IMSGROUP

IMS GROUP INSIGHTS · TOKENISATION

Tokenisation of Real-World Assets

What asset tokenisation is, how it works, and why the direction is settled even as the magnitude stays contested.

This page is a sober, allocator-grade read on what asset tokenisation is, how it works, what can be tokenised, and how to interpret those co

A plumbing upgrade, read soberly

The direction is no longer in doubt. Real-world assets are being placed on-chain by some of the largest names in finance, from money-market funds to private credit, and the work has moved out of the pilot stage into live products that investors can already hold. The open question is magnitude, and on that the forecasts disagree wildly, from roughly $2 trillion to $16 trillion of tokenised assets by 2030 depending on whose model you read.

This page is a sober, allocator-grade read on what asset tokenisation is, how it works, what can be tokenised, and how to interpret those contested 2030 numbers without anchoring on a single headline. It is written from the perspective of IMS Group, a technology-forward private markets investment group and partnership of family offices, which reads the subject the way an allocator has to: the direction is investable, the magnitude is a range, and the part that decides whether tokenisation matters to a portfolio sits beneath the hype, not in it. It belongs to the Group's wider view on the next generation of private capital.

What is asset tokenisation?

Asset tokenisation, sometimes written in its US form as asset tokenization, is the issuance of a digital token on a distributed ledger that represents ownership of a real-world asset. The token is the on-chain claim; the asset, whether a treasury bill, a fund unit, a loan or a building, continues to exist off-chain. Tokenisation links the two, so that holding and transferring the token is, in legal and economic substance, holding and transferring a share of the underlying.

This is not the same thing as the payment or data-security "tokenisation" used to mask a card number at checkout. That is a privacy technique; this is an ownership instrument for real-world assets. The two share a word and almost nothing else, and the distinction matters because the search term blends them.

Tokens come in two broad forms. Fungible tokens are interchangeable units, suited to assets like treasuries or fund shares where one unit is identical to the next. Non-fungible tokens are unique, suited to a specific deed or a one-of-a-kind item. In both cases the token is a claim on an off-chain asset rather than the asset itself, which is precisely why the integrity of that link becomes the central question further down this page.

How tokenisation works

Tokenisation is best understood as a sequence rather than a single act. The off-chain asset and the on-chain token are connected through four steps, and an allocator assessing any tokenised product should be able to trace each one.

- **Asset selection.** An issuer identifies an asset suitable for tokenisation, such as a portfolio of US treasuries, a money-market fund, a private-credit loan or a real-estate interest, and defines the legal structure that the token will represent.
- **Immobilisation and custody.** The underlying asset is held, ring-fenced or placed with a qualified custodian so that it cannot be moved or pledged twice. This is the off-chain anchor for the on-chain claim, and it is where most of the real-world risk concentrates.
- **Smart-contract minting.** A smart contract on a distributed ledger issues the tokens, encoding the rules for ownership, transfer, and any rights such as redemption or income distribution. Programmability is introduced at this stage.
- **Distribution and on-chain settlement.** Tokens are distributed to investors and can then trade and settle on-chain, in many cases close to instantly and around the clock, rather than through the multi-day cycles of conventional market plumbing.

Read in sequence, the appeal is clear: a traditionally slow, intermediated process is compressed into programmable units that settle quickly. The fragility is equally clear, and it sits at step two.

The role of custody and the authentication question

Every tokenised real-world asset rests on a promise that the token genuinely corresponds to an asset that exists, is owned as stated, and has not been pledged elsewhere. On-chain, the ledger is verifiable. Off-chain, that correspondence depends on custodians, registrars and audits, the same institutions and processes tokenisation is often said to disrupt. Authenticating the off-chain asset, and keeping that authentication current, is the core unsolved problem of the field, and it is the one most competitor explainers pass over. IMS Group treats it as the decisive issue rather than a footnote, and examines it separately in its analysis of the authentication problem and the truth layer. On this page the point is only to name the gap: a token is exactly as trustworthy as the link between it and the thing it claims to represent.

The benefits, and who they actually accrue to

Tokenisation is credited with a familiar list of advantages. The more useful exercise for an allocator is to ask which of them accrue to the holder of the asset and which accrue mainly to the issuer.

Fractional ownership lowers the minimum cheque size, letting a position in an asset that once required millions be divided into smaller units. For a family office, that widens the opportunity set; for an issuer, it widens the buyer base.

Liquidity for traditionally illiquid assets is the headline claim. A tokenised interest in real estate or private credit can, in principle, change hands without the months a conventional sale takes. The caveat is that liquidity depends on a functioning secondary market, and for many tokenised assets that market is still thin.

