?

Daily attestation reports are reviewed and verified by Ankura Trust Company and uploaded daily to Ondo's website, available [here](#). A sample daily attestation report is below.

Date (end of day)

8/23/2024



ankura
TRUST COMPANY

A. Summary

Token Principal Outstanding	363,997,907.65
Permitted Assets (at market value)	374,908,437.92
Permitted Assets/Token Principal Outstanding	1.029974
Token Variable Interest Rate	5.35%
Weighted Average Maturity of Permitted Assets (Days)	45.18

B. Verification Agent Attestation

Ankura Trust Company, LLC, in its capacity as Verification Agent under the Tokenized Credit and Security Agreement among Ondo USDY LLC as Borrower, certain Lenders thereto and Ankura Trust Company, LLC dated as of July 29, 2023 (the "Agreement") has reviewed and confirmed in accordance with the Agreement the Market Values, CUSIPs, and Maturity Dates of the Permitted Assets listed in this report based on account data and reports submitted by Borrower or otherwise independently accessed by the Verification Agent through read-only access to the Deposit Accounts, the Brokerage Accounts, the Operating Account and the Exchange Accounts.

C. Token Balance Outstanding

Reference Token	Beginning of Day			Intra Period Activity			End of Day		
	Number of Tokens	Token Principal	TOKEN BALANCE	Number of Tokens	Token Principal	TOKEN BALANCE	Number of Tokens	Token Principal	TOKEN BALANCE
Digital Tokens:									
Outstanding									
Intra Period Activity:									
Issued @ Token Value (+)									
Converted from Certificate @ Token Value (+)									
Redeemed @ Token Value (-)									
Total Intra Period Token Activity									
Digital Tokens Outstanding									
Temporary Global Certificates:									
Outstanding									
Intra Period Activity:									
Issued @ Token Value (+)									
Converted to Digital Token @ Token Value (-)									
Redeemed @ Token Value (-)									
Total Intra Day Token Activity									
Certificates Outstanding									
TOTAL Tokens	322,309,497.880629	1.054729	339,949,261.392608				345,060,998.033791	1.054880	363,997,907.649176

D. Permitted Assets

	At Market Close			
	Market Value	WAM (days) ¹	Percent %	Estimated Yield % ²
Summary:				
Cash other than bank deposits (brokerage acct etc.)	9,090.13	1.00	0.00%	0.00%
Bank Deposits	947.29	1.00	0.00%	5.10%
US Treasuries	374,898,400.50	45.18	100.00%	4.83%
Permitted Assets	374,908,437.92	45.18	100.00%	4.83%
1. Bank Accounts				
	At Market Close			
	Market Value	WAM (days) ¹	Account Type	Estimated Yield % ²
First Citizens - Ondo USDY LLC				
First Citizens - Ondo USDY Operational Checking	113.30	1.00	Checking	0.00%
First Citizens - Ondo USDY Deposit Checking I	0.00	0.00	Checking	0.00%
First Citizens - Ondo USDY Deposit Checking II	0.00	0.00	Checking	0.00%
First Citizens - Ondo USDY Select MMA	947.29	1.00	Savings	5.10%
Total First Citizens	1,060.59	1.00		4.56%
2. Non-Bank Accounts				
	At Market Close			
	Market Value	WAM (days) ¹	CUSIP	Estimated Yield % ²
Morgan Stanley - Ondo USDY LLC C/O Nathan Allman				
Cash Equivalent	8,187.78	1.00		0.03%
US Treasuries	12,247,371.56	8.00	9128282U3	3.30%
US Treasuries	25,051,995.66	8.00	91282CFG1	4.05%
US Treasuries	42,731,065.91	38.00	91282CFN6	5.17%
Total Morgan Stanley	80,038,220.91	24.02		4.54%
StoneX - Ondo USDY LLC				
	At Market Close			
	Market Value	WAM (days) ¹	Account Type	Estimated Yield % ²
Cash	644.62	1.00		0.00%
US Treasuries	5,231,352.50	34.00	912797KMB	4.85%
US Treasuries	55,045,656.90	39.00	912797LKL1	4.87%
US Treasuries	24,197,085.20	41.00	912797GW1	4.89%
US Treasuries	65,267,797.59	46.00	912797LS4	4.93%
US Treasuries	73,781,534.12	53.00	912797LT2	4.94%
US Treasuries	8,825,437.76	55.00	912797KU0	4.93%
US Treasuries	5,553,887.28	67.00	912797LV7	4.94%
US Treasuries	56,965,816.02	69.00	912797HE0	4.91%
Total StoneX	294,869,011.99	50.93		4.91%
3. Other Asset Accounts				
	At Market Close			
	Market Value	WAM (days) ¹	Account Type	Estimated Yield % ²
Coinbase Prime - Ondo USDY LLC				
Cash Equivalent	144.43	1.00	Cash	0.00%

