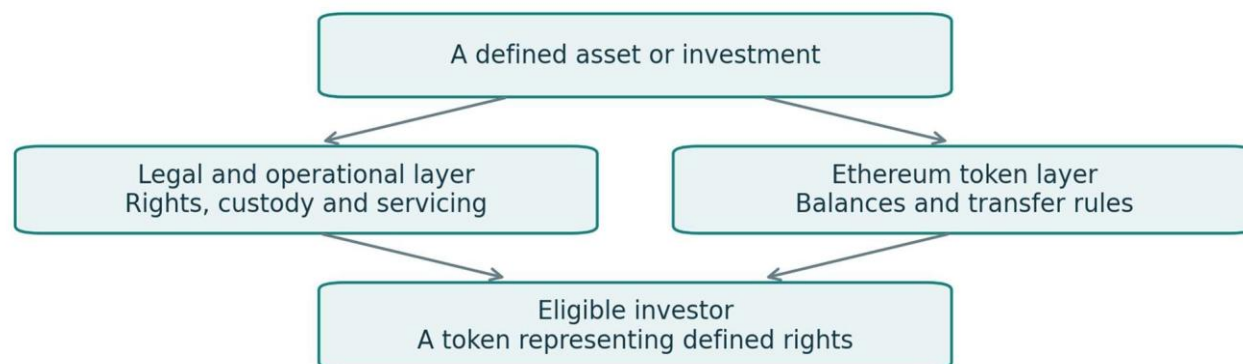


Real World Asset tokenization

Ethereum and the institutional use of digital asset records

Real-World Asset, or RWA, tokenization represents defined rights or claims relating to an asset through digital tokens. Assets can include investment funds, bonds, receivables, commodities or interests in property. Legal documents and operational arrangements determine what the token holder actually owns or can claim.



What Ethereum contributes

Ethereum provides a programmable shared ledger. Smart contracts can maintain token balances and apply coded rules when invoked by transactions. Wallets and custody services give approved users a way to hold and transfer tokens. Real-world facts still require trusted inputs and responsible institutions. [1]

The token and the asset are different

A token can represent a fund share without placing the fund's Treasury securities themselves on Ethereum. A property token might represent a company interest or contractual claim rather than direct land title. The structure must specify ownership, custody, distributions, redemption and dispute handling.

Who can use this model

Asset managers, banks, issuers and service providers can use tokenization to explore new distribution, servicing and settlement workflows. Public blockchain infrastructure can host permissioned investment products: an open network does not mean that every person is eligible to hold every token.

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How tokenization on Ethereum works

Keep the legal structure and digital record connected

Step	What must happen
1 Define the rights	Identify the asset, issuer, legal claim, valuation approach and investor disclosures.
2 Arrange custody and servicing	Establish who holds the underlying assets and handles income, records and redemptions.
3 Verify participants	Check identity and eligibility, then associate approved wallets with authorized holders.
4 Issue the tokens	Deploy and review the contract; issue units according to the subscription and recordkeeping process.
5 Operate and settle	Apply transfer rules, process distributions, reconcile records and coordinate the payment leg.
6 Redeem or transfer	Execute the documented exit process, update token records and complete required cash or asset delivery.

Token standards and controlled transfers

ERC-20 is a common interface for fungible tokens. Permissioned frameworks such as ERC-3643 add identity and transfer-rule mechanisms. Selecting a standard does not itself establish legal compliance. Contract permissions, upgrade authority, recovery procedures and independent security review remain design decisions. [1, 2]

Illustrative property investment

Assume a vehicle holds a USD 1 million property, has no debt, and issues 10,000 equal units at USD 100 each. An eligible investor buys 100 units for USD 10,000, representing 1% of the units under the vehicle's documents. If USD 40,000 is available for a pro-rata distribution, that investor's share is USD 400 before personal taxes. The token does not guarantee this income, market value or a buyer on demand.