Transparency follows from the ledger: ownership and transfers are recorded and auditable. **Speed and around-the-clock settlement** mean trades can clear continuously and, in some designs, atomically, with payment and delivery occurring as a single indivisible step rather than across separate systems. **Programmability** lets income, redemptions and compliance rules execute automatically in the smart contract.

For a family office weighing all this, the honest reading is that fractional access and continuous settlement are the portfolio benefits that actually land, while some of the efficiency gains accrue first to the issuer and reach the end investor only once markets deepen. Direction is clear; the benefit is real but unevenly distributed, and worth pricing as such.

The challenges and risks

Tokenisation's obstacles are not incidental. They are the reason a technology with a decade of proofs-of-concept behind it has only recently begun to scale, and they fall into three groups.

Regulatory fragmentation

There is no single global regime for tokenised assets. A token may be treated as a security in one jurisdiction and as something else in another, and the rules governing custody, disclosure and secondary trading differ market by market. Several jurisdictions, including financial centres across Asia and the Gulf, have moved to build clearer frameworks, and policymakers in the United States and elsewhere continue to test how existing securities law applies. The sober read is that the regulatory direction is broadly constructive but uneven, and an allocator should treat jurisdiction as a first-order variable, not a detail.

Custody, security and the authentication of off-chain assets

The risks here run in both directions. On-chain, smart-contract bugs, key management and the security of the protocol itself are live concerns. Off-chain, the harder problem returns: ensuring the custodied asset is genuinely there, correctly titled, and not double-pledged. A flawless ledger sitting on a misrepresented underlying is still a misrepresentation. This is why custody quality and the strength of the authentication layer matter more, for a tokenised real-world asset, than the choice of blockchain.

Technology integration and interoperability

Tokenised assets are issued across multiple ledgers that do not natively communicate, and they must also connect back to the conventional systems of custodians, fund administrators and banks. Fragmented standards and limited interoperability raise the risk of stranded liquidity, where assets on one chain cannot move efficiently to where the buyers are. Integration with legacy infrastructure, rather than the novelty of the technology, is often the binding constraint on whether a tokenised product can reach institutional scale.

What can be tokenised — the real-world use cases

The phrase real world asset tokenization covers a widening set of instruments. The clearest way to read the field is by what has real production traction versus what remains largely prospective, because rwa tokenization is frequently discussed as though every category were equally mature. The forecast slice and the category map are covered in depth in the Group's view on how to read the 2030 tokenisation forecasts.

Treasuries and money-market funds are the most advanced category. Tokenised treasuries and tokenised money-market-fund products are live and held by real investors today, issued by major asset managers, and they are examined in the Group's analysis of what is already in production with tokenised treasuries. **Private credit** is an active and fast-growing use case: tokenised private credit lets loan exposure be issued and serviced on-chain, a natural bridge for an asset class the Group covers in its work on private credit and in its assessment of who is actually building on tokenisation.

Real estate is the use case the public asks about most directly, usually as some version of "can I tokenise my house?" In institutional practice the answer is that property interests can be tokenised, and real estate is a canonical example, but doing so requires the same legal structuring, custody and authentication as any other real-world asset; it is not a shortcut around title, valuation or local law. **Commodities and funds** round out the set, with gold and other holdings tokenised to allow fractional, transferable claims.

A recurring retail question is which ledger will be used. The substantive answer is that production tokenisation today runs across several established public and permissioned ledgers chosen for their security, settlement assurances and institutional support, rather than being tied to any single token's price story. For an allocator, the choice of underlying asset and the quality of its custody matter far more than the choice of chain.

Direction vs magnitude — reading the 2030 forecasts

This is the gap no competitor fills. Almost every explainer asserts that tokenisation is inevitable and then quotes one large 2030 number. The numbers are not interchangeable, and treating any single one as the forecast is the most common analytical error on the subject.

The credible posture is to read the 2030 estimates as a range. At the more conservative end, the Boston Consulting Group and ADDX projected tokenised assets reaching roughly **$16 trillion by 2030** in a widely cited 2022 study, while subsequent and more cautious modelling has put plausible near-term adoption closer to the low single-digit trillions; McKinsey, for instance, estimated tokenised market capitalisation of around **$2 trillion by 2030** in a 2024 analysis, excluding certain categories. What survives scrutiny is a spread of roughly **$2 trillion to $16 trillion by 2030**, and every figure in it is a projection that depends on adoption rates, regulatory progress and how "tokenised assets" are defined and bounded.

Direction and magnitude are different claims, and an allocator should hold them differently. The direction is established: named institutions are already in production, not promising, with BlackRock's BUIDL, Franklin Templeton's BENJI, JPMorgan's Kinexys and Apollo's ACRED among the live examples of real-world assets being issued and settled on-chain. The magnitude is genuinely contested, and the right response is to carry the range rather than adopt a headline. That is the understated, compounded-across-cycles reading IMS Group brings to the subject, and it extends to the AI systems being built to run these markets, examined in the Group's view on the AI infrastructure behind tokenised markets.

