



RESEARCH

Insights

Digital Assets: Research Brief

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Ahead of SIFMA's 2026 Operations Conference & Exhibition, our Insights team examines how digital assets are reshaping core market functions, from trading through settlement, and what their growing adoption means for the future of capital markets.

Executive Summary

Below, we explore three major digital asset classes: native cryptoassets, stablecoins and tokenized real world assets, focusing on equities and bond funds. While these categories are often discussed separately, their growth is increasingly interconnected. Cryptocurrencies provide both a decentralized store of value and can function as an economic incentive powering the underlying infrastructure for digital asset ownership and transfer, stablecoins facilitate payments and liquidity, and tokenized assets bring traditional financial instruments onto blockchain-based systems. As these components continue to evolve and become even further integrated, a more interoperable, digitally-native financial system is likely to result.

Digital Assets: Research Brief

Introduction

Digital assets are reshaping global finance, broadening market access and driving innovation across trading, clearing, and settlement. Native cryptoassets, stablecoins and tokenized equities and bonds serve distinct economic functions within the digital ecosystem but are unified by a common foundation: a **blockchain**—a distributed digital ledger maintained by a network of independent participants who collectively validate transactions according to shared rules.¹

By recording transactions across this decentralized network rather than through a single central authority, blockchain technology can enhance transparency and the integrity of ownership records, since transactions become difficult to alter once validated. The infrastructure can support faster on-chain transfer, programmability, enhanced collateral mobility, and continuous availability of markets, though the realization of these features depends on the specific network architecture and the regulatory framework in which they operate.

Below, we introduce native cryptoassets, stablecoins, and tokenized equities and Treasuries, highlighting their growth and emerging role in U.S. capital markets.

Native Cryptoassets

Native **cryptoassets**, such as bitcoin (“BTC”) and ether (“ETH”),² are digital assets that operate independently of any single issuer or central authority whose value is not connected to any underlying real-world asset. They are sometimes used as a store of value or medium of exchange, though their primary economic role differs by network — bitcoin is most commonly held as a speculative or long-term investment asset, while ether is used both as an investment and to pay for computation on the Ethereum network. Unlike fiat currency, native cryptoassets are not issued or supplied by any central authority — their issuance follows protocol rules rather than central bank policy or government direction. Some cryptoassets were developed with a fixed supply (BTC, of which more than 95% of the total 21 million supply has been generated), while others (Solana’s SOL and Ethereum’s ETH) have no fixed supply but a variable inflation rate.

As shown in Chart 1 on the following page, BTC is by far the largest cryptoasset by market cap, with a value of nearly \$1.6 trillion as of May 4, 2026, representing nearly 60% of the \$2.7 trillion in aggregate market cap across all cryptoassets, followed by ETH, which has a market cap of \$284 billion (10.4% of total). On a dollar-value traded basis, cryptoasset volumes are growing rapidly—having nearly doubled over the past year³ —with turnover globally approaching 10% of the daily value traded of US equities (Chart 2 on the following page).

¹ A blockchain is a type of Distributed Ledger Technology (“DLT”) where data are stored in a linear chain of blocks, versus storage in a graph or database, for example.

² “Bitcoin” refers to both the blockchain network as well as the cryptocurrency; typically, one holds or transfers BTC (or bitcoin) on the Bitcoin blockchain, whereas ether (or ETH) is the cryptocurrency that sits on the Ethereum blockchain.

³ The value traded of all cryptocurrencies on 3/30/25 totaled \$49.3B vs. an average of \$96.1B in March 2026.

