

TOKENISATION: Major industry survey gauges the state of planning for digital assets across Europe

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Tokenisation: from early experimentation to strategic imperative

The tokenisation of investment fund shares remains at an intriguing crossroads. While stablecoins (i.e. tokenised representations of fiat currencies) have dominated the real-world asset tokenisation space to date, we're now witnessing accelerating momentum in fund tokenisation.

After nearly a decade of limited progress following Ethereum's 2015 smart contract breakthrough, 2024 has emerged as a potential inflection point, marked by landmark initiatives from major US asset managers.

This resurgence comes after years of cautious experimentation. Early movers who partnered with fintech providers around 2020 found solutions that operated at the periphery of core investment operations rather than integrating seamlessly with existing fund ecosystems.

Today, however, three critical enablers are converging: regulatory clarity through frameworks like MiCA in Europe, technological maturation of institutional-grade DLT solutions, and a growing investor appetite for digital asset exposure.

It's against this backdrop that CACEIS partnered with *Funds Europe* to conduct our comprehensive Digital Assets Survey. The findings reveal an industry grappling with two parallel transformations: the fundamental re-architecture of

financial market infrastructures through distributed ledger technology (DLT), and the emergence of crypto assets as a legitimate new asset class requiring dedicated allocation strategies.

The potential benefits driving adoption are compelling – operational efficiencies through atomic settlement and automated compliance, as well as enhanced liquidity via fractional ownership and 24/7 markets. It also opens access to new investor demographics, particularly digital-native wealth segments, and offers improved transparency through immutable record-keeping.

Nevertheless, significant barriers remain. This survey highlights persistent concerns around cybersecurity frameworks, legal certainty in cross-border transactions, and the governance models for smart contract operations. Perhaps most tellingly, asset managers overwhelmingly favour gradual adoption – seeking to integrate tokenisation components selectively rather than pursuing wholesale platform replacement.

At CACEIS, we consider the optimum response to these market needs is a hybrid transfer agent solution. This approach combines traditional fund administration with carefully calibrated on-chain components, operating exclusively in jurisdictions with

established tokenisation frameworks.

Key features include aspects like dual representation of fund shares as both conventional units and digital tokens in addition to institutionally hardened smart contracts with comprehensive audit trails. Finally, secure custody solutions are clearly a core component in meeting traditional financial standards.

The path forward is clear: tokenisation will increasingly become a strategic capability rather than a speculative experiment. However, successful adoption requires navigating three critical balances:

- Innovation versus institutional safeguards
- Technological potential versus operational pragmatism
- Long-term transformation versus short-term business continuity

For asset managers in Europe, the question is no longer whether to engage with tokenisation, but how to implement it in a way that aligns with their specific risk appetite, operational capabilities, and strategic objectives. Those who approach this transition with both vision and prudence stand to gain first-mover advantage in the coming era of digital asset management.

Laurent Majchrzak
Group Head of Digital Assets
at CACEIS



Tokenisation in 2025

The asset management industry is entering a period of profound transformation, driven by the accelerating integration of digital technologies into financial markets. Among the most significant of these innovations is the tokenisation of assets – a process through which ownership rights to tangible or intangible assets are represented in digital form on distributed ledger technology (DLT), such as blockchain.

While the concept of digital assets is not entirely new, recent advances in infrastructure, regulation and market adoption have elevated tokenisation from an experimental idea to a credible and increasingly mainstream component of investment strategies.

Tokenisation has the potential to reshape how assets are created, distributed, traded and managed. By enabling fractional ownership, increasing transparency, and reducing inefficiencies in settlement processes, tokenised assets promise to lower barriers to entry and broaden investor participation in previously illiquid or inaccessible markets.

This shift could democratise access to asset classes such as private equity, real estate and infrastructure, traditionally reserved for large institutions or high-net-worth individuals. Furthermore, tokenisation can enhance operational efficiency, streamline compliance and foster innovation in product design – all of which have direct implications for the competitive landscape of asset management.

The rapid pace of technological progress, however, presents both

opportunities and challenges. Market participants must navigate questions of scalability, interoperability and standardisation, while regulators grapple with ensuring investor protection, market integrity and systemic stability.

At the same time, asset managers must develop the expertise, partnerships, and strategies required to harness the potential of tokenisation without compromising on risk management or fiduciary responsibility. These dynamics underscore the importance of rigorous analysis, thoughtful implementation and constructive dialogue between industry stakeholders, policymakers, and investors.

This report has been prepared against this backdrop of change. It aims to provide a comprehensive overview of the tokenisation of digital assets, with particular emphasis on its implications for the asset management industry.

In this major survey of the views of 107 industry leaders *Funds Europe*, in partnership with fund administrator CACEIS, seeks to identify current industry attitudes to and the state of planning for the further roll-out of tokenisation

and how fund managers perceive the complexities, risks, and opportunities of digital assets.

Of the sample, 54 firms were based in the UK, 51 in Europe (excluding UK) and 2 from outside Europe.¹

The study also includes interviews with some of the companies at the forefront of thinking around tokenisation.

We hope the survey and our wider report will help as firms navigate the business and investment opportunities to be found in the blossoming field of tokenisation.

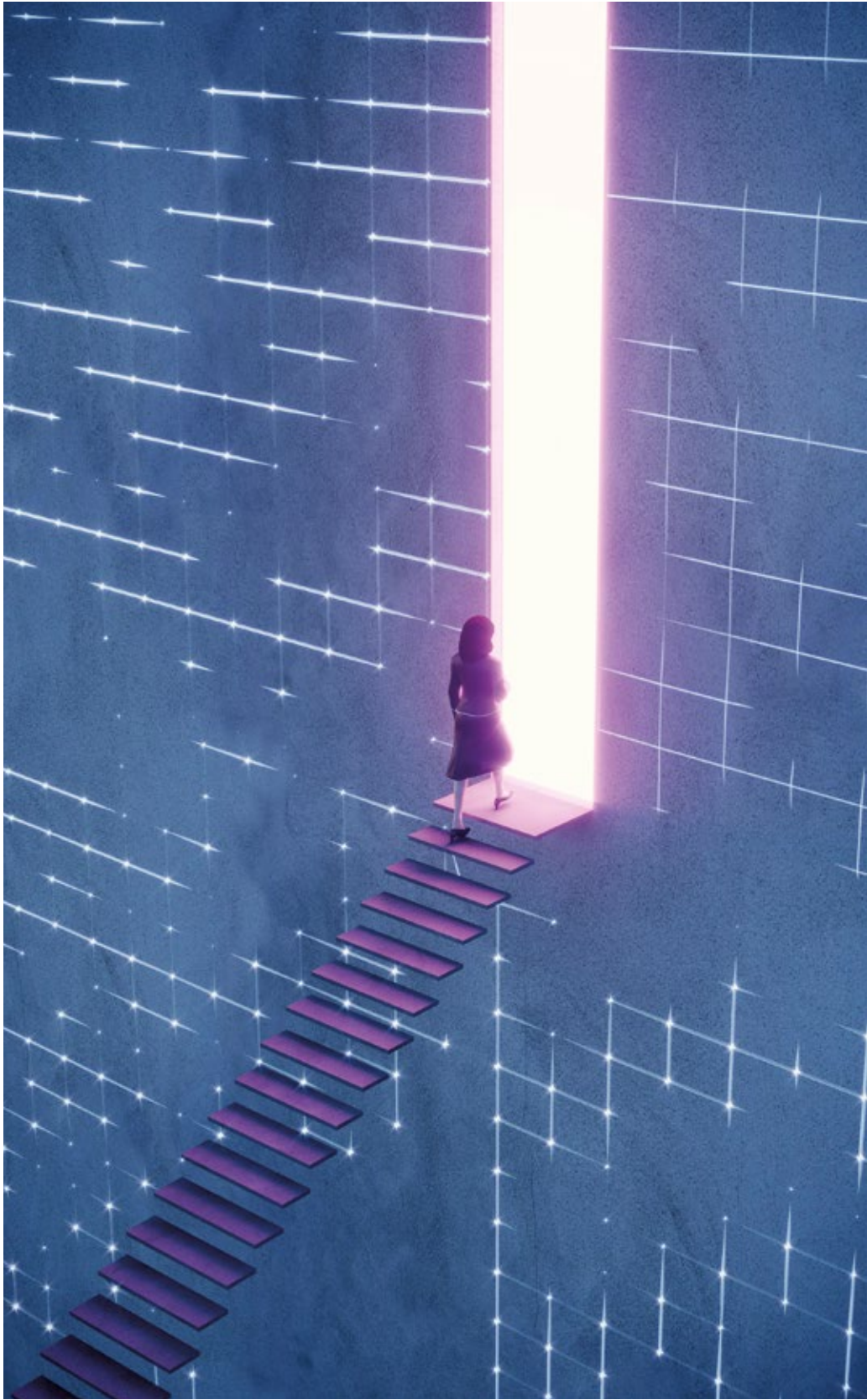
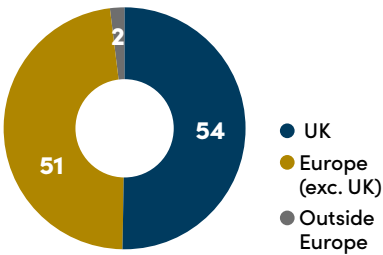
Importantly, this report recognises that tokenisation is not a panacea. While its promise is considerable, its success will depend on factors such as robust legal frameworks, market education and alignment across global jurisdictions.

For asset managers, the path forward requires careful assessment of where tokenisation can deliver meaningful value, as well as an honest appraisal of the technological, operational, and reputational risks that must be managed along the way.

In presenting this report, our objective is not only to inform but also to provoke critical reflection. The tokenisation of digital assets represents both a disruptive force and a strategic opportunity for the asset management industry. By exploring its contours, we hope to equip readers with the insights needed to navigate this evolving landscape and to contribute thoughtfully to the future of global finance.