Traditional and tokenized records

In a traditional arrangement, a registrar records units and administers transfers and distributions. In a tokenized arrangement, some of these rules and records can be represented on Ethereum while the issuer, registrar and custodian still perform their defined responsibilities.

ETH pays network transaction fees on Ethereum. The asset token's economic exposure is determined by its rights and backing, not automatically by the ETH price. Layer 2 networks and other EVM-compatible chains have different operating assumptions and should not be described as identical to Ethereum mainnet.

Institutional examples

Asset managers and banking groups using Ethereum

BlackRock and BUIDL

BlackRock is an asset manager, not a bank. On 20 March 2024, it announced the BlackRock USD Institutional Digital Liquidity Fund, BUIDL, initially on Ethereum. Its launch portfolio consisted of cash, U.S. Treasury bills and repurchase agreements. Tokens represent fund interests, not direct ownership of individual Treasury bills.

[3]

Participant at launch	Role described in the announcement
BlackRock Financial Management	Investment manager.
Securitize	Transfer agent and tokenization platform.
Securitize Markets	Placement agent for eligible investors.
Bank of New York Mellon	Custodian of underlying assets and fund administrator.

The launch terms targeted USD 1 per token, with daily dividend accrual distributed monthly as additional tokens and transfers between pre-approved investors. The target value is not a guarantee. The example shows traditional portfolio management combined with digital ownership and servicing records. BUIDL later expanded to additional networks, so it should not be described as Ethereum-only. [3, 4]

UBS Asset Management and uMINT

On 1 November 2024, UBS Asset Management announced UBS USD Money Market Investment Fund Token, uMINT, built on Ethereum. Access was through authorized distribution partners, with investment exposure to money-market instruments. This is an example from the asset-management business of a banking group. [5]

J P Morgan Asset Management and MONY

On 15 December 2025, J.P. Morgan Asset Management announced My OnChain Net Yield Fund, MONY, on public Ethereum. The announcement described qualified-investor access through Morgan Money, tokenization powered by Kinexys Digital Assets, and investment in U.S. Treasury securities and Treasury-collateralized repurchase agreements. [6]

What these examples demonstrate

Institutional adoption brings asset management, eligibility checks, custody and token records together. It does not remove the institutions or make every product available to the public. A transferable blockchain token also does not guarantee continuous redemption or market liquidity.

Design a practical RWA project

Start with enforceable rights and a manageable operating model

Questions every issuer should resolve

- Rights and accountability: What exactly does each token represent, and who is responsible for the underlying asset and investor obligations?
- Access and recovery: Who can hold or transfer tokens, and what happens when a key is lost or an account is compromised?
- Cash and settlement: Which payment instrument is used, how is finality confirmed, and what happens if one leg fails?
- Security and privacy: How are smart contracts reviewed, administrator keys protected and personal information kept off public ledgers?
- Exit and servicing: How do valuation, distributions, transfers, redemption and dispute resolution work in practice?

Where AI DIGIMARKET can contribute

A proposed engagement can cover asset and workflow analysis, identity and authorization architecture, Ethereum integration, a test-network prototype and an audit-record design. SmartDefense Finance provides the proposed platform direction for coordinating these services with existing institutional systems.

Begin with one asset class, one jurisdiction and a small group of authorized participants. Define the legal structure with qualified advisers and validate the technical workflow before committing real assets or funds. Tokenization does not guarantee liquidity, value appreciation or lower total cost.

Sources and institutional announcements

[1] Ethereum documentation — Smart contracts and token interfaces

[2] ERC-3643 Association — Permissioned token framework

[3] BlackRock — BUIDL launch announcement, 20 March 2024, via Nasdaq

[4] Securitize — Additional BUIDL share class on Solana, 25 March 2025

[5] UBS — uMINT announcement, 1 November 2024

[6] J.P. Morgan Asset Management — MONY announcement, 15 December 2025

Sources checked 5 October 2026. Product access and terms depend on current offering documents. This brochure is educational and does not offer securities or claim institutional partnerships.

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