

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.

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Evolving Asset Risk. Digital assets are a new technological innovation with a limited history. There is no assurance that usage of digital assets will continue to grow.

Investing in alternative cryptocurrencies (“altcoins”) involves a high degree of risk and is speculative in nature. Altcoins are subject to a variety of unique and evolving risks that may adversely affect their value, including extreme price volatility, limited liquidity, and heightened risk of loss, including the potential loss of the entire investment. Each of these Altcoins is the native token of a distinct blockchain network, and the value of each token is highly dependent on the continued development, adoption, and security of its underlying protocol. The networks supporting these Altcoins are relatively new, rapidly evolving, and may be subject to significant technological, regulatory, and market uncertainties. Altcoins are typically associated with emerging technologies and early-stage projects that may not achieve widespread adoption or functionality. Many such assets lack a long operating history, and their value may be influenced by factors that are difficult to predict or evaluate, including technological developments, market sentiment, and competitive dynamics.

Regulatory treatment of digital assets remains uncertain and continues to evolve. Certain altcoins may be deemed securities or otherwise subject to regulation by authorities such as the U.S. Securities and Exchange Commission or other domestic and international regulators. Changes in applicable laws, regulations, or enforcement priorities may adversely impact the value, liquidity, or legality of certain digital assets.

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Fees. Investors may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the valuation or return figures.

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