Chart 1: Share of Total Crypto Market Cap

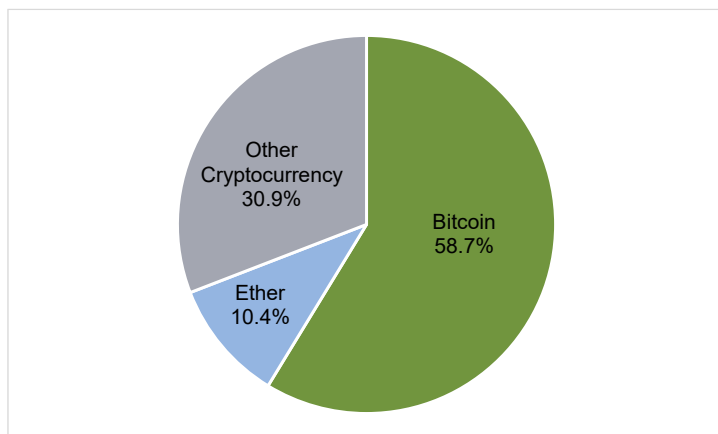
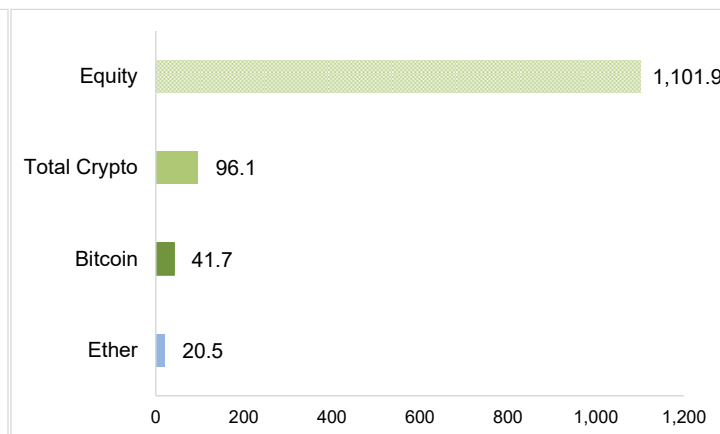


Chart 2: U.S. Equity & Crypto ADV, March 2026 (\$B)



Source: CoinGecko, CoinMarketCap and Cboe Global Markets.

Despite rising volumes, the number of active cryptoasset addresses (defined as unique addresses that were successful senders or receivers of crypto) has fallen over time. For the month of April 2026, active bitcoin addresses stood at 11.2M (versus a peak of 22.3M addresses in January 2021). While the count of active addresses increased for ether, it has a smaller base of users, having risen from 6.9M to 9.0M over the same period.⁴

Similarly, while the concentration of cryptoasset holders has decreased over time, concentration levels remain high: the top 100 bitcoin addresses held roughly 15% of the bitcoin currently outstanding at the end of March 2026, for example.⁵

Stablecoins

Stablecoins are a specialized form of digital asset. Unlike native cryptoassets such as bitcoin and ether, whose values are determined by market supply and demand, stablecoins are issued by private entities with values that are tied to real-world reference assets. Like other digital assets, stablecoins are issued and transacted on blockchain networks. However, stablecoins differ in that they are backed by reserves and are intended to provide price stability, enabling them to facilitate payments and function as a form of digital cash.⁶ Within the broader stablecoin category, *payment stablecoins* are a specific subset that the GENIUS Act of 2025 established a federal regulatory framework for: fiat-backed stablecoins issued by regulated entities, backed one-to-one by reserves of high-quality liquid assets (including short-dated U.S. Treasuries), and redeemable on demand at par.

In the case of the two largest stablecoins, Tether (“USDT”) and USD Coin (“USDC”), these assets are pegged to the U.S. dollar, thereby providing the price stability that native cryptoassets lack. By combining the speed associated with 24/7 trading and on-chain settlement with the predictability of fiat currency, stablecoins act as a bridge between traditional finance and blockchain markets, allowing capital to move across both systems and supporting on-chain lending, borrowing, and collateralization in decentralized finance (“DeFi”). The scale of the reserves backing

