

# RWA vs Stablecoin

*They are not two categories. A stablecoin is a real-world asset token — and one design decision, made differently, produces everything people mistake for a difference in kind.*

Alain AI Lab Research · Published August 8, 2026 · 10 min read

Open up a fiat-backed stablecoin and a tokenized treasury fund and you will find substantially the same thing: short-dated government debt, held by a custodian, with a token standing in for the claim. Same assets, same intermediaries, same machinery. The two are routinely discussed as rival categories, and they are not — a stablecoin is a real-world asset token. What separates them is a single design decision about what the token promises regarding its own price, and everything else follows from it. For the underlying structures, start with [what real-world assets are](#).

| AT A GLANCE                                                       |                                                              |                                                          |
|-------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------|
| <div>SAME MACHINERY</div> <div>Same assets, same custodians</div> | <div>THE FORK</div> <div>Fixed price or floating</div>       | <div>PAR MEANS</div> <div>Someone must absorb loss</div> |
| <div>NAV MEANS</div> <div>Holders absorb it, by design</div>      | <div>THE PRECEDENT</div> <div>Money market funds, 2008</div> | <div>FAILURE MODE</div> <div>A run, or a markdown</div>  |

## The same machine on two settings

Begin with the sameness, because it is more complete than most readers expect. Both instruments are tokens representing a claim on assets held off-chain. Both depend on an issuer, a custodian, a valuation or attestation process and a redemption channel. Both increasingly hold the identical instrument — short-dated government debt and the repurchase agreements written against it. Neither gives the holder the asset itself.

So the difference is not in the portfolio. It is not in the technology, which is the same ledger. It is not even in the counterparties, which are drawn from the same small set of custodian banks and administrators. The difference is a promise: one token tells you what it will be worth when you hand it back, and the other does not. That sounds like a technicality. It is the entire distinction, and it determines the yield, the legal regime, the capital required, and the way each one breaks.

## The fork: par, or net asset value

A stablecoin promises redemption at *par* — one unit in, one unit out, whatever happened to the assets in between. A tokenized fund promises redemption at *net asset value* — whatever the assets turn out to be worth when an administrator strikes the price. Par is a commitment about a number. Net asset value is a report of one.

Everything downstream follows mechanically. A fixed price cannot pay a variable return, so the return has to go somewhere else — which is why the yield accrues to the issuer rather than the holder, a trade examined in our note on [tokenized treasuries](#). A floating price can pay a return simply by rising. A

fixed price requires someone to stand behind it; a floating price requires nobody. And this is not a crypto invention. It is the constant-value versus variable-value distinction that has governed money market funds for decades, and traditional finance has already run the experiment.

03

## Who absorbs the loss

This is the deepest difference and the one least often stated. A promise of par creates an obligation, and obligations need capital behind them. If the reserve assets fall short of the tokens outstanding, the gap has to be met from somewhere: the issuer's own resources, or the holders, through a promise that fails.

The US regime makes this explicit. A permitted issuer must hold reserves one-for-one, holders are given an enforceable right to redeem and a published redemption policy, and regulators are directed to set capital and liquidity requirements by rulemaking. If reserve assets are sold at a loss and the issuer lacks the capital to replenish them, redemptions cannot be honoured — which is why the statute also ranks stablecoin holders ahead of the issuer's other creditors in bankruptcy.

A fund token needs none of this apparatus, because it never promised a number. The value moves, the holder bears it, and no capital stands in between. So a par-value issuer is running a leveraged balance sheet in which equity absorbs the first loss, while a floating-value fund passes everything straight through and holds no buffer at all. Both are coherent designs. They are emphatically not the same risk, and the one that looks safer is the one carrying the obligation.

04

## Finance already ran this experiment

In September 2008, days after the Lehman bankruptcy, a large US money market fund holding that firm's debt saw its value per share fall below the fixed dollar it had always paid. It "broke the buck". Redemptions across the sector followed within days, on a scale that ended only when the Treasury opened a temporary guarantee programme. The detail worth carrying is what happened at the funds that did *not* break: at least two dozen others held losses large enough to have done so, and were quietly made whole by their sponsors. That support was discretionary, not owed.

The regulatory response, adopted in July 2014, was to take the fixed price away from institutional prime funds and require them to float. The stated rationale was not accounting tidiness. It was to remove the *first-mover advantage*: when the price is fixed and the assets are impaired, whoever redeems first receives full value and whoever waits absorbs the shortfall, so the rational move is to run. Let the price float and that reward disappears.