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The growing role of tokenisation in asset management

Tokenised funds and crypto assets are reshaping the way institutional investors and asset managers approach investment strategies.

The *Funds Europe* - CACEIS Digital Assets Survey, which gathered insights from 107 respondents across the financial industry, illustrates this evolving landscape. As firms grapple with the possibilities of blockchain-driven finance, emerging trends in demand, regulation, security and infrastructure paint a clear trajectory for digital asset adoption.

One of the most significant findings from the survey is the strong institutional interest in tokenisation. Asset managers who do not yet offer tokenised funds are increasingly optimistic about their future adoption, with 62% expecting to launch such offerings within the next one to five years. ²

Demand for crypto assets is also robust, with 43% of asset owners reporting high or very high interest from their peers. These figures highlight the growing institutional appetite for digital investments, reinforcing the notion that blockchain technology will become a foundational pillar of financial services. ³

Public vs private blockchains

The question of blockchain infrastructure remains critical in this transition. When asked to choose between private and public blockchains, respondents overwhelmingly favoured private blockchain networks.

More than half of respondents, 53%, expressed a preference for private blockchains over their public counterparts, citing greater security, governance and control. ⁴

The preference for private infrastructures signals a cautious but

strategic approach to distributed ledger technology, where firms aim to leverage blockchain's efficiencies without sacrificing institutional safeguards.

Laurent Majchrzak, Global Head Digital Assets at CACEIS, says: "While several European tokenisation initiatives have been built on private blockchains, our customers are more and more inclined to adopt public blockchains, identifying interoperability and portable custody solutions as important features for achieving their distribution strategy.

"Their objective is ultimately to allow investors access in a non-intermediated way to a maximum of financial instruments seamlessly and without additional costs."

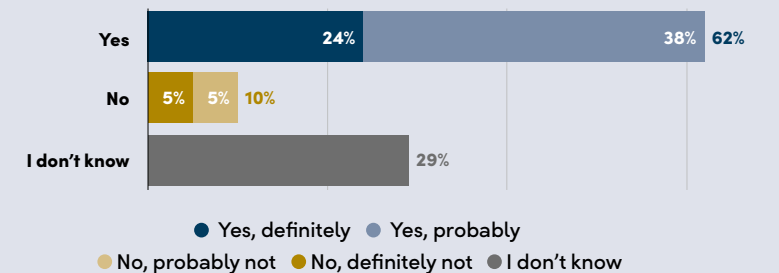
Despite the enthusiasm for digital assets, significant barriers remain, with 58% of asset owners citing regulatory constraints as a hurdle to crypto investment. ⁵ »



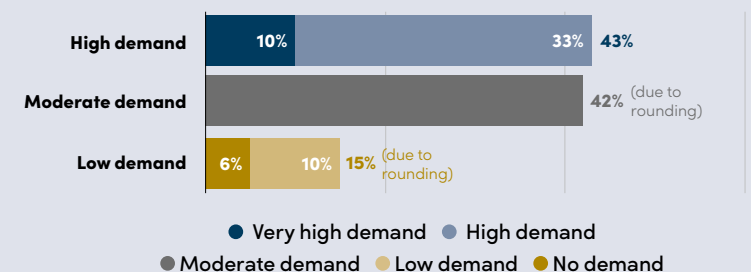
“While several European tokenisation initiatives have been built on private blockchains, our customers are more and more inclined to adopt public blockchains”

Laurent Majchrzak, Global Head Digital Assets, CACEIS

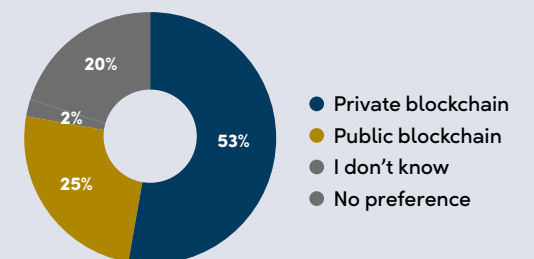
2/ Do you expect to offer a tokenised fund in the next 1-5 years? [asset managers not currently offering a tokenised fund]



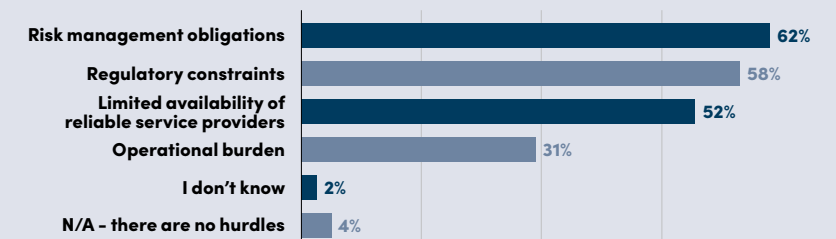
3/ How would you describe the level of demand for crypto assets (for example bitcoin) from your peer group of asset owners and professional fund-buyers? [asset owners]



4/ Which type of blockchain do you prefer for your organisation? [asset managers]



5/ What do you perceive as the main hurdles to investing in crypto assets? [asset owners]



This reflects broader uncertainty around evolving financial frameworks such as the Markets in Crypto Assets Regulation (MiCA), which is expected to bring new clarity to digital asset oversight across the European Union. Until regulators establish a more comprehensive framework, hesitation among asset owners is likely to persist.

Majchrzak believes that the interplay between various EU legislative texts is sometimes a source of confusion. For instance, stablecoins such as Electronic Money Tokens (EMTs) are payment means for the purpose of the settlement of transactions while also being crypto assets.

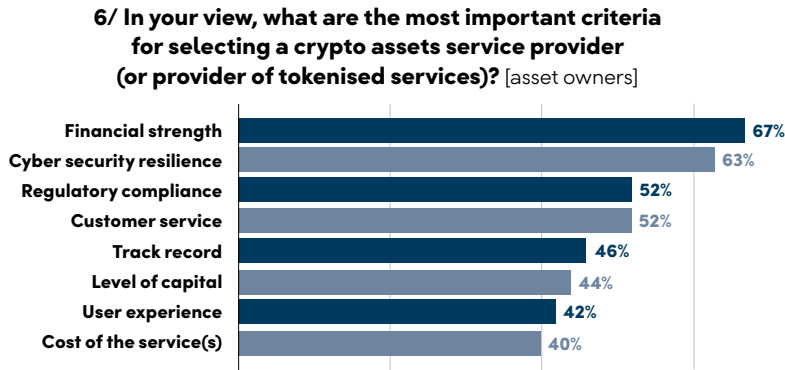
“These assets are important for asset managers if they are to implement atomic settlement with instant transactions,” he says.

“European institutions and national regulators should go public in explaining what is prevailing and take “no action decisions” to avoid conflicting and undue burden by cumulating pieces of legislation.”

“In the longer term, CACEIS takes the view that the cash component should be redefined for the purpose of investment funds EU legislation by including not only EMTs but also Central Bank Digital Currencies (CBDCs) and tokenised commercial bank money.”

Security considerations are another critical factor shaping the digital asset landscape. When selecting a provider of tokenised services, financial strength and cybersecurity resilience emerged as top priorities, with 67% of asset owners prioritising financial stability and 63% focusing on cyber protections.⁶

These concerns reflect broader anxieties over fraud, cyberattacks, and operational failures: issues that must be



addressed before tokenisation can be fully embraced by institutions at scale. Investors demand robust protections, ensuring that their tokenised assets remain secure in an increasingly digital marketplace.

Blockchain-powered outsourcing
Beyond these immediate concerns, the rise of tokenisation is likely to transform outsourcing models within financial services.

Many respondents anticipate the development of specialised firms dedicated to digital asset management, leveraging automation, smart contracts and decentralised collaboration to streamline operations.

From reducing transaction costs to enhancing cross-border settlement efficiency, blockchain-powered outsourcing is set to redefine traditional service structures. While the exact nature of these changes is still unfolding, most experts agree that the impact will be profound, shifting how financial institutions engage with asset

servicing providers.

The findings of the *Funds Europe* – CACEIS Digital Assets Survey suggest that digital asset adoption is not merely a trend but a defining evolution in asset management.