⁴ See: <https://studio.glassnode.com>

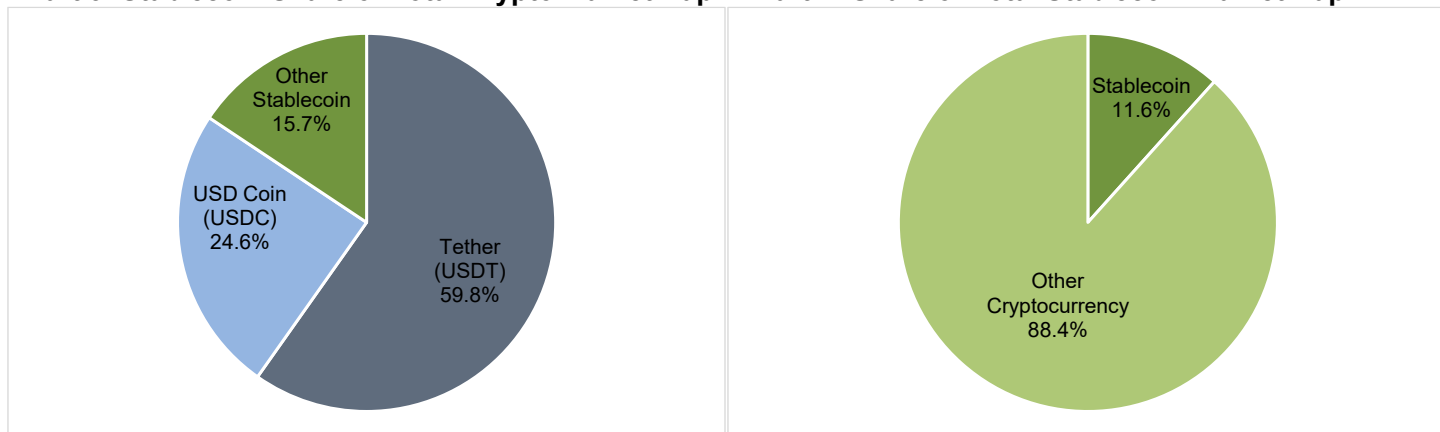
⁵ See: 3iQ Annual Information Form, 3/31/26.

⁶ Stablecoins are one of several forms of digital cash. Other types of digital cash include tokenized bank deposits, deposit tokens, and (in some jurisdictions) retail and / or wholesale central bank digital currencies.

stablecoins has also made their issuers among the largest non-sovereign holders of U.S. Treasury securities (\$142B)—figures that are expected to rise significantly with the implementation of the GENIUS Act.⁷

Because of their stable value, stablecoins serve as a reliable medium to facilitate transactions in the crypto space. As of May 4, 2026, stablecoins (across all peg types) have a total market cap of \$317 billion and comprise 11.6% of the total cryptocurrency market cap. The two largest stablecoins constitute 84% of all stablecoins: USDT, with a market cap of \$190 billion (nearly 60% of the market cap of all stablecoins), followed by USDC, with a market cap of \$77.8 billion (24% of total stablecoin market cap). Both USDT and USDC are multichain, meaning they can run on multiple networks including Ethereum, Solana, Tron, Polygon, and Avalanche.

Chart 3: Stablecoin Share of Total Crypto Market Cap **Chart 4: Share of Total Stablecoin Market Cap**



Source: CoinGecko. Data pulled May 4, 2026.

Stablecoin transaction volume YTD through mid-March is estimated at \$25T,⁸ with expectations that the regulatory clarity provided by the GENIUS Act and the growing use of agentic AI will strengthen the case for stablecoins even further. Already, stablecoins function as a low-cost tool for cross-border remittances and B2B payments, as well as a common settlement currency for tokenized real-world asset transactions.

While stablecoins currently dominate market share among blockchain-native “digital cash” analogues, tokenized commercial bank money, specifically tokenized deposits and deposit tokens, are emerging as increasingly important forms of on-chain cash, particularly for institutional and capital markets use cases. As described by the GFMA Report Digital Money in Capital Markets,⁹ tokenized deposits represent conventional bank deposits that are mirrored on distributed ledger infrastructure, while deposit tokens are natively issued digital representations of commercial bank money designed to be transferable within defined networks, without altering their underlying legal or economic character as bank liabilities.

⁷ See composition of Tether and USD Coin reserve assets as of 3/31/26: https://assets.ctfassets.net/vyse88cgwfb/6cm1tXbl6AtWZBWucZnfg/c4ff472d70c1b48c2f689f27b54c84f5/ISAE_3000R_-_Opinion_Tether_International_Financial_Figure_31-03-2026.pdf and https://6778953.fs1.hubspotusercontent-na1.net/hubfs/6778953/USDCAttestationReports/2026/2026%20USDC_Examination%20Report%20March%2026.pdf

The \$142B figure is Treasury bills only and excludes other cash equivalents including cash, reverse repo agreements and bank deposits.