*A fixed price is not a safety feature. It is a promise that somebody has to keep — and the only questions that matter are who, with what, and what happens the day they cannot.*

05

## Why they break differently

The fork explains the failure modes, and the difference is one of kind rather than severity. A stable-price token fails as a *coordination event*. Because the price is meant to be fixed, any deviation is information, and the reasonable response to that information is to redeem before other people do. That behaviour is self-

reinforcing: exit pressure forces asset sales, sales confirm the impairment, and the impairment justifies more exit. The causes are various, and covered separately in our note on [what a depeg is](#), but the shape is always a run.

A floating-price token fails as an *economic event*. The value falls, every holder's position falls by the same proportion at the same moment, and redeeming early confers no advantage whatsoever. There is nothing to be first to. That is not a claim that fund tokens are safer — the underlying assets can perform far worse — but losses arrive as a markdown rather than a stampede, and a markdown does not spread to instruments that had nothing to do with it.

06

## One fork, two legal universes

The law has settled on precisely this line, which is the strongest evidence that it is the right one. Under the US framework, a compliant payment stablecoin from a permitted issuer is excluded from the definition of a security across the principal federal securities statutes, and carved out of the definition of a commodity; its issuer is not required to register as an investment company merely for issuing it. In the EU, a token referencing a single official currency must be issued and redeemed at par on demand, and its issuer is forbidden from paying interest — a prohibition that also extends to tokens referencing baskets. The interest ban itself is treated in our note on [the GENIUS Act](#).

A tokenized money market fund lands in the other universe entirely: a financial instrument, with a manager, an administrator, a custodian, a prospectus, eligibility gating and transfer restrictions. Same government bills inside. Promise a fixed price and you are regulated as money; let the price float and you are regulated as an investment.

07

## Where the two are colliding

The categories are converging in practice, and the collision points are instructive. In December 2025 the US derivatives regulator issued guidance allowing tokenized real-world assets — government securities and money market funds among them — to serve as collateral for futures and swaps, subject to conditions on eligibility, segregation, custody, valuation and haircuts. Its earlier consultation had asked about stablecoins and tokenized funds together, for the same job.

That pairing exposes the fork rather than dissolving it. A floating-price instrument posted as margin attracts a haircut precisely because its price floats; the whole proposition of a fixed-price instrument is that it should not need one. Meanwhile stable-price tokens increasingly hold tokenized funds among their reserves — a par promise resting on a floating asset — and yield-bearing stable-price tokens keep being launched. That last design is an attempt to have both settings at once, and it is exactly what the interest prohibitions exist to prevent.

08

## Which one you actually need

The useful question is not which is better but which job you are doing. If the token has to move, settle or pay, you want the fixed price, because variability is a defect in a settlement asset and the forgone return is the fee for that stability. If the token is going to sit, you want the floating price, because accepting par means handing the return to whoever is keeping it while carrying that party's credit for nothing.

Then two diagnostic questions, and they are the same two every time. What does this token promise about its own price — and who is obliged to keep that promise? If the answer is par, ask whose capital stands behind it, how much,

and where holders rank if it runs out. If the answer is net asset value, ask who strikes it, how often, and whether you can genuinely redeem at it rather than only sell to somebody else.

And treat one thing as a warning rather than an opportunity. Any token offering a fixed price *and* a return is proposing that somebody absorbs the loss risk for free. Nobody does. Either the return is compensation for a risk that has not been named, or a party you have not identified is being paid to carry it — and in both cases the thing to establish, before buying, is which.

*“No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other.”*

MATTHEW 6:24

## Methodology & Sources

This report compares two token structures rather than any product; it names no issuer, token, platform or custodian, and describes arrangements by structure. Figures that date have been omitted deliberately — no prices, market capitalisations, reserve sizes, assets under management, yields, fees or percentages appear, and readers should consult current issuer documentation before acting. Descriptions of the money market fund episode of September 2008 and of the subsequent reform adopted in July 2014 reflect the public record and official rulemaking materials, including the stated rationale of removing the first-mover advantage; the characterisation of sponsor support as discretionary rather than obligatory reflects how those episodes have been documented. Regulatory descriptions are general and jurisdiction-dependent: the securities and commodity exclusions described are those applying to a compliant payment stablecoin from a permitted issuer under the US framework, the par-redemption and interest provisions described are those of the EU regime,

capital and liquidity requirements remain subject to rulemaking, and outcomes elsewhere differ and continue to evolve. The December 2025 collateral guidance is described in general terms and is conditional in its own right; eligibility for any specific instrument is a matter for the relevant clearing organisation and regulator. The distinction drawn between par-value and net-asset-value structures is an analytical framing supported by the regulatory treatment described, not an official taxonomy, and individual products may combine features of both. Statements about failure dynamics describe recognised categories of run and valuation risk rather than any particular incident, and no allegation of wrongdoing is made against any party. Nothing here is a recommendation regarding any product, issuer or transaction, and nothing here is legal, tax or investment advice.

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