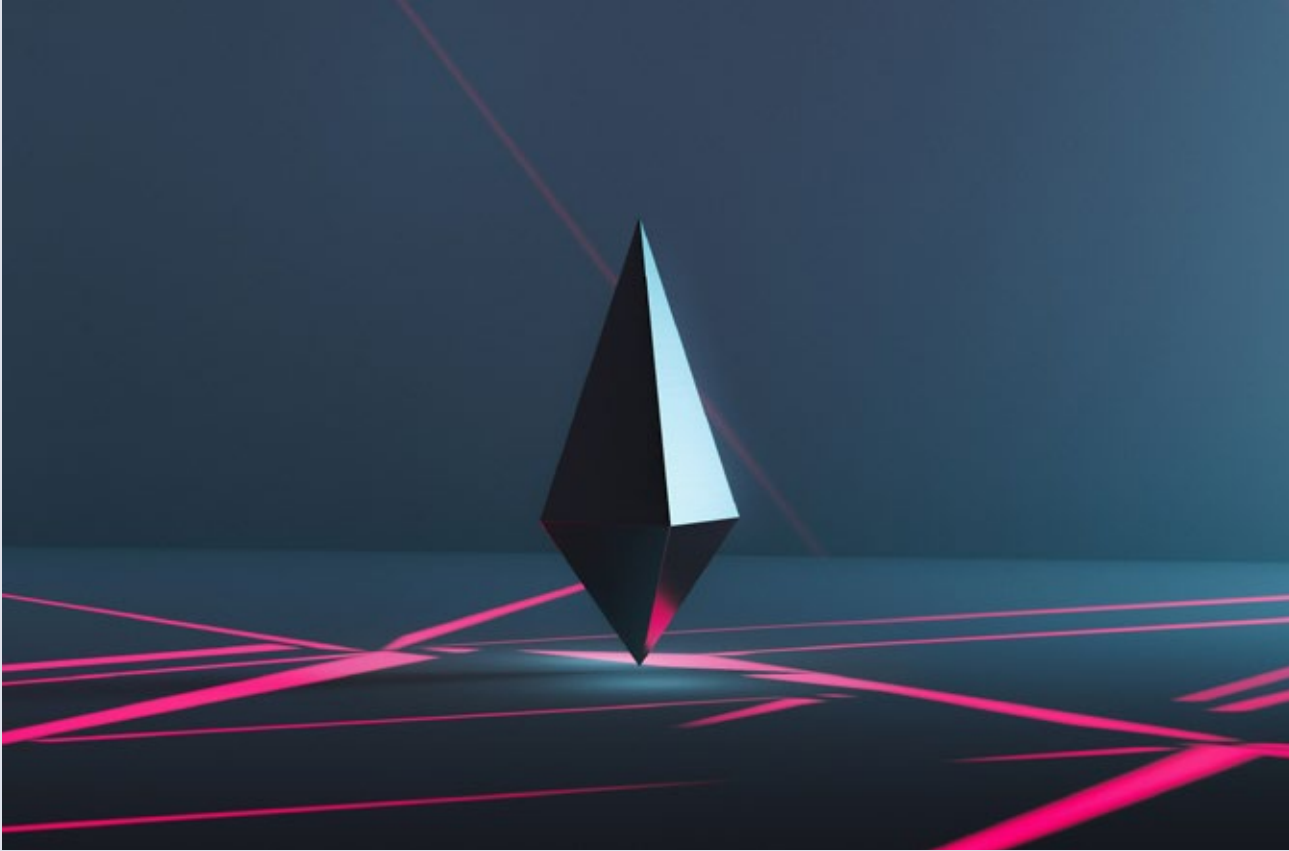
Institutional demand continues to grow, regulatory uncertainty remains a hurdle, cybersecurity is non-negotiable and outsourcing models are set for disruption.

Majchrzak says that, with the use of Distributed-Ledger Technology (DLT) and customer demand for greater use of automated processes in the context of tokenisation, security considerations are high on the agenda of CACEIS, notably on the analysis and audit of smart contracts.

“Specific procedures and processes were adopted for the design and selection of our internal smart contracts used in the context of our tokenisation services but also when interacting with external smart contracts when receiving tokenised assets from external counterparties.”

“In the longer term, CACEIS takes the view that the cash component should be redefined for the purpose of investment funds EU legislation by including not only EMTs but also Central Bank Digital Currencies and tokenised commercial bank money”

Laurent Majchrzak, Global Head Digital Assets, CACEIS



Robert Crossley
Head of thematic research at
Franklin Templeton

Tokenisation will redraw the financial map

As tokenisation gathers momentum across global capital markets, Robert Crossley, head of thematic research at Franklin Templeton, argues that the industry is only just beginning to grasp the transformative implications of blockchain-based finance.

Crossley brings a wealth of experience to Franklin Templeton’s digital strategy efforts. For the past decade, his focus has shifted from market trading to high-level strategic research, engaging directly with the C-suites of major asset managers, pension funds, and wealth managers – an audience managing between \$50–\$60 trillion in assets. His mission: to distill actionable insights from the industry’s front lines. Now, Crossley is leading the charge at Franklin Templeton, a firm that he

says “had the long-term vision, infrastructure, and strategic clarity to recognise the disruptive potential of blockchain technology.” Franklin’s early move to deploy tokenised funds, he adds, wasn’t just technological theatre.

“We launched the first tokenised US ‘40 Act money market fund back in April 2021 – not as a proof of concept, but as a production-grade product with real-world benefits.”

According to Crossley, the term “tokenisation” is often misunderstood. Too often, it’s equated simply with digitising an asset and putting it on chain. That, he says, misses the point. “Tokenisation is the last mile. The more significant shift is the adoption of blockchain infrastructure. It’s not about putting old wine in new bottles – it’s about rearchitecting the

»

“Digital assets are the next generation of alternatives. What matters is not just what gets tokenised, but how intelligently that tokenisation is applied. The aim must be to deliver real-world benefits: efficiency, security and utility”

system to enable real-time ownership, programmability of assets, and lower operational friction.”

One of the most profound changes blockchain enables, Crossley argues, is in cost structure. “It transforms the fixed and variable cost base of asset management. You can update shareholder registers in real time, pay interest in real time, and control collateral in real time. Those are not incremental improvements – they’re game changers.”

He is particularly focused on the idea that digital infrastructure unlocks entirely new asset classes. “Ninety percent of the value in the S&P 500 today is intangible – IP, code and intent. But investors can’t own those assets directly. Blockchain enables direct ownership of intangible value, which opens up whole new avenues for capital deployment.”

Crossley cites the blockchain Ethereum as an example of value creation that sits entirely outside traditional capital structures. “Ethereum is not a company. It has no equity, no debt, and yet, if it were a company, it would be among the fastest to \$10 billion in annual revenues. What you’re seeing is value creation occurring on platforms, not just in corporations. As asset managers, we can’t afford to ignore that shift.”

He sees tokenised money market funds as

the vanguard. Franklin’s tokenised “Benji” fund – initially launched in the U.S. and more recently in Luxembourg – offers investors daily interest payments (with intraday payments soon possible), full on-chain shareholder registers, and greater flexibility around collateral use.

“These funds act as a bridge between traditional finance and decentralised digital finance,” says Crossley. “Unlike stablecoins, which offer no interest and limited transparency, tokenised money market funds are hard, regulated assets. They’re what’s enabling the direct exchange of value across financial systems.”

Usage of the Benji fund has been wide-ranging: from corporate treasurers seeking real-time liquidity control, to crypto exchanges using the fund as high-quality collateral, to retail investors drawn by the transparency of daily interest payments. Franklin Templeton currently has approximately \$750 million in AUM across its tokenised money market offerings.

Yet, Crossley is quick to note that the scale of AUM is a lagging indicator. “Whether

it’s \$50 or \$500 billion, that tells you more about adoption than about innovation. The meaningful change is the shift in infrastructure, and that’s happening beneath the surface.”

So, what are the barriers to wider adoption?

“The regulatory climate, particularly in the US, is changing. There’s been a political shift from hostility to engagement. Regulators are increasingly willing to examine the technology on its merits. That’s crucial, because without regulatory clarity, the industry can’t scale responsibly.”

Franklin Templeton has played a key role in these regulatory conversations, including working closely with the SEC and European regulators to ensure that its products meet high standards for resilience and transparency. “It’s a bilateral education process,” Crossley says. “It makes the product better, and it makes the regulators better informed.”

Asked about the contentious issue of private versus public blockchains, Crossley is unequivocal. “Public chains are the future. They offer transparency, security, and community-driven innovation. Private

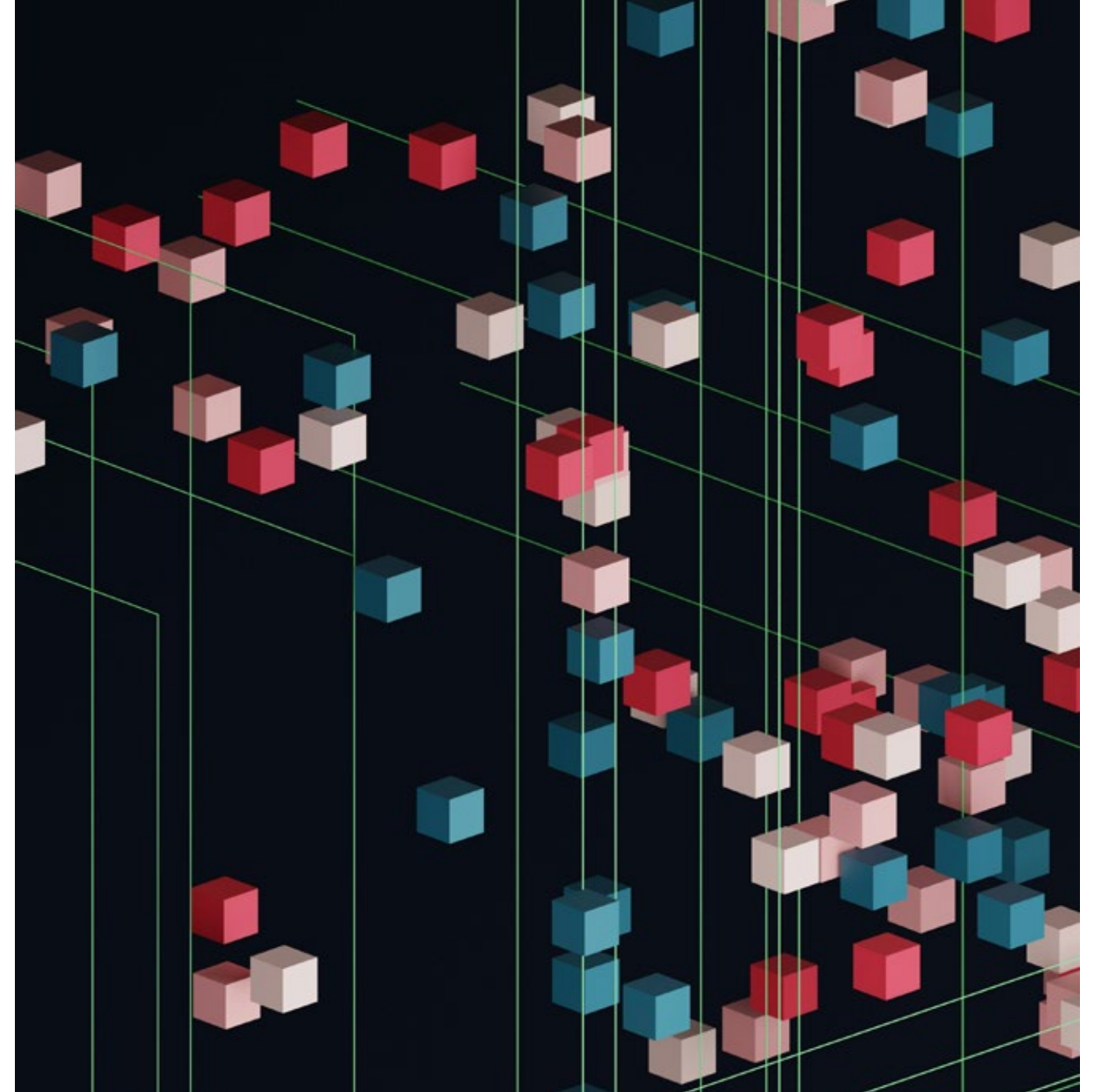
blockchains can be useful, but they’re really just permissioned databases with a blockchain veneer. The real benefits accrue only when the infrastructure is truly decentralised and programmable.”