⁸ The Digital Assets Memo, April 23, 2026, Bernstein.

⁹ See: <https://www.gfma.org/wp-content/uploads/2026/04/gfma-report-digital-money-in-capital-markets.pdf>

Tokenized Securities

Security tokens, in turn, bridge traditional finance and blockchain infrastructure by representing claims on real-world financial assets—such as equity, credit, fund interests or hard assets such as gold or real estate. Tokenized securities, the focus of this section, are a regulated subset of the broader Real World Asset category.

Tokenized equities are on-chain, digital representations of equity exposure and can enable faster or programmed settlement, including on a near real-time or atomic basis¹⁰ and in the process, reduce counterparty risk and increase flexibility in settlement. They also expand market access through fractional ownership, 24/7 trading, and broader global participation. Additionally, by leveraging programmable platforms such as Ethereum,¹¹ they can embed compliance, corporate actions, and ownership tracking directly into the asset, improving efficiency and transparency.

Similarly, **tokenized U.S. Treasuries** can modernize how Treasuries are accessed, transferred, and used as collateral by enabling risk-free yields to flow into digital asset markets and allowing them to move seamlessly between traditional financial systems and blockchain-based platforms.

Presently, tokenized equities operate under four models: **native issuance, third-party wrapped tokens, synthetic tokens and security entitlement tokens:**

1) Native tokenized securities: Securities issued directly on chain, without an intermediary or wrapper, that purport to convey rights to the token-holder which are legally equivalent to the rights of a holder that is recorded directly on the issuer's or its transfer agent's books as the security holder.

Here, a tokenized equity is issued and registered directly on a blockchain. This issuance model can either enable or bypass established infrastructure providers, such as central securities depositories ("CSDs") as well as exchanges.¹² Token issuance and the master securityholder file are both conducted on-chain. For example, Figure Technology Solutions, itself a blockchain-native capital marketplace for the origination, funding, sale and trading of on-chain loan products and tokenized assets, completed what it described as the first SEC-registered native on-chain equity issuance on its own On-chain Public Equity Network (OPEN) in February 2026 under ticker "FGRD" (now "FGRS"). On-chain FGRS shares can be swapped for Reg NMS FIGR shares and vice-versa, making liquidity comparable across venues.¹³

2) Wrapped tokenized securities: An arrangement in which the underlying securities are custodied and an American Depository Receipt ("ADR")-type token is issued representing an interest in that custodied position. The wrapped tokenized security enables the token-holder to receive the stock upon the delivery of the token to the issuer. These wrapped tokens constitute separate securities, and the transfer of such tokens constitutes the transfer of rights to the underlying securities. Wrapped tokenized securities may be issuer-sponsored, where the issuer of the underlying security is responsible for the issuance of the token. Alternatively, wrapped tokenized securities may be issued by an unrelated third-party. Third-parties may use models such as a special purpose vehicle ("SPV") to issue tokenized exposure to equities. In these cases, an operator establishes a special purpose vehicle that holds actual shares of the underlying equity and issues tokens representing an economic interest in the SPV's holdings — typically without voting rights or other governance entitlements. Kraken's xStocks (issued by Backed Finance and tradeable in more than 100 countries, excluding the US, Canada, the UK and Australia) and Ondo Global Markets'

¹⁰ See: <https://libertystreeteconomics.newyorkfed.org/2022/11/what-is-atomic-settlement/>

¹¹ Unlike Bitcoin, Ethereum was designed to run programmable logic; developers can write code that executes on-chain known as "smart contracts" that define how tokens, applications or transactions behave. Smart contracts can embed the changes in structure associated with corporate actions (such as dividend payouts and stock splits), making the Ethereum blockchain (among others) appropriate for tokenized equities.