(1) Cash deposits and money market funds are assumed to have 1 day liquidity, therefore a Weighted Average Maturity (WAM) of one day

(2) Yield estimated by Ondo at the time of investment in the underlying Permitted Asset

3. Describe the accounting and auditing processes for the portfolio and product:

Accounting

USDY's accounting is managed by Ondo Finance's operations and accounting team. Ondo is responsible for performing daily valuation of the underlying portfolio based on the current value of the US Treasuries and cash. Ankura Trust Company verifies this valuation daily. The portfolio's

value reflects the interest earned and the realized/unrealized gains/losses from the underlying assets and any accrued receivables less any expenses.

Audit

BPM LLP, a leading audit firm, conducts an annual audit of the financial statements of USDY's affiliate, Ondo I LP. Discussions are underway for BMP LLP to audit USDY as well. BPM LLP has extensive experience in financial services, investment funds, and blockchain, and have conducted engagements with many leading blockchain companies, including AVA Labs, Chainlink, Crypto.com, Custodia Bank, Kraken, Polygon, Ripple, and many more.

Audits will be performed in accordance with Generally Accepted Auditing Standards (GAAS), as outlined by the American Institute of Certified Public Accountants (AICPA). BPM LLP ensures that the financial reporting is accurate, compliant with US accounting standards (GAAP) and provides an independent verification of the portfolio's integrity.

4. Describe the technical implementation of your product:

The technical implementation of USDY prioritizes simplicity and security by building upon well known and battle-tested standards. This is accomplished via thoroughly audited modular smart contracts designed with minimal attack surfaces. Off-chain systems are securely integrated via oracles and multi-signature wallets, providing an additional layer of protection against vulnerabilities while ensuring operational correctness. This approach ensures that both onchain and off-chain interactions are streamlined and secure, maintaining the integrity of the system.

USDY:

USDY is a standard ERC20 Token with minor modifications to meet regulatory compliance and enhance composability. It leverages the battle-tested OpenZeppelin [Transparent Upgradeable Proxy](#), [ERC20](#), and [Role Based Access Control](#) (RBAC) standards. To ensure compliance, USDY incorporates native [transfer hooks](#) that enforce blocklist and sanctions checks on all transactions. For every token transfer, the `from`, `to`, and `msg.sender` addresses are verified against Ondo Finance's [Blocklist](#) and the [Chainalysis Sanctions Oracle](#), ensuring regulatory compliance and preventing unauthorized parties from interacting with USDY.

rUSDY:

rUSDY is a rebasing, upgradeable ERC20 token, with its design inspired by Lido's stETH. Like USDY, it leverages OpenZeppelin's RBAC and Transparent Upgradeable Proxy standards and enforces the same transfer restrictions. Users acquire rUSDY by granting USDY allowance to the rUSDY token contract and invoking `rUSDY::wrap(uint256 _USDYAmount)`, which deposits their USDY into the contract. Conversely, users can convert back to USDY by calling `rUSDY::unwrap(uint256 _rUSDYAmount)`, which burns rUSDY and returns the corresponding amount of USDY. The user's holdings are tracked through an account-to-shares mapping, which records the proportion of USDY they own. rUSDY's rebasing mechanism adjusts balances according to the price of USDY, which is fetched from the [RWADynamicOracle](#). As USDY's price rises, rUSDY balances automatically increase, maintaining parity with USDY's value. Clients can observe token balances by calling the `rUSDY::balanceOf(address _account)`

function, which calculates the balance by multiplying the user's shares by the latest USDY price. rUSDY is always valued at one dollar and conversion between USDY and rUSDY is accessible to non-US users via [Ondo Finance's platform](#).

Note: On the Mantle blockchain, rUSDY is referred to as mUSD.