Looking ahead, Crossley sees tokenisation as just one manifestation of a larger industry evolution. “Digital assets are the next generation of alternatives. What matters is not just what gets tokenised, but how intelligently that tokenisation is applied. The aim must be to deliver real-world benefits: efficiency, security and utility.”

He cautions against tokenisation for tokenisation’s sake: “You need to be clear about the use case. If you’re not improving access, control, or functionality, then why do it? This is not about gimmicks – it’s about reshaping the financial system to better serve clients.”

Though he declines to confirm future product launches, Crossley hints that Franklin Templeton’s work is far from done. “This is not the end. This is the beginning.”

As institutional and retail investors alike begin to recognise the operational and strategic upside of blockchain, Crossley believes the tipping point is approaching. “We’ll soon live in a world where your portfolio view spans traditional assets in accounts and digital assets in wallets. The most efficient form of an asset will vary by use case, and digital will increasingly



Theo Golden
Investment manager
at Baillie Gifford

The future of funds, on-chain

Once a financial journalist and opera singer but now an investment manager, Theo Golden is spearheading Baillie Gifford’s exploration of tokenised funds. He argues the industry has crossed a “credibility threshold” and the next wave of innovation is already accelerating.

When Theo Golden left journalism to join Edinburgh-based Baillie Gifford as an investment manager, he brought with him a journalist’s instinct for probing the underlying story. That curiosity has now placed him at the forefront of one of the most closely-

watched developments in asset management: the tokenisation of funds.

Golden co-manages Baillie Gifford’s long-running Strategic Bond Fund, but his remit has expanded into a different kind of bond altogether: the kind between financial markets and digital infrastructure.

Since 2016, when he first invested in crypto in a personal capacity, Golden has tracked the evolution of blockchain and tokenisation. Today, he is one of the firm’s leading voices on how this technology could reshape the future of fund distribution and client outcomes. »

A pilot with promise

Earlier this year, Baillie Gifford completed what Golden describes as a landmark project: the UK's first fully tokenised Ucits feeder fund, built on Ethereum. The fund directly issued units onto the blockchain, creating an on-chain book of record rather than the mirror structures or special-purpose vehicles that have sometimes characterised tokenisation efforts elsewhere.

The pilot, run in collaboration with the UK's financial regulator, the Financial Conduct Authority (FCA), tested the mechanics of issuance, trading, minting and redeeming tokens, and even dividend distribution. Golden himself became one of the first UK investors to hold units of a regulated fund in a self-custodied digital wallet in a moment he describes as "really hitting home what this technology could do."

The regulator's engagement was a key part of the process. "The FCA were hugely supportive," Golden says. "They helped us navigate what was, for all parties, uncharted territory. For us, success meant proving that the technology works, that it improves what we already do and that there's a large opportunity ahead. It also meant building conviction both internally and externally, with our regulator."

Beyond operations: client outcomes

At first glance, tokenisation appears to be an operations story: streamlining back-office functions, cutting costs, and reducing settlement times. Estimates often cite savings of 20–30% on administrative processes. But Golden stresses that

Baillie Gifford's interest quickly grew into something broader: distribution, client access and innovation in product design.

"The real opportunity lies in delivering better outcomes for clients," he says. "Tokenisation could make high-conviction strategies available to new groups of investors and help companies diversify across asset classes. That's where the energy is."

For Golden, this is not about chasing assets under management. "We don't see ourselves as asset gatherers," he says. "Our responsibility is to manage assets honourably and deliver on what we promise. With tokenised funds, that means more than just investment performance. It's about ensuring the technology itself delivers the right features, transparency and client experience."

Demand and credibility

One question hovering over any new financial innovation is whether demand is real or manufactured. Commenting on our industry survey, Golden points to the fact that nearly 40% of respondents report high demand for tokenised funds, while half report moderate demand. Only 11% said they saw little or no demand.

"That's striking," Golden argues. "In many innovation surveys you see indifference dominate. Here, scepticism is minimal. Tokenisation has crossed a credibility threshold. Even if enthusiasm

isn't universal, demand is clearly present."

The profile of potential clients is varied. Early adopters range from family offices and digitally native companies to stablecoin issuers and traditional institutions. Golden believes the key will be delivering genuine use cases rather than simply repackaging existing products. "The hype is there, but through that



hype we must deliver tangible outcomes. That's where we want to be: working in that golden spot between technology and client need."

Why the slow rollout?

Despite years of discussion, tokenised funds remain rare. In Europe, Franklin Templeton has regulatory approval for a Ucits tokenised fund, while others are experimenting. So why has adoption been slower than many predicted?

Golden points to infrastructure and regulation rather than lack of appetite. "Anyone who believes in technological innovation can get frustrated," he admits. "But frustration doesn't get you anywhere. You have to

prove the outcome is better. In the past, service providers and compliance frameworks weren't ready. But in the last two to three years, we've seen huge progress."

That includes improvements in digital transfer agency, know-your-customer and anti-money-laundering tools as well as the maturing of tokenisation platforms themselves. Crucially, regulators are also shifting gears. "Regulation is not an obstacle: it's a catalyst," Golden insists. "It ensures good outcomes. The FCA showed us that. Regulators want this to happen, but safely. Our job is to prove it's as safe, if not safer, than existing models."

“Anyone who believes in technological innovation can get frustrated, but frustration doesn't get you anywhere. You have to prove the outcome is better. But in the last two to three years, we've seen huge progress”

Public vs private blockchains

One debate in tokenisation is whether public or private blockchains are the right platform. Golden makes no secret of his preference. "Public chains offer a massive uplift in composability, interoperability and inclusion," he says. "They lower the barrier to innovation. Private chains may feel safer, but they risk creating siloed pools of capital and gatekeepers. That's not the right long-term outcome."

Still, he acknowledges that each manager and regulator will have their own risk tolerance. "It's too early to rule anything out. But if you want to capture the flywheel effect, where innovation builds on itself, public chains are more promising."

A compressed timeline

Perhaps the most telling development, Golden suggests, is how quickly industry expectations have shifted. "Two years ago, managers would say, 'Maybe in ten years.' Now most expect to launch tokenised funds in one to five years. That's a remarkable compression."

The implications go beyond cost savings. Survey respondents highlighted access to a broader range of assets and increased liquidity as the main benefits: strategic opportunities rather than just operational efficiency. "That

mindset shift is important," Golden says. "Institutions are thinking about tokenisation as an enabler of access."

The road ahead

So will Baillie Gifford launch a fully tokenised fund? Golden is cautious. The pilot proved the model works, but the firm is taking what he calls a "thoughtful approach." As a 100-year-old partnership, it prizes durability and reputation. "We're having conversations with clients, service providers and regulators about what best-in-class looks like. For us, the question is always: can we deliver this honourably?"

For now, Golden is focused on refining the technology, building internal and external conviction, and ensuring the next steps are grounded in client benefit. But his enthusiasm is evident. "This is only the first innings," he says. "The momentum is there, the infrastructure is maturing and the regulatory catalysts are in place. It's an incredibly exciting time."

Theo Golden has already navigated an unconventional career path.

Now, as he helps Baillie Gifford and the wider industry explore the frontier of tokenised funds, he may once again be ahead of the curve — this time on a journey that could transform how investors everywhere access capital markets.

Tokenisation of funds: asset owners' rising curiosity fuels demand

The financial services industry has been buzzing for years about the promise of tokenisation – the process of representing traditional assets as digital tokens on distributed ledger technology (DLT).

Asset managers and asset owners alike are waking up to the potential of enhanced liquidity, new distribution models, and a broader investor base. The *Funds Europe* – CACEIS survey of industry attitudes and preparation for tokenisation reveal widespread interest and rising demand for tokenised products.

The survey of asset owners highlights a striking dichotomy. On the surface, demand looks healthy: 38% report high demand for tokenised funds and assets, compared to just 12% reporting low or no demand.⁷

Drilling down into the numbers down, however, shows that the story softens with half of respondents (50%) describing demand as “moderate,” and just 8% reporting “very high” demand. In total, 88% of asset owners say demand is moderate or high, but the enthusiasm appears to be cautious rather than feverish.

A similar pattern emerges when it comes to crypto assets. Here, 42% selected one of the high-demand options, compared to 15% selecting low or no demand. Again, the largest group sat in the middle: 42% described demand as moderate. Only 10% reported “very

high” demand. So, while slightly more polarised than tokenisation, the overall picture remains consistent – this is a trend people want to explore, but not a market they are clamouring to enter at breakneck speed.³

When asked what benefits tokenisation could deliver, asset owners proved remarkably open-minded. Enhanced security (69%) and access to a broader range of assets (69%) were the top responses, with increased liquidity (63%) and lower transaction costs (52%) close behind.⁸

This breadth of answers suggests tokenisation has potential to reshape multiple aspects of investment management. Yet once again, the devil lies in the detail: security resonates most strongly, while cost savings are not the headline draw.

