Tokenization

Why it matters

Real-world assets are moving on-chain. Here is what investors need to know and how to get exposure.

$33.9B	RWA tokenized in 2025, excluding stablecoins ($300B)
$4T–30T	Market potential in 2030
23%	Cost reduction observed among 26 asset managers

Sources: Token Terminal; McKinsey & Standard Chartered; Calastone as of the end of 2025

"Tokenization can replace paper with code, reducing the frictions that make assets costly and slow to trade. It can turn large, unlisted holdings such as real estate or infrastructure into smaller, more accessible units, broadening participation in markets long dominated by large institutions."

Larry Fink, Rob Goldstein

BlackRock

The Economist, December 1, 2025

What is tokenization?

Tokenization is the process of representing real-world assets — government bonds, money market funds, real estate, private credit — as digital tokens on a blockchain. The concept is not new: stock certificates have always represented ownership claims. What is new is the infrastructure. Blockchain-based tokens settle in minutes rather than T+1 or T+2 cycles, trade 24/7, and can be fractionated to any denomination in order to provide easier access. BlackRock, Franklin Templeton, Janus Henderson, and Fidelity have all tokenized US Treasuries.

Three structural benefits

Accessibility	Money market funds, once limited to large institutions, are now accessible to qualified investors on-chain. BlackRock's BUIDL fund offers US Treasury yields on Ethereum.
Liquidity	Settlement in minutes vs. T+2. For treasury management, near-instant access to liquidity instead of waiting days. 24/7 redemptions, no banking hours.
Efficiency	Smart contracts automate dividends, corporate actions, and compliance. Fund accounting costs reduced by 30%, transfer agency by 25% (Calastone, 2025).

“We’ve felt the responsibility to enter into the tokenization conversation”

Lynn Martin

New York Stock Exchange (NYSE) President

World Liberty Forum, February 18, 2026

“Blockchain is the future for traditional banking, you will see a convergence between the two”

Sergio Ermotti

CEO of UBS

Davos WEF, Jan 21, 2026

Legal framework: How tokenized products are structured

The two dominant legal structures for institutional tokenization are:

1. SPV model: A Special Purpose Vehicle (SPV) holds the underlying asset and issues tokens representing fractional ownership. Investors have legal claims against the SPV, not the blockchain. This is the most common approach for real estate and private credit.
2. Fund wrapper: A fund (UCITS in the EU, The Investment Company Act of 1940 in the US) wraps tokenized securities. BlackRock's BUIDL and Franklin Templeton's OnChain fund use this approach, providing regulatory familiarity for institutions.
3. Regulation: In the EU/UK, MiCA (Markets in Crypto-Assets Regulation, live since June 2024) provides the primary framework for crypto-asset issuers. For tokenized securities, MiFID II and the EU Pilot.

How to get exposure to tokenization

Tokenization runs on smart contract blockchains. Ethereum dominates institutional adoption — BlackRock's BUIDL, Franklin Templeton's OnChain fund, and Spiko's tokenized money market funds all operate on Ethereum. Other networks hosting tokenized assets include Solana, Avalanche, Stellar, and Hyperliquid.

As more assets move on-chain, these networks process more transactions and generate more fees. In the cases of Hyperliquid, BNB Chain, Avalanche, and Solana (HYPE, BNB, AVAX, and SOL tokens), higher transaction volumes can also result in increased token burns (destruction of the supply) through their respective fee mechanisms. Therefore, the growth of tokenization is, structurally, a bet on smart contract infrastructure.

CoinShares Altcoins ETF (DIME) provides exposure to some of the smart contract platforms powering this shift — a regulated access point to the infrastructure layer of on-chain finance.