Blocklist:

The Blocklist contract manages a list of addresses prohibited from interacting with USDY. It maintains a simple mapping of address-to-status to keep track of the set of blocked addresses. External contracts can call `Blocklist::isBlocked(address addr)` to check whether a particular address is blocked. The blocklist is managed by a permissioned Gnosis Safe Multisig account, which has the authority to add or remove addresses via the `Blocklist::addToList(address[] accounts)` and `Blocklist::removeFromList(address[] accounts)` functions. Ownership functionality is implemented using the Open Zeppelin's [Ownable2Step](#) standard.

RWADynamicOracle:

The RWADynamicOracle contract provides clients the ability to retrieve the canonical USDY redemption price on the Ethereum blockchain. USDY's price increases in a deterministic manner based on a monthly APY, which is determined before the start of each month.

The oracle maintains a series of time ranges aligned to UTC midnights, each associated with a daily interest rate. Clients can retrieve the USDY price for the current day by calling the `RWADynamicOracle::getPrice()` function. This function uses the `block.timestamp` to determine the day of the current transaction, and then uses the daily interest rate to calculate what the price is. Price updates occur automatically at UTC midnight.

Time ranges and interest rates are set via a Gnosis Safe Multisig account, which calls `RWADynamicOracle::setRange(uint256 endTimestamp, uint256 dailyInterestRate)`. Administrative functions are secured using OpenZeppelin's [RBAC](#).

Ondo Bridge Overview For USDY

The Ondo Bridge facilitates USDY transfers between blockchains using two contracts: SourceBridge and DestinationBridge. It's one of the first Multi-Message Aggregation Bridge implementations, relying on both the Axelar Network and Ondo Finance's off-chain systems to relay and attest messages.

USDY bridging uses a 'native-burn-and-native-mint' mechanism, allowing the token issuer to maintain compliance controls across chains. The contracts implement emergency pausing, global rate limiting, and dynamic attestation thresholds to safeguard the system, with the thresholds scaling based on the amount of USDY being bridged.

Non-US users can bridge USDY between Ethereum and Mantle using [Ondo Finance's web app](#).

[SourceBridge](#): The SourceBridge contract handles USDY transfers on the source chain. Users can bridge by granting USDY approval to the SourceBridge contract and then calling `SourceBridge::burnAndCallAxelar(uint256 amount, string destinationChain)`. This function burns the USDY and sends the gas and message payload to the [Axelar Gas Service](#) and Axelar Gateway. This contract uses Open Zeppelin's [Ownable](#) and [Pausable](#) standards.

[DestinationBridge](#):

The DestinationBridge contract operates on the destination chain and is responsible for receiving the USDY bridge message payloads from the Axelar network. Upon receiving a payload, the contract queues it for further attestations from the token Issuer.

Once the required number of attestations is met, the contract verifies the token amount against the global rate limit and the corresponding USDY is minted to the end user on the destination chain. Like the SourceBridge, this contract leverages Open Zeppelin's [Ownable](#) and [Pausable](#) standards.

Ondo Finance is actively collaborating with leading bridging providers to replicate a similar design across all blockchains where USDY is natively deployed.

Bug Bounty

Ondo's USDY related smart contracts are secured by an [Immunefi bug bounty](#), with an industry-leading maximum payout of \$1,000,000.

Contract Management Systems

Ondo leverages Gnosis Safe multisigs in combination with a proprietary off-chain management system to enforce signing quorums for all administrative contract calls. Ondo regularly reviews and assesses multisig and other relevant control architectures against best practices and evolving industry standards.

Web Experience: Key Elements

- Mint/Redeem UI.** We have developed an easy-to-use web based UI that allows investors to easily subscribe to or redeem USDY. Users must have successfully onboarded and be logged in to utilize the web based subscription and redemption functionality. If a user prefers not to use the web experience, Ondo supports subscriptions or redemptions by direct transfer to an address provided by our operations team. There is also a UI interface to enable a slippage-free way to convert between USDY and rUSDY. Users do not need to be authenticated (logged in) to utilize the convert functionality. Jurisdiction restrictions apply to the

The screenshot shows the 'Redeem USDY' section of the Ondo Finance web interface. It displays two bank accounts: 'Primary Bank' (represented by a vault icon) and 'Ledger 1' (represented by a ledger icon). Below these are fields for 'Amount' (set to 0), 'USDY' (with a balance of 12,136,915.94), and a 'Max' button. A summary table provides details on fees: Minimum Amount (1 USDY (\$1.06)), Exchange Rate (1 USDY = \$1.05895464), Redemption Fee (0.2%), and Wire Fee (\$0.01). At the bottom, there is a 'Receive (incl. fee)' button and a note about W8 information, followed by a large input field labeled 'Enter an amount'.

functionality described above in that users may not be located within the US.