The hurdles are equally clear. Risk management obligations (62%) and regulatory constraints (58%) dominate as the biggest perceived challenges. Limited availability of reliable service providers (52%) follows, while operational burdens are seen as less significant (31%). In short: asset owners are open to the concept, but regulatory and compliance risk looms large.⁵

Perhaps the most telling responses came when asset owners were asked what they seek in a digital asset service provider. Financial strength (67%) and cyber security resilience (63%) ranked highest. Other factors scored solidly in

the 40–52% range, but cost was lowest of all, selected by only 40%. This matches the broader theme: asset owners will pay for providers who offer safety, resilience, and regulatory comfort. Cost, in contrast, is not the deciding factor.⁶

Asset managers: adoption rising, growth anticipated

Asset managers, meanwhile, are further along the curve. Almost two-thirds (62%) already offer a tokenised fund⁹. Of those that don't, nearly two-thirds again (62%) expect to do so within the next five years. Only 10% say they don't plan to, with 29% uncertain². This is a strong signal: tokenisation is not just theoretical, it is happening now, and even the holdouts largely expect to join in.

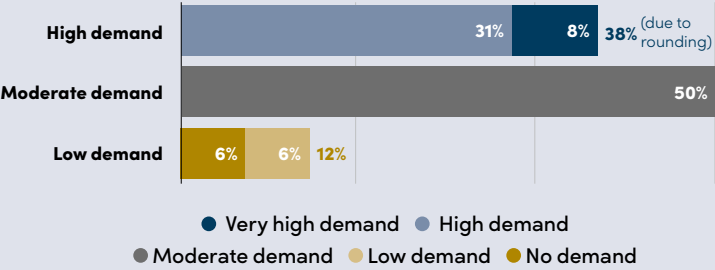
Why would managers without tokenised funds consider launching them? The survey findings are revealing. Over half (52%) said the main driver would be potential investor demand, compared to only one-third (33%) citing demand from existing investors or distributors.¹⁰

This suggests managers view tokenisation as an opportunity to grow their investor pool, particularly among younger and digitally native audiences, rather than simply a way to service current clients. Nearly half (48%) also cited anticipation of appetite for new distribution models and asset classes, further underlining tokenisation's perceived role as a growth strategy.

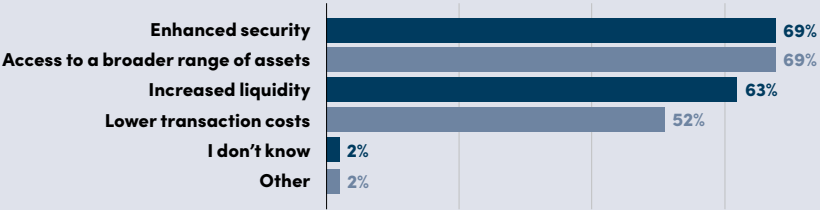
When it comes to criteria for »



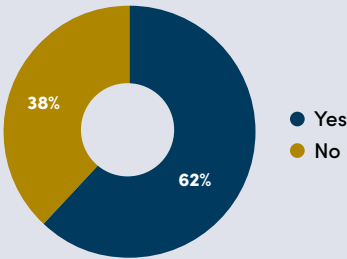
7/ How would you describe the level of demand for tokenised funds or assets from your peer group of asset owners and professional fund-buyers? [asset owners]



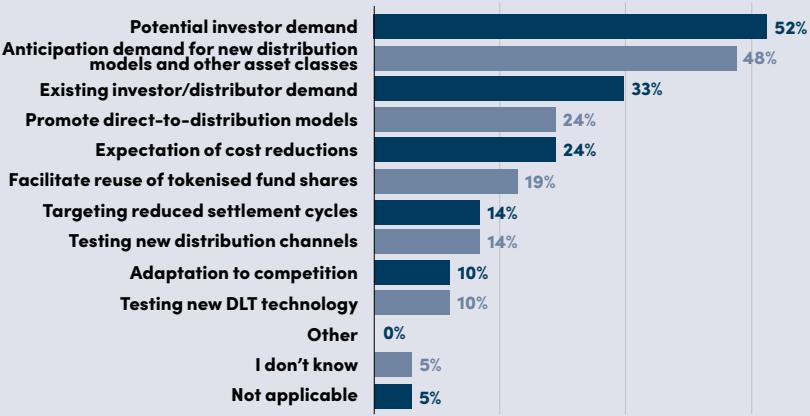
8/ What do you see as the main benefits of tokenised securities and tokenised real-world assets? [asset owners]



9/ Do you offer a tokenised fund? [asset managers]



10/ What are – or would be – the main drivers for you to start tokenising fund shares? [asset managers not currently offering a tokenised fund]



“The breadth of answers suggests tokenisation has potential to reshape multiple aspects of investment management. Yet once again, the devil lies in the detail”

choosing a platform, non-adopters again show their caution. Cyber security resilience leads (48%), followed by regulatory compliance (38%). Integrated solutions – such as platforms that combine tokenisation with fund administration, custody, and depositary controls – scored 29%. Cost, however, trailed at a distant 14%. As with asset owners, the message is clear: safety and compliance trump price.¹¹

Looking forward, 93% of asset managers expect tokenised funds to become more widespread in Europe over the next five years. More than half (51%) predict they will become “greatly” more widespread, while 42% say “to some extent.” Tokenisation may not be universally embraced today, but it is widely viewed as an inevitability.¹²

Those who offer vs. those who don’t: a tale of two perspectives

A closer look at the differences between asset managers who already offer tokenised funds and those who don’t reveals subtle but important contrasts.

On expectations, the gap is small but notable. Among those already offering tokenised funds, 53% believe tokenised funds will become greatly widespread, compared to 48% among those who don’t.¹³

More tellingly, all current providers expect tokenisation to grow, versus just 81% of non-providers. A small minority (14%) of non-providers admitted they simply “don’t know” what to expect – underlining the knowledge gap between participants and observers.

The divergence is sharper when it

comes to criteria for choosing service providers. Those already offering tokenised funds prioritise financial strength (56%), regulatory compliance (53%) and cyber security (50%) almost equally. Those who don’t, however, place much greater emphasis on compliance (71%), with financial strength and security both lower (48%).¹⁴

In other words, incumbents appear more balanced in their priorities, while non-adopters are fixated on compliance – perhaps reflecting the fears and uncertainties of entering a new space.

Interestingly, non-adopters also value track record (52%) far more than adopters (24%). For those inside the market, building that track record is part of the journey; for outsiders, it is a prerequisite.

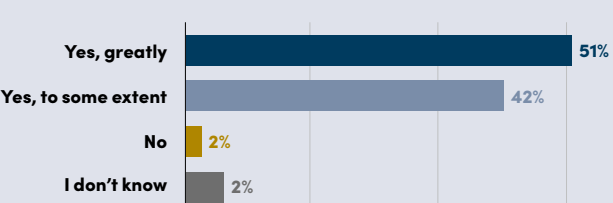
Another divergence comes in »



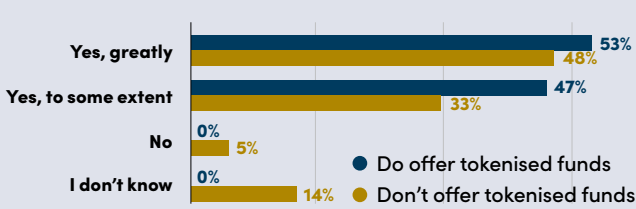
11/ What are – or would be – the main drivers for you to start tokenising fund shares? [asset managers not currently offering a tokenised fund]



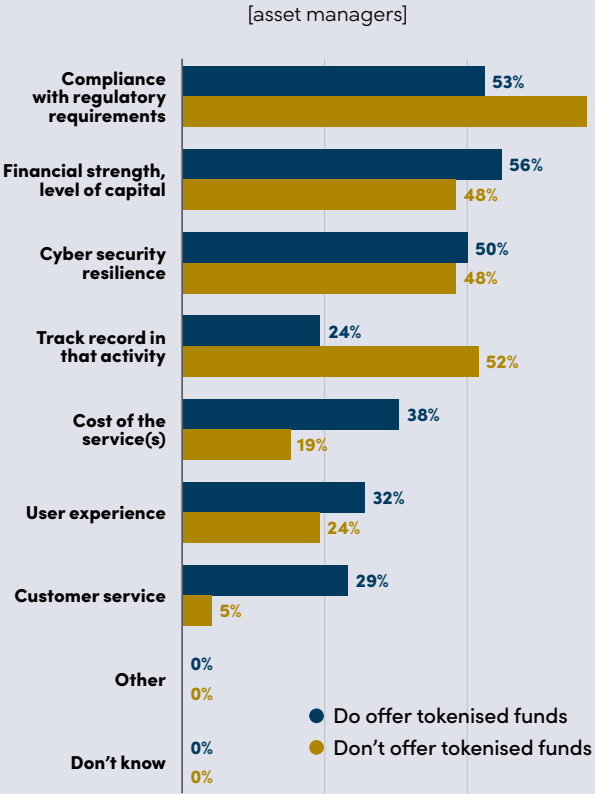
12/ Do you expect tokenised funds to become more widespread in Europe in the next 1-5 years? [asset managers]



