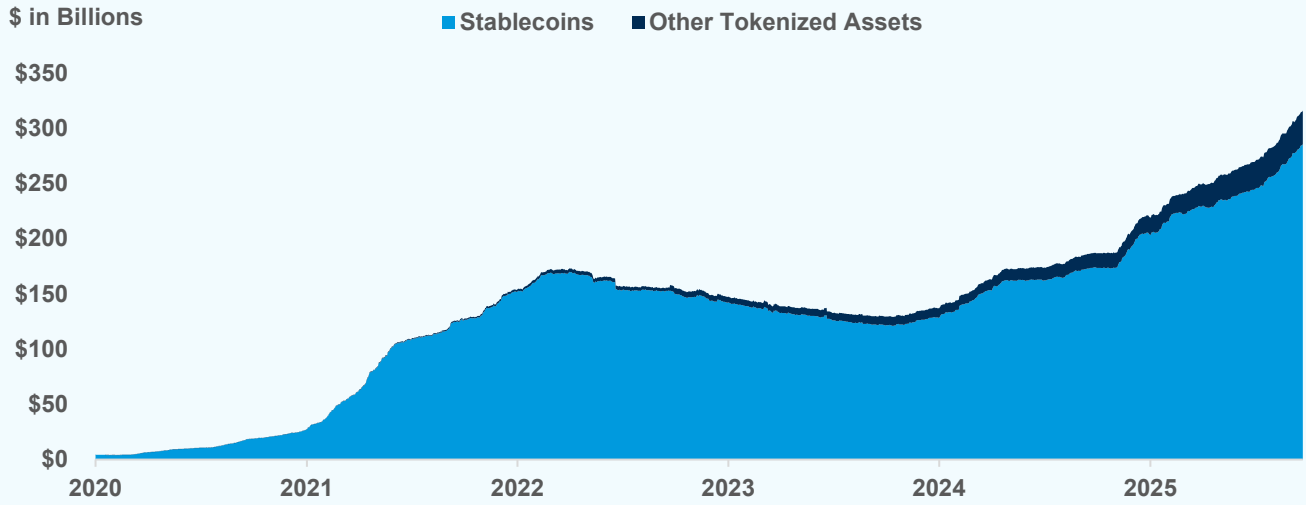
ALGER

Alger On The Money

Tokenization Going Mainstream?

Stablecoins, which are digital tokens pegged to fiat currencies such as the U.S. dollar, have become a leading example of tokenized real-world assets (RWAs). We believe their rapid adoption underscores how blockchain-based platforms can deliver stable and efficient alternatives to traditional financial systems. As tokenization expands beyond stablecoins, could this signal the start of a fundamental shift in how value is exchanged and stored?

Aggregate Market Value of All Tokenized Real-World Assets



Source: rwa.xyz as of 9/30/25. "Other Tokenized Assets" include Private Credit, U.S. and Non-U.S. Government Debt, Commodities, Stocks, Corporate Bonds, and Actively Managed Strategies.

- Stablecoins are digital assets designed to maintain a stable value by being pegged to fiat currencies such as the U.S. dollar and backed one-to-one with eligible reserves such as Treasury Bills. Their utility lies in enabling fast, low-cost, and interoperable transactions across digital platforms. For example, cross-border payments that previously required multiple intermediaries and several days to settle can now be completed in seconds. Recent regulatory developments—most notably the GENIUS Act—have provided clearer guidelines for their use, encouraging broader integration into payment systems, treasury operations, and merchant workflows. This growing institutional comfort with blockchain-based payments is laying the foundation for tokenization to scale across asset classes.
- In the chart above, the global market value of tokenized RWAs has grown from $4.2 billion in 2020 to over $310 billion today. While stablecoins represent the largest share of this growth, given their steady store of value for digital asset traders, other tokenized RWAs like private credit, commodities, and money market funds are gaining traction due to their lower operational friction and ability for fractional ownership of illiquid assets. Notably, Nasdaq recently filed a proposed rule change with the SEC to permit tokenized representations of listed securities to trade and settle through the Depository Trust Company (DTC) within the current market structure, preserving investor protections while enabling faster, more flexible settlement.[1]
- In our view, digital asset managers, regulated crypto exchanges and digital-asset treasury platforms could become essential as stablecoins gain adoption and tokenization becomes more embedded in financial markets.

[1] Securities and Exchange Commission. (2025, September 22). Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of filing of proposed rule change to amend the Exchange's rules to enable the trading of securities on the Exchange in tokenized form (File No. SR-NASDAQ-2025-072). Federal Register, 90, 45426–45431.

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RWA.xyz is an analytics and data platform that tracks tokenized real-world assets across public blockchains—offering dashboards, market metrics, and APIs used by institutions, investors, and issuers.

The GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins) is a U.S. federal law (enacted on July 18, 2025) that creates a federal framework for USD-backed payment stablecoins, including full-reserve backing, monthly disclosures, and defined oversight of permitted issuers.

The following positions represent firm wide assets under management as of July 31, 2025: Nasdaq, Inc. 0%.

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