- **API for Canonical, Real-Time Data.** REST APIs provide real-time and historical data on asset performance, including price, APY, TVL, and supply, ensuring investors have the most up-to-date information.
- **Account / Holdings View.** Easily see all of your Ondo token holdings across all chains. Clients may login and view and manage their account details.

5. What audits have been performed on the smart contracts involved with your product, by whom, and when?

Date	Auditor	Report Link
August 2023	Zokyo	Link
September 2023	Code4rena	Link

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VI. MakerDAO Ecosystem

1. Describe any previous relationship with MakerDAO and familiarity working with DAOs:

Since inception, Ondo has been committed to meeting the unique needs of decentralized autonomous organizations (DAOs). Our [v1 product](#) suite, designed specifically for DAOs, is a testament to this commitment. With these tools, we have empowered DAOs to govern themselves more effectively, optimize their liquidity, and manage real-world assets (RWAs) onchain in a seamless, transparent manner.

Ondo Finance developed [Flux Finance](#) (Flux), a DAO-governed special purpose lending protocol facilitating stablecoin loans against tokenized treasures collateral, including OUSG. Flux is similar to a US Treasuries repo market, in which large institutions effectively lend and borrow overcollateralized against US Treasuries. Flux made a [proposal](#) to Sky in Feb 2023 that led to continued discussion about Sky's diversification into tokenized treasures.

In addition to Flux, we have integrated deeply into the broader DeFi ecosystem, collaborating with multiple DAOs on treasury management, liquidity solutions, and yield strategies. Most recently, Ondo partnered with the Arbitrum DAO, helping them diversify their treasury into stable assets with minimal volatility and secure yield uncorrelated to crypto markets. Through this collaboration, USDY was awarded the second-largest [allocation](#) of 17% (6M ARB), second only to BlackRock's BUIDL. We have also submitted applications for [USDY](#) and [OUSG](#) for inclusion in Ethena's Reserve Fund.

2. Beyond yield, how might your product benefit the SparkDAO and/or MakerDAO ecosystem?

Ondo is committed to being a long-term partner for SparkDAO and the Sky ecosystem, providing effective backing for sUSDS and helping establish it as the leading savings instrument onchain. Beyond providing yield, OUSG offers a variety of strategic benefits for SparkDAO and Sky:

On-and Off-Ramp for USDY: We will enable subscriptions and redemptions for OUSG against USDS, with liquidity up to \$50M per day by the end of 2024. This will be the largest instant redemption facility onchain, providing flexibility and robust liquidity to the Sky ecosystem.

Multi-Chain Expansion: USDY is currently live on seven different chains already (incl. Solana, Aptos, Sui and many EVM chains), with more chain integrations coming. USDY could be a suitable collateral source for Sky when it decides to expand to other, low cost chains, to further reduce the transaction costs for USDS and sUSDS holders.

Protocol Partnerships: USDY is currently integrated with over 70 projects, and we would be delighted to work with Sky on joint partnerships with protocols.

Co-Marketing Campaigns: We can partner with the Sky ecosystem on co-branded marketing efforts to highlight the synergies between Ondo and Sky and to ignite each of our communities. This could include case studies, social media campaigns, and other educational content to raise awareness.

Joint Hackathons and Grants: We can collaborate with Sky on hackathons or developer grants to encourage building on top of USDS, further strengthening the integration between Ondo's solutions and the Sky ecosystem.

We are providing a supplemental, private addendum to GrandPrix@steakhouse.financial with additional strategic considerations.

3. Does the product have integrations with any other platforms?

As a quasi-permissionless yieldcoin, USDY can be used across a variety of use cases, including, lending & borrowing, cash management, payments, and more, all while earning yield. USDY has demonstrated proven traction across these many use cases, being integrated with over 70 projects across 7 blockchains: Ethereum, Solana, Aptos, Sui, Mantle, Arbitrum, and Cosmos via Noble.

DeFi Lending Protocols:

USDY is integrated with lending platforms, enabling tokenholders to use USDY as collateral for borrowing other assets. This expands the utility of USDY beyond simple yield-bearing functions.

Liquidity Pools:

USDY can be deposited into various DEXs and liquidity pools, where it provides liquidity to trading pairs. This integration allows users to earn additional rewards and enhance the liquidity of the token within the broader DeFi ecosystem.