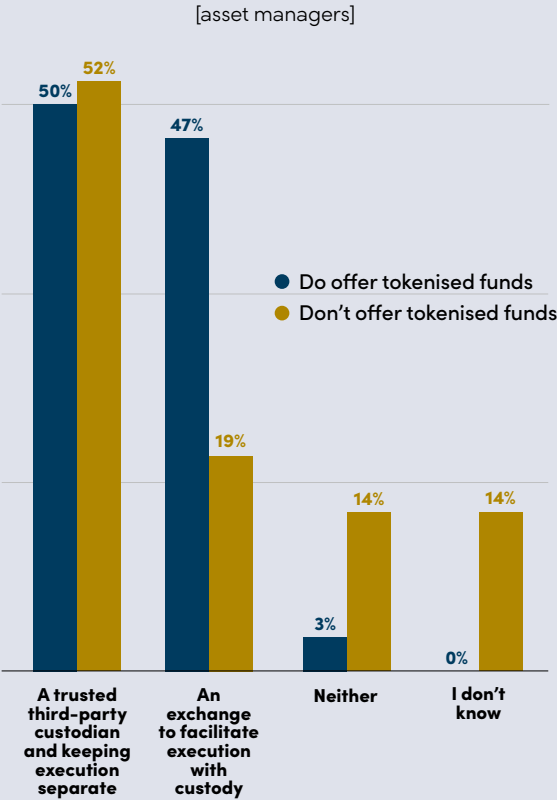
13/ Do you expect tokenised funds to become more widespread in Europe in the next 1-5 years? [asset managers]



14/ In your view, what are the most important criteria for selecting a digital asset services provider? [asset managers]

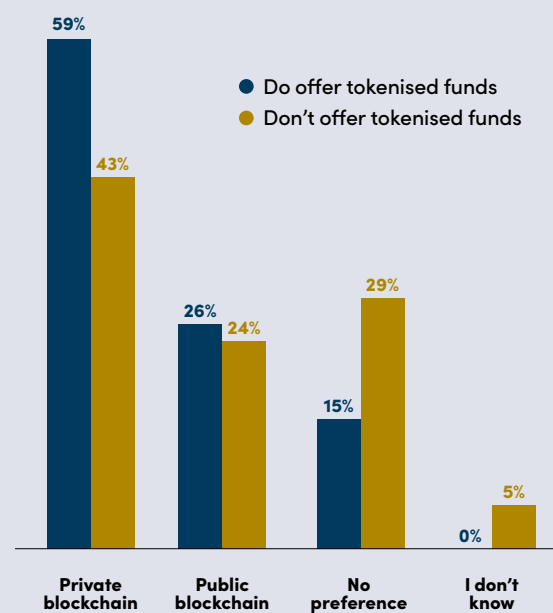


15/ Do you (or would you) prefer to hold your crypto assets and other tokenised assets with one of the following? [asset managers]



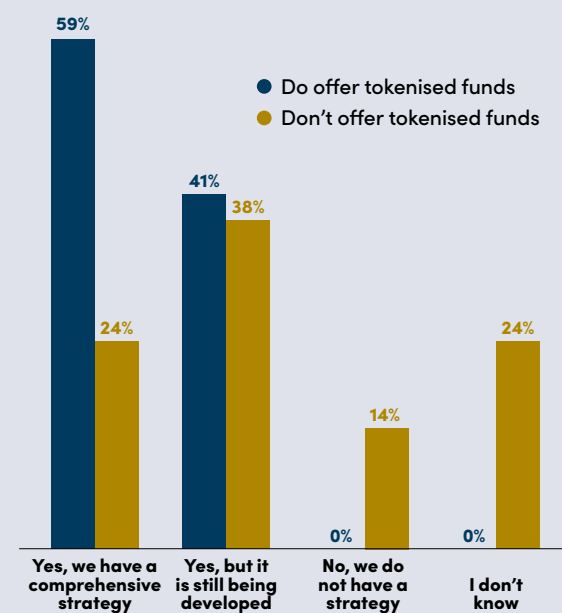
16/ Which type of blockchain do you prefer for your organisation?

[asset managers]



17/ Does your company have a due-diligence strategy for managing Distributed Ledger Technology (DLT) procurement?

[asset managers]



custody preferences. Providers are evenly split: 50% prefer a trusted third-party custodian with separate execution, while 47% prefer an exchange that combines execution with custody.¹⁵

Non-providers, by contrast, lean heavily towards the third-party model (52%) and are far less open to exchange solutions (19%). Strikingly, 14% of non-providers chose “neither” and another 14% “don’t know,” compared to virtually none of the current adopters. Again, perception diverges from practice.

When asked about blockchain preferences, current providers lean strongly towards private blockchains (59%), while non-providers are less decisive (43%). Nearly a third of non-providers (29%) reported no preference at all, compared to just 15% of adopters. Those in the market know what they want; those outside are still feeling their way.¹⁶

Finally, strategy provides perhaps the clearest dividing line. All providers

have either a comprehensive (59%) or developing (41%) strategy for managing DLT procurement. Among non-providers, fewer than two-thirds (62%) have such a strategy, with 14% admitting they have none and 24% saying they don’t know. Experience breeds clarity; inexperience breeds hesitation.¹⁷

The bigger picture: demand is there, but caution reigns

Taken together, the findings paint a picture of an industry in transition. Asset owners are intrigued, asset managers are advancing, and both sides recognise tokenisation’s potential to reshape the industry. Yet enthusiasm is tempered. Demand is “moderate to high” rather than “very high.” Compliance and security concerns loom large. Cost is consistently deprioritised, a sign that institutional investors are willing to pay for the right solutions but won’t rush into unsafe or unregulated waters.

Perhaps most importantly, the survey shows tokenisation is seen less as a reaction to existing demand, and more as a proactive strategy to attract new investors. For asset managers, this is about growth and future relevance. For asset owners, it is about optionality, diversification and security.

The verdict? Tokenisation is no longer a fringe idea, but neither is it yet indispensable. For now, it sits in the middle ground: widely anticipated, moderately demanded, cautiously implemented. The differences between adopters and non-adopters show that the journey from theory to practice brings clarity – and shifts priorities from fear of compliance to optimisation of cost and service.

Over the next five years, the survey suggests tokenisation will move steadily from experiment to expectation. It may not be a market investors are screaming out for today, but it is one they will increasingly come to expect tomorrow.



Jon Evans
Digital Asset
Technical Specialist
at Schroders

Schroders eyes the future of tokenisation

As interest in tokenisation gathers momentum across global financial markets, London-based asset management Schroders is steadily carving out its own path through this evolving terrain.

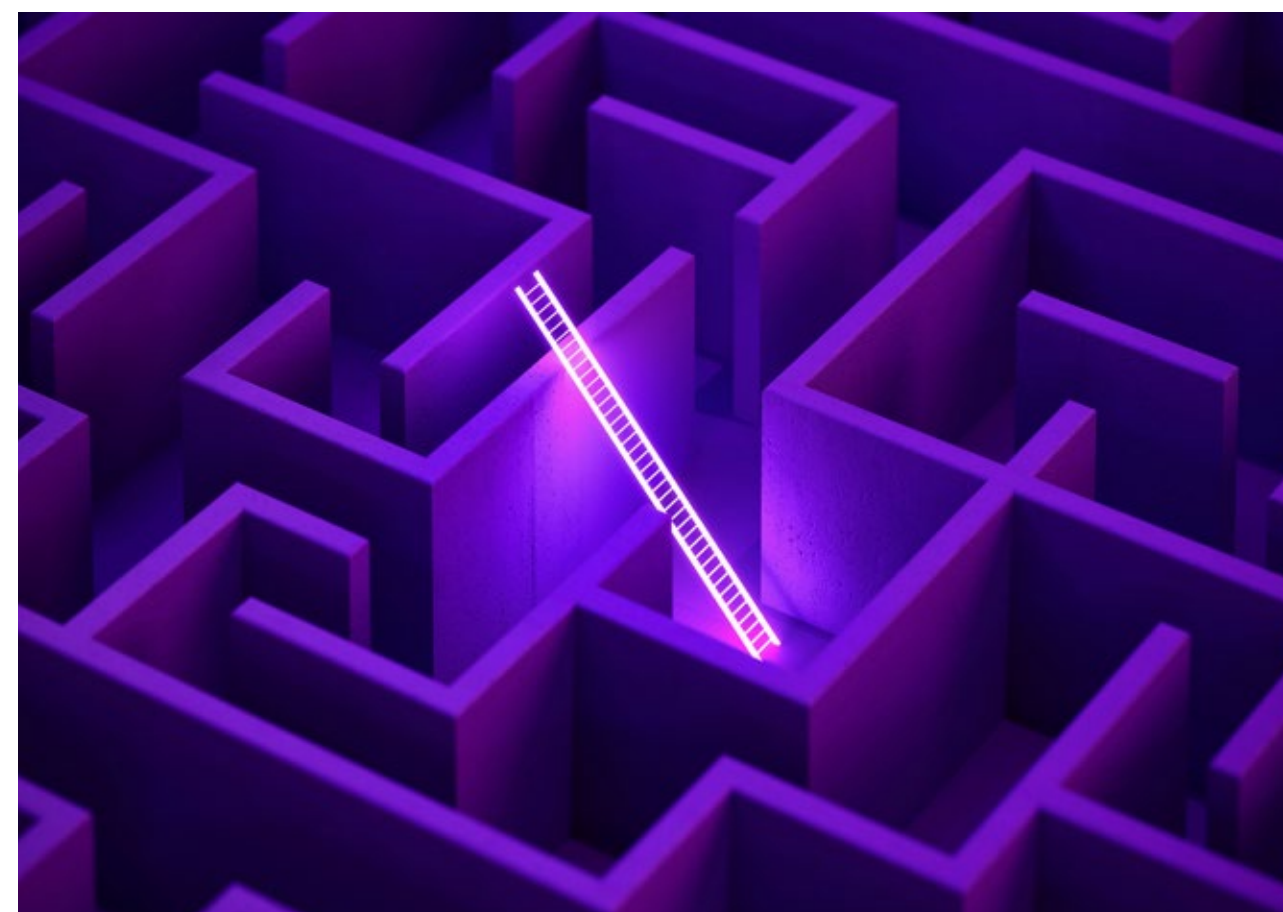
Speaking in an in-depth interview, Jon Evans, a senior representative of Schroders’ digital strategy team, outlined the firm’s measured yet forward-looking approach to blockchain-based fund structures.

Evans is quick to temper expectations that tokenisation is a magic bullet. “We don’t think tokenisation is the end goal,” he said. “It’s a tool – a means to an end. What we’re interested in is what it enables

us to do better, whether that’s improving outcomes for clients or streamlining our internal operations.”

