

Crypto and Tokenized Assets

The problem - An outdated system. Traditional investment opportunities have high barriers to entry and are limited both geographically and to those who can afford an entire asset. Further, transactions and settlement often take days and require costly fees.

The solution - Tokenization converts ownership rights in an asset into a digital token on a blockchain. Almost any asset can be tokenized, from financial instruments like equities and bonds to tangible assets such as real estate and precious metals. And the use of smart contracts helps automate transactions, saving time and money. These efforts face regulatory hurdles, however, as a number of key jurisdictions lack clear legal frameworks for tokenization.

Real world examples

- **Greater access to markets.** Fund managers are partnering with token providers like [Securitize](#) to tokenize billion-dollar funds, giving individuals access to private equity assets that are typically limited to institutional investors.
- **Customized portfolios.** Investors can customize portfolios around their specific interests, such as “tokenized royalty streams from their favorite musical artists.” (Source: [Coindesk](#))

Tokenizing assets can “unlock potential innovations in areas including custody, collateral management, cash and liquidity, fund administration, accounting and payments.” – [BNY Mellon report](#), 2021