
RWA Protocol Backed by Convertible Bond Yield from Nasdaq-Listed Firms

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Abstract

CBond is an asset management platform that generates returns by allocating value-backed assets (such as USDT, USDC, BTC) into US-listed convertible bonds. The core strengths of this product lie in its flexibility and return potential.

On one hand, the bond component provides fixed income. On the other hand, the over-collateralization with the underlying convertible equity safeguards assets and allows investors to capture upside potential from stock price appreciation. For example, when the stock price of the underlying US company rises, a US-listed convertible bond can deliver returns significantly exceeding its coupon payments. Additionally, the Real World Asset (RWA) model enhances asset transparency.

This platform primarily targets investors seeking considerable returns while prioritizing asset security. It offers an investment alternative distinct from RWA products focused on US Treasuries.

Amid positive regulatory developments for digital assets, stablecoins like USDT/USDC and cryptocurrencies like BTC are gaining access to high-yield, highly liquid investments traditionally dominated by conventional finance. The CBond platform—specializing in RWA products linked to US corporate convertible bonds—emerges to meet this demand. High barriers to entry in traditional financial markets have spurred innovation, enabling products that cater to cryptocurrency investors pursuing higher returns and more flexible investment options.

1 Introduction

Product Revenue Stream:

Convertible bond trading and profit settlement are executed through the institutional accounts of our British Virgin Islands (BVI) entity.

Investor Returns:

Users accrue interest by tokenizing USDT/USDC into cbUSDT/cbUSDC, CBond's yield-bearing synthetic assets.

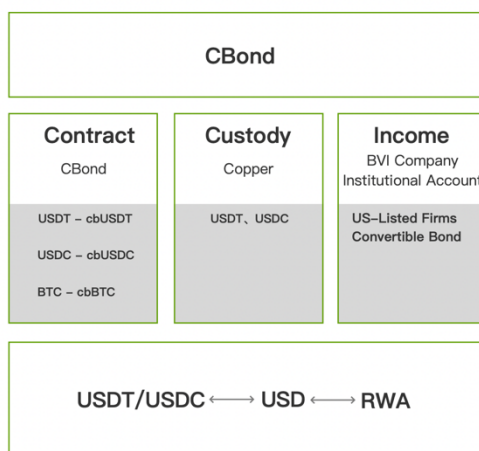
Asset Safeguards:

USDT/USDC reserves are held in segregated custody pools via institutional custodian Copper.

Enables fiat liquidity provision for platform-level USD redemption.

Platform Token:

A reward point program allocates future platform token distributions through airdrops, incentivizing investor participation.



Attractive Return Profile: The CBond platform offers significant yield potential through US-listed convertible bonds. During equity bull markets, conversion to equity allows investors to capture substantial upside from share price appreciation. For instance, a technology company's convertible bond could deliver returns far exceeding its coupon rate upon conversion when the underlying stock surges. Conversely, during market downturns, the bond floor provides fixed-income protection.

Enhanced Risk Management: This product facilitates effective portfolio diversification. Unlike pure cryptocurrency investments, convertible bonds' hybrid debt-equity characteristics offer a risk mitigation buffer in bear markets. Furthermore, the RWA framework digitizes traditional assets, significantly lowering investment thresholds and enabling participation with smaller capital allocations.

Transparent Operations: The RWA structure ensures heightened operational transparency. Investors gain clear visibility into underlying assets, including detailed information on bond issuers, credit terms, and covenants. This facilitates informed investment decisions, exemplified by real-time portfolio tracking and access to underlying financial metrics directly through the platform.

2 Revenue Structure

Core Components:

Bond Coupons: Form the foundational fixed-income yield. Issuers make regular interest payments per agreed terms. Based on historical execution, the platform has delivered consistent annualized returns at approximately 20%.

Conversion Premium Capture: During equity appreciation, the platform employs quantitative conversion strategies to monetize equity upside. For example: if the conversion price is 50 and the stock rises to 60, executing conversion generates a \$10/share arbitrage gain. Returns scale with equity performance, with systematic trading protocols optimizing execution to ensure consistent premium realization.

Token Incentive Mechanism: An integrated loyalty point system will distribute platform tokens via airdrops. Investors can optimize yield strategy through a

dual-path option:

Higher Cash Yield: Waive token rewards to enhance base interest returns; or
Token Accumulation: Forgo portion of fixed income to maximize token allocation.
Principal protection remains unaffected in both selection modes.

3 Market Positioning

Evolving Regulatory Landscape: Regulatory frameworks governing digital asset innovations, including RWA products, are progressing towards greater maturity. Well-calibrated regulations will enhance market integrity while strengthening investor safeguards.

Changing Risk-Reward Dynamics: Amid potential crypto market cycles over the next 24 months, investors increasingly prioritize stable yields and capital preservation in portfolios. As baseline crypto yields potentially compress to $\leq 3\%$ amid lower volatility, CBond emerges as a compelling portfolio diversification tool offering superior risk-adjusted returns.