The concept of tokenised funds – digital representations of assets recorded on a blockchain – has gained currency among institutional investors in recent years, promising benefits such as greater transparency, faster settlement, and reduced administrative costs.

Yet Evans emphasized that Schroders views this innovation not as an end in itself but as part of a broader push toward what the firm calls “composable finance”: a vision of tailored investment offerings built on interoperable, digital infrastructure. »



“We can’t do this alone. The whole ecosystem — from infrastructure providers to regulators and even our competitors — needs to evolve together”

A learning curve through pilots

Schroders has not yet launched a publicly available tokenised fund, but its interest is far from theoretical. Evans pointed to two key initiatives that have helped build internal expertise.

The firm’s first major foray came with an investment in a digital bond issued by the European Investment Bank three years ago. Though largely an “educational exercise,” it allowed Schroders to process the bond through its entire internal system — from operations to compliance — offering valuable insights into how such instruments interact with legacy infrastructure.

More recently, Schroders piloted a tokenised insurance-linked securities (ILS) fund, accessible only internally within the firm. “That project gave us a better understanding of the risk landscape, especially around using public blockchains,” Evans noted. Though not a commercial product, the pilot deepened the firm’s understanding of the technical and regulatory nuances involved in digital asset management.

Demand-driven outcomes

Evans challenged the notion that client demand is directly centered on tokenised funds per se. “What we’re hearing from clients isn’t so much ‘we want a tokenised fund’ — it’s more that they want better outcomes, more customisation, and potentially lower costs. Tokenisation is

one possible route to those outcomes,” he said.

He added that Schroders is actively exploring several tokenisation initiatives, though none are ready to be disclosed publicly. “It’s too early to talk specifics,” Evans said, adding that the firm would provide updates when the time is right.

The firm’s most ambitious thinking is centered on what it calls “composable finance” — the idea that tokenisation, artificial intelligence, and data infrastructure could converge to deliver highly customized investment solutions.

“This is potentially the future state — something more bespoke for clients, not just standard growth asset plays,” said Evans. “Other firms refer to this as mass customisation, but the underlying idea is the same: delivering something tailored, data-driven and efficient.”

However, Evans emphasised that this vision requires collective effort. “We can’t do this alone,” he said. “The whole ecosystem — from infrastructure providers to regulators and even our competitors — needs to evolve together.”

Regulatory clarity and market maturity still needed

According to Evans, the biggest challenges remain structural. Risk management,

regulatory uncertainty, and immature service provider ecosystems continue to slow progress. “We see risk management as our core responsibility to clients. The regulatory landscape is still evolving, but we’ve seen encouraging steps — for instance, the recent passage of the Genius Act [the US’s first major national cryptocurrency legislation].”

Evans also stressed the importance of client education. “Increasing digital literacy helps clients ask the right questions and better understand the protections we’ve put in place,” he said.

The *Funds Europe* – CACEIS Digital Assets Survey of industry attitudes towards tokenisation broadly echoes Schroders’ thinking. Evans noted with interest that over 90% of respondents expected tokenisation to become established in Europe within five years, and 51% said they anticipate tokenised funds becoming far more prevalent. ¹² “The market attitude is clearly positive, and that’s encouraging,” Evans said. “But meaningful adoption will require interoperability — systems need to talk to each other.”

On the ongoing debate between public and private blockchains, Evans observed a historical bias toward private chains among institutional players but sees

this gradually shifting.

“Public chains offer better interoperability, and with regulatory changes, we think the balance between public and private chains will continue to evolve,” he said.

Despite the buzz surrounding tokenisation for more than a decade, Evans doesn’t see the relatively slow uptake as a failure. “Think about the internet — it was around long before businesses adopted it en masse. We’re seeing similar inertia here, though things do move faster now.”

The analogy is apt: just as the early internet needed years of standardisation, infrastructure and trust-building before reaching critical mass, so too does the tokenisation movement. “We’re not surprised by the pace. This kind of transformation requires deep change — across regulation, tech and culture.”

Looking Ahead

As for whether Schroders will launch a tokenised fund within the next five years, Evans declined to comment. But the company’s quiet yet concerted efforts suggest the groundwork is being laid.

“The real prize is not tokenisation for its own sake, but delivering a fundamentally better, more bespoke experience for clients. That’s what we’re working toward,” Evans said.

In the fast-evolving world of digital finance, Schroders is choosing evolution and positioning itself for the long game.



Edouard Legrand
Chief Digital & Data Officer at
BNP Paribas Asset Management

Tokenisation’s tipping point: the strategic approach to blockchain integration

As financial institutions worldwide grapple with the implications of blockchain, BNP Paribas Asset Management is taking a pragmatic yet forward-leaning stance on the tokenisation of digital assets.

In a recent interview, Edouard Legrand, Chief Digital & Data Officer at BNP Paribas Asset Management, laid out the company’s evolving strategy and the industry-wide challenges that continue to shape adoption.

Legrand began by noting that the survey findings confirmed what insiders have long suspected: financial institutions are deeply engaged with the concept of tokenisation. “All the players in the field are looking at the topic,” he observes. Interest

spans from institutional investors to asset managers, with various firms advancing at different speeds along the adoption curve.

Among the recurring themes across the survey were concerns around cybersecurity, interoperability between blockchain systems, and a lack of clarity in regulatory frameworks.

These align closely with internal discussions at BNP Paribas Asset Management. “We have some pieces of the puzzle,” Legrand says, “but we miss some clarity on certain points.” A key area requiring further development, he added, is the treatment of digital cash — whether in the form of CBDCs, stablecoins or tokenised deposits.

Discussing BNP Paribas »

Asset Management's own tokenisation journey, Legrand describes it as a step-by-step process, deliberately cautious but increasingly ambitious.

"To gain the benefit from blockchain, you need to have your full value chain on the same rail," he explains. That means not just investing in tokenised instruments but also tokenising the fund itself and managing the cash leg of transactions on-chain.

The group's initial forays included investing in a tokenised bond issued by French energy giant EDF in 2022. This bond embedded ESG data directly into the token – a feature Legrand calls "interesting" for its potential to automate compliance and investment decisions using smart contracts. Subsequent tests included similar investments and even coupon payments using tokenised methods.

More recently, BNP Paribas Asset Management went further by launching a natively tokenised share class of a money market fund in May. This internal experiment involved building a compliant legal framework, updating the fund prospectus, and using seed capital to test investment, settlement, and redemption entirely on a private blockchain.

The pilot, though not yet open to external clients, marked a significant milestone. "Now we know how to build a prospectus that would be compliant," Legrand notes, hinting that wider client-facing

rollouts may follow pending internal approvals.

As for the next steps, Legrand envisions expanding experiments to include tokenised nodes and bringing clients into the loop. Ultimately, the goal is to build and test a fully on-chain value chain – from tokenised investment instruments to tokenised funds, settled using digital cash. "Unless you have everything on chain," he warned, "the benefits remain theoretical."

The use of money market funds for initial testing is intentional. They are relatively simple, liquid instruments, making them ideal for early-stage experimentation. While less liquid assets might eventually benefit more from tokenisation – particularly through secondary markets – BNP Paribas AM is focusing on money markets for now.

When asked about the broader benefits for the financial industry, Legrand cites increased efficiency and potential improvements in settlement times. "Theoretically, it could be instant settlements," he says, "but only if everything is on-chain." For corporate treasurers managing multiple accounts across regions, programmable smart contracts could offer

“To gain the benefit from blockchain, you need to have your full value chain on the same rail”

significant time savings and operational ease.

Still, challenges lie ahead. Chief among them is regulation. Legrand acknowledges that while the EU has taken early steps – such as the pilot regime for market infrastructure – much work remains. Clarity is particularly lacking on the use of digital cash, stablecoins and how different types of blockchain will interact. "We need to be clearer on what we consider a currency," he says, noting the importance of managing counterparty risk, especially in stablecoins.

But regulation isn't the only barrier. The complexity of transitioning an entire value chain onto blockchain rails requires coordination across multiple stakeholders. "Some actors may feel threatened by disruption," Legrand admits, suggesting that inertia and vested interests might also be slowing progress.

Moreover, the incentives for issuers – corporates or governments – to opt for tokenised issuance remain limited. "Unless you have something fully ready," he cautions, "you only improve a part of the process, not the whole."

Comparing the current phase of blockchain integration to previous digital transformations, such as the shift to electronic invoicing, Legrand emphasises patience and readiness. "It's a long time to prepare," he says. "But when it happens, you'll see the benefit."

On the question of whether

Europe is leading the global race, Legrand notes that the EU has been proactive in regulation. However, he also points to increasing momentum in the U.S. and Asia. "Everyone is moving quite fast," he says, cautioning against any assumption of long-term leadership. "Europe has good assets and people working on this, so we should be ready in due time."

One particularly noteworthy aspect of the survey addressed preferences for private versus public blockchains. The majority (59%) of respondents favoured private blockchains, which did not surprise Legrand, though he expected slightly higher support for public alternatives.

"Private blockchains offer more control," he says, especially when it comes to meeting regulatory and audit requirements. However, public blockchains provide faster interoperability – albeit with less control. BNP Paribas Asset Management, he stresses, is testing both, aiming to be ready for whichever model dominates.

Legrand paints a picture of an industry on the brink of transformation – but not yet there. The path to full-scale tokenisation will be gradual and complex. Yet BNP Paribas Asset Management's meticulous, phased approach shows that serious groundwork is already underway. "We see it as a puzzle," Legrand said. "And we're starting to put the pieces together."

“Unless you have something fully ready, you only improve a part of the process, not the whole”



Cybersecurity at the core of tokenisation: can digital assets withstand the next big shock?



As global finance steadily embraces the tokenisation of assets, a quiet but pressing debate is unfolding: can the infrastructure underpinning these digital tokens withstand the ever-growing tide of cyber threats?