$2T

McKinsey (2024) base case — the conservative end

$16T

BCG · ADDX (2022) upper end — both are projections

Conclusion

The honest summary of asset tokenisation is a posture, not a prediction. The direction is clear: real-world assets are already on-chain at institutional scale, and the use cases that have actually scaled, treasuries, money-market funds and private credit, are live rather than theoretical. The magnitude is contested, a roughly $2 trillion to $16 trillion range by 2030 in which every figure is a projection, and the allocator's job is to read the range rather than the headline.

What separates a token worth holding from one worth avoiding is the layer beneath the forecasts: the authentication of the off-chain asset. For the IMS Group view on who is actually building, what is already in production, and the truth-layer problem that decides whether tokenisation holds, explore the Group's work on the next generation of private capital and the firms building on tokenisation infrastructure.

This article is for information only and does not constitute investment, legal or tax advice. Figures and forecasts are point-in-time, attributed to their sources, and represent projections rather than guarantees.

Frequently asked questions

What is an example of asset tokenisation?

A clear example is a tokenised money-market fund or a tokenised portfolio of US treasuries, where an asset manager issues digital tokens on a distributed ledger that represent units in the fund. Live products from major institutions, including BlackRock's BUIDL and Franklin Templeton's BENJI, show real investors holding tokenised real-world assets today rather than in pilot form.

How do I tokenise an asset?

In practice, tokenising an asset means an issuer selects a suitable asset, places the underlying with a qualified custodian, mints tokens through a smart contract that encodes ownership and transfer rights, and then distributes those tokens to investors for on-chain settlement. The legal structuring and custody arrangements, not the minting itself, are the demanding part, and they typically require specialist issuers and regulated partners.

What are the risks of asset tokenisation?

The principal risks are regulatory fragmentation across jurisdictions, custody and security exposures both on-chain and off, and limited interoperability between ledgers and legacy systems. The deepest risk is authentication: a token is only as reliable as the verified link to the off-chain asset it claims to represent. Each figure and projection in the field should be read as point-in-time and provisional.

Who is leading tokenisation?

No single firm leads. A credible read assesses who is actually in production, and the live examples include BlackRock's BUIDL, Franklin Templeton's BENJI, JPMorgan's Kinexys and Apollo's ACRED across treasuries, funds and private credit. Rather than rank a winner, IMS Group sets out a sober builder assessment in its analysis of who is actually building on tokenisation.

Can real estate be tokenised?

Yes. Real estate is a canonical tokenisation use case, and property interests can be issued as digital tokens representing fractional ownership. The structuring is not trivial: it requires the same legal title work, valuation, custody and authentication as any tokenised real-world asset, and it remains subject to local property law. Tokenisation changes how an interest is held and transferred, not what the underlying asset legally is.

Sources & important information

1. Boston Consulting Group & ADDX (2022). Relevance of On-Chain Asset Tokenization in "Crypto Winter" — tokenised assets projected to reach ~$16 trillion by 2030 (projection). BCG

2. McKinsey & Company (2024). From ripples to waves: The transformational power of tokenizing assets — tokenised market capitalisation estimated at ~$2 trillion by 2030, excluding certain categories (projection). McKinsey

3. State Street Global Advisors (2024). Tokenization of assets: how it's reshaping finance and markets — institutional how-it-works and outlook. SSGA

4. Depository Trust & Clearing Corporation (DTCC) (2024). Understanding asset tokenization: a practical shift in finance — market-infrastructure perspective. DTCC

5. OECD (2021). The Tokenisation of Assets and Potential Implications for Financial Markets — regulatory and market-structure analysis. OECD

6. BlackRock (2024). BUIDL — USD Institutional Digital Liquidity Fund (tokenised fund, production example; named, no performance figures). BlackRock

7. Franklin Templeton (2024). BENJI / Franklin OnChain U.S. Government Money Fund (tokenised money-market fund, production example; named, no performance figures). Franklin Templeton

8. J.P. Morgan (2024). Kinexys (formerly Onyx) — blockchain settlement and tokenisation platform (production example; named, no performance figures). J.P. Morgan

9. Apollo Global Management (2024). ACRED — Apollo Diversified Credit Securitize Fund (tokenised private-credit fund, production example; named, no performance figures). Apollo

Point-in-time figures are volatile and should be re-verified on the date of publication.

Important information

Tokenisation, read from the buy-side — settled in direction, sized as a range.

IMS Group

info@groupims.com

groupims.com