Payments:

USDY is integrated with payment platforms like Helio that allow tokens to be used as a method of settling transactions. These platforms enable USDY holders to make payments across the crypto ecosystem, offering a secure and fast alternative for conducting transactions compared to traditional payment methods.

Bridges:

USDY is supported by a select group of bridges that allow seamless transfers of the token between different blockchain networks. These bridges enable cross-chain compatibility, enhancing USDY's accessibility and flexibility within the decentralized ecosystem.

Wallets:

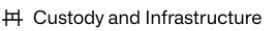
USDY is compatible with numerous popular crypto wallets, including both hardware and software solutions. These wallets provide secure storage and easy access to USDY, allowing investors to

manage their tokens across multiple platforms. Integration with leading wallets ensures that users can track and transact their USDY with ease.

Custody Solutions:

USDY is supported by institutional-grade custody platforms such as Anchorage and BitGo, which specialize in secure digital asset storage. These custodians offer high-security solutions tailored to institutional investors, providing protection and robust infrastructure for USDY holdings. The integration with these platforms ensures that USDY is safely stored, mitigating risks associated with operational challenges and custody concerns.

These integrations significantly boost USDY's utility by allowing holders to access capital efficiently or earn additional returns through various DeFi strategies. Retail investors and institutions can therefore leverage their USDY holdings within DApps. For a full list of integrations please click [here](#) or see the image below.

 Ondo USDY Ecosystem Map* 2024 ondo.finance	 DeFi Aftermath Agni Aries Markets Bucket Cetus Curve.fi Drift EtherFi FlowX Flux FusionX Helix Hydro Izumi Jupiter Kamino Kryia LiquidSwap Meteora Mango Markets Navi OmnisBTC Orca Osmosis Pendle PolyTrade Raydium Scallop Skate Thala Turbos Typus	 Wallets and Exchanges Metamask Phantom Backpack Sui Wallet Pontem Petra Kelpr ByBit	
 Traditional Finance Morgan Stanley StoneX First Citizens		 Payments Helio Sphere TipLink Zebec	
 Interoperability Axelar deBridge Pyth Squid Switchboard	 Blockchains & L2 Networks Aptos Arbitrum Mantra Ethereum Mantle Noble Solana Sui Copper Fireblocks Ledger Enterprise MSafe Rakkar	 Custody and Infrastructure Ankura Anchorage Digital Arculus BitGo Cobo Rakkar	 Stats 8 Supported Blockchains 100+ Supported Countries \$350M+ Total Value Locked

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4. Do you offer or plan to offer other products that could be appropriate for Spark or other SubDAOs?

Yes, Ondo USDY LLC, which is indirectly controlled by Ondo Finance, currently offers **USDY**, a quasi-permissionless yieldcoin that is overcollateralized and secured by US Treasuries (and a small amount of US bank demand deposits for liquidity purposes). USDY is similar to real world asset-backed stablecoins, but it passes yield to its holders and offers superior investor protections. Ondo USDY LLC is designed to be bankruptcy remote, and its holders benefit from a security interest in its assets. USDY currently has approximately \$400 million in circulating supply. USDY is

submitted in a separate application for the Tokenization Grand Prix.

Looking forward, Ondo Finance will launch [Ondo Global Markets](#) (Ondo GM), a platform that will provide native access to traditional securities and associated exchange liquidity for onchain investors and protocol developers. This includes bringing a range of public securities such as fixed-income products and equities onchain. These other fixed income products and public securities would have different yield characteristics that may suit the evolving needs of the Sky ecosystem. Ondo's experience in managing onchain securities at scale makes us the ideal partner to help Sky diversify its portfolio, balancing liquidity and yield in both traditional and onchain markets.

Disclosure:

USDY is not, and may not be, offered, sold, or otherwise made available in the US or to US persons. USDY has not been registered under the US Securities Act of 1933, as amended ("Act") or pursuant to securities laws of any other jurisdiction, and may not be offered, sold or otherwise transferred in the US or to US persons unless registered under the Act or an exemption or exclusion from the registration requirements thereof is available. Additional restrictions may apply. Ondo USDY LLC, the issuer of USDY, is not registered as an investment company under the US Investment Company Act of 1940, as amended. Nothing herein constitutes any offer to sell, or any solicitation of an offer to buy, USDY. Acquiring USDY involves risks. A USDY holder may incur losses, including total loss of their purchase price. Past performance is not an indication of future results.

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