The promise of tokenisation – fractional ownership, faster settlement, broader access to investment products – has captured the imagination of banks, asset managers and regulators alike.

Yet, respondents to the survey expressed an undercurrent of concern: nearly half of asset managers who don't offer a tokenised fund (48%) ranked cybersecurity resilience as their top criterion when considering tokenised platforms.¹¹

While 49% of all asset managers chose cyber security resilience¹⁴ as one of their top three criteria for selecting a digital assets services providers, 63% of asset owners selected cyber security resilience⁶

as one of their most important criteria for selecting a crypto assets service provider (or provider of tokenised services).

In other words, the future of tokenisation may hinge less on its technological ingenuity and more on its ability to defend against the cyber battlegrounds of tomorrow.

Tokenisation is often heralded as the next great leap in capital markets. Advocates argue it can unlock liquidity, simplify cross-border settlement, and open new product lines.

But unlike the traditional financial infrastructure, where decades of regulatory oversight and institutional resilience are in place, tokenised systems represent new terrain.

Our survey found that while 52% of asset managers who don't offer a tokenised fund pointed to investor demand as a key driver for tokenisation¹⁰. Asset owners, meanwhile, expressed concerns around data security (chart

8) and resilience (chart 6 as 'cyber resilience') consistently in their responses.

Why cyber resilience matters

Cyber resilience goes beyond preventing hacks. It is about ensuring continuity of operations, protecting investor confidence and maintaining regulatory compliance in the face of sophisticated attacks.

Consider the potential attack vectors:

- Smart contract vulnerabilities could allow malicious actors to drain funds or manipulate transactions.
- Distributed denial-of-service (DDoS) attacks could halt trading activity on tokenised platforms.
- Insider threats may compromise private keys, jeopardising asset custody.

For institutional investors, these risks are not abstract. The collapse of major crypto exchanges in recent years – often triggered or worsened by security

breaches – has heightened sensitivity. Unlike retail-driven crypto markets, tokenised assets are being positioned squarely in the institutional sphere. Here, a single breach could erase billions in value and devastate trust in the ecosystem.

Building digital trust

the survey results point to another revealing trend: security is not just about defence, but also about trust-building. Questions probing the role of tokenisation in expanding market access often came with qualifiers around "security and transparency".

A respondent's comment noted that providing "more security and access to products" was integral to convincing both regulators and investors.

Another argued that "data security and transparency of authority" would determine whether tokenisation grows into a permanent pillar of capital markets or remains a niche experiment.

Trust, in this sense, has two dimensions:

1. Technical trust – confidence that systems are resilient to cyberattacks.
2. Institutional trust – confidence that regulators, custodians and platforms can enforce accountability.

Both are interdependent. Without secure technical foundations, institutional oversight loses credibility. Without institutional clarity, even the most advanced cybersecurity systems cannot attract wary investors.

Regulators tighten their grip

Regulators are increasingly alive to these issues. Across Europe, the Digital Operational Resilience Act (DORA) aims to set a new bar for financial institutions, ensuring they can withstand, respond to, and recover from ICT-related disruptions. For tokenised assets, DORA is not just a compliance hurdle – it may become a blueprint for operational legitimacy.

Survey responses hint that managers are already bracing for this shift. Several highlighted regulatory clarity on cyber resilience as a deciding factor in their willingness to launch tokenised funds.

The challenge is that cyber threats

evolve faster than most institutions can adapt. Nation-state actors, ransomware groups, and increasingly sophisticated AI-powered attacks pose risks not just to crypto exchanges but to the tokenised assets ecosystem itself.

Tokenisation introduces new complexities that hackers are eager to exploit. For example, the immutability of blockchain – a core feature – becomes a liability when a breach occurs. Unlike in traditional finance, reversing or correcting fraudulent transactions is far more complex.

To counter this, firms are investing in:

- Zero-trust architectures, ensuring no user or process is automatically trusted.
- Quantum-resistant cryptography, preparing for a future where quantum computing could crack current encryption.
- AI-driven monitoring, capable of detecting anomalies in real time.

But investment alone won't suffice as cyber resilience isn't just product you can buy: it's also a culture that requires to be built out.

Conclusion

The survey's data should serve as a wake-up call. While investor demand and the appeal of new distribution models remain strong, the success of tokenisation may ultimately hinge on resilience. If platforms cannot guarantee cybersecurity at institutional-grade levels, adoption could stall.

Conversely, firms that embed cyber resilience into their core offerings could unlock a first-mover advantage. By combining efficiency gains with unshakeable trust, they can capture the confidence of both regulators and investors.

The tokenisation of assets represents a financial revolution in the making, but revolutions are fragile. Our survey makes plain that cybersecurity resilience is not a side issue, but the very foundation on which this new financial architecture must be built.

Tokenisation may change how capital markets operate. Whether it succeeds will depend on whether it can withstand not just today's threats but the unpredictable

Tokenisation is often heralded as the next great leap in capital markets. Advocates argue it can unlock liquidity, simplify cross-border settlement, and open new product lines



Anna Matson
Head of Digital Assets and
Financial Markets, Northern Trust

Tokenisation of funds: from pilot projects to industry transformation

Over the past decade, tokenisation has shifted from an experimental concept on the fringes of finance to a practical innovation shaping the future of asset management.

Once regarded primarily as the preserve of crypto enthusiasts and start-ups, the idea of issuing and managing financial instruments on distributed ledger technology (DLT) is now being adopted by some of the industry's most established institutions.

That transformation is clear in our survey of asset managers, which found that more than 60% expect to launch tokenised funds within the next one to five years.

For Anna Matson, Head of Digital Assets and Financial Markets at Chicago-based asset manager and custody bank Northern Trust, this marks a pivotal shift: "We've moved beyond exploratory

pilots," she says. "Tokenisation is now part of real-world implementation, client conversations and product roadmaps."

From niche to mainstream

Northern Trust has been building digital asset capabilities for nearly a decade. Its initial work centred on carbon credits: an asset class not typically associated with mainstream investment products.

Yet, as Matson explains, that choice was deliberate: "Our carbon ecosystem project allowed us to experiment with tokenisation from minimum viable product through to full lifecycle management, on blockchain foundations that could then be applied more broadly."

From there, the bank has engaged in global initiatives ranging from Project Guardian in Singapore—

focused on tokenised green bond reporting data—to Project Ensemble in Hong Kong, which integrates cross-border carbon credit trading with wholesale central bank digital currency (CBDC) settlement.

Most recently, Northern Trust has been part of Project Acacia in Australia, using tokenised carbon credits alongside tokenised settlement rails developed in partnership with Swift.

"These projects have been invaluable in combining digital and traditional pieces of the financial ecosystem," Matson says. "They show how tokenisation can be

managed securely and within the governance frameworks that regulators and investors expect."

Private vs public blockchains: a shifting debate

The survey revealed that asset managers remain divided over infrastructure, with just over half still favouring private blockchains. This preference reflects the industry's instinct for compliance, governance and controlled environments. Yet Matson highlights an important trend: growing openness to public blockchain infrastructure.

"This signals a maturing

of understanding," she argues. "Firms are recognising the trade-offs: private chains offer control and security, while public chains can deliver transparency, scalability and interoperability. Increasingly, we see hybrid models emerging to balance privacy with openness."

For Northern Trust, most tokenisation projects to date have used private blockchains. But the firm is actively exploring where public infrastructure might play a role, particularly as industry collaboration deepens and regulatory clarity improves.

Regulation: the perennial hurdle

It is no surprise that regulation remains the most frequently cited barrier to adoption. "That's not new news," says Matson, "but it's a reminder of how important harmonisation is across jurisdictions."

Europe's Markets in Crypto-Assets Regulation (MiCA) is viewed as a

promising first step, but divergence between regions persists. The US has seen significant regulatory developments in 2025, spurring demand from institutional clients. Meanwhile, activity in Asia-Pacific — from Singapore to Hong Kong and Australia — is driving rapid innovation, albeit under differing local frameworks.

"The balance is between being first and flexible," Matson notes. "Regulators want to support innovation but also protect investors. Institutions need confidence that rules are stable enough to scale." To that end, Northern Trust is working closely with regulators and policymakers worldwide to help shape effective, investor-centric frameworks.

Demand and education

While client interest is growing, not all investors are ready to embrace tokenised funds. The survey shows that a significant proportion of asset managers remain unengaged, often due to uncertainty over demand or lack of internal confidence.

For Matson, investor education is a crucial next step: "End investors don't care if a product is tokenised for its own sake. They want to know what value it adds — whether through efficiency, transparency or improved returns. The benefits will only become clear at scale, once adoption is broader."

That scale, however, is now within reach. Northern Trust's digital assets team, backed by expertise across the organisation, is preparing for the transition from pilots to mainstream deployment. "Innovation isn't just one group's job," Matson stresses. "It's embedded in all our business units."

The road ahead

Despite the progress, challenges remain. Interoperability between systems is still a technical barrier, although hybrid blockchain environments may help. Legal frameworks continue to evolve unevenly. And industry participants must keep building the case for tokenisation by demonstrating tangible client benefits.

Yet the momentum is undeniable. A decade ago, Northern Trust's leadership delivered a presentation to its board entitled "Bitcoin versus Blockchain." Today, the firm is integrating tokenisation into its global product offering. "We are at the cusp of moving from pilots and experiments to real-world implementation at scale," Matson concludes.

For asset managers, that transition represents both a challenge and an opportunity. Those that embrace tokenisation now will not only streamline operations and enhance transparency but may also unlock new markets and investment models. For others, the risk is falling behind as digital assets become embedded in the financial mainstream.

The question is no longer whether tokenisation will transform funds, but how quickly firms can adapt to capture its value.



“Firms are recognising the trade-offs: private chains offer control and security, while public chains can deliver transparency, scalability and interoperability”

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