¹² In the EU, evolution of native on-chain securities is further ahead; since March 2023, the European Securities and Markets Authority (ESMA) has overseen the EU DLT Pilot Regime, which provides a legal framework for DLT in market infrastructures, specifically for trading and settling tokenized financial instruments, for a temporary period.

¹³ <https://investors.figure.com/static-files/6b0b7caf-6b59-4e98-89eb-86a75d882f0f>

tokenized shares (available to most qualified investors outside the US and Canada) are leading examples. Although the SPV holds the underlying, these structures operate outside the underlying issuer's sponsorship and outside U.S. securities markets.

While both natively issued and wrapped tokens are both securities, they raise different issues as they are integrated into the broader regulatory and operational frameworks governing the securities markets. These include questions such as the fungibility of third party wrapped tokens, the distribution models for natively issued tokens, the expansion of offshore markets, and the possible fragmentation of trading and liquidity.

3) Synthetic tokenized securities: A token that represents a derivative contract based on the referenced security. These arrangements provide economic exposure to their holders, while not providing ownership, voting rights, or any entitlement to the underlying security. In practice, synthetic tokenized securities most closely resemble other derivative instruments, such as security-based swaps or contracts for difference, that are issued and settled using blockchain infrastructure. The token holder may receive economic gains or losses linked to the price movements or cash flows of the referenced security. The underlying securities, if held at all, are typically not held for the benefit of token holders on a one-to-one custodial basis.

4) Security entitlement tokens: An arrangement in which a security is held with a custodian and a token is simply a mechanism for the custodian to record a customer's entitlement thereto. Under such an arrangement, a transfer of the token is nothing more than the custodian recording on its books and records the transfer of the security's ownership from one of its customers to another. The token itself is not a security, but a digital record-keeping mechanism used by the custodian to track security entitlements. Nonetheless, because any transfer of security entitlements on a custodian's books and records constitutes a transfer of the security, a transfer of the token constitutes a transfer of the security.

DTC's tokenized settlement pilot takes this approach. As detailed in a recent No Action Letter¹⁴, participants can elect to receive traditional or tokenized settlement, with the latter using DLT (rather than "book entry") to create tokenized entitlements held in blockchain wallets registered with DTC. Participants in the pilot can also transfer their tokenized equities to other DTC-registered blockchain wallets at any time.

The role of the transfer agent in supporting tokenized securities issuance and trading may evolve as well. This could include providing an off-chain "golden reference" of ownership, supporting the issuance process, or coordinating with on-chain trading models. For example, Computershare, transfer agent to more than 25,000 public and private companies, announced a partnership with tokenization platform Securitize at the end of April 2026 that will enable its U.S.-listed clients to issue blockchain-based versions of their shares.

Exchange Integration in Tokenized Securities Markets

In the US, Nasdaq has received SEC approval¹⁵ to allow certain stocks (major ETFs and Russell 1000 stocks) to be traded and settled in tokenized form. Importantly, all activity remains on Nasdaq's core order book, preserving price-time priority, Reg NMS compliance and existing workflows. Tokenized and traditional shares would share the same CUSIP and represent the same security, with identical rights and privileges. This approach would also integrate into the DTC tokenized settlement pilot. In March 2026, Payward (crypto exchange Kraken's parent) and Nasdaq announced a partnership to build an "equities transformation gateway" that will use Kraken's xStocks framework¹⁶ to connect Nasdaq's regulated market infrastructure with decentralized blockchain networks.

¹⁴ <https://www.sec.gov/files/tm/no-action/dtc-nal-121125.pdf>

¹⁵ <https://www.federalregister.gov/documents/2026/03/23/2026-05563/self-regulatory-organizations-the-nasdaq-stock-market-llc-order-approving-a-proposed-rule-change-as>

¹⁶ The equities transformation gateway will be available only to those clients in jurisdictions where xStocks are available.

NYSE has put forward a proposal for its Digital Trading Platform. NYSE’s approach names Securitize, a registered transfer agent operating on blockchain infrastructure, as the platform’s transfer agent, which will be eligible to mint blockchain-native securities for corporate or ETF issuers on what would be a fully separate trading venue. Ownership of NYSE’s tokenized equities would be recorded on a blockchain rather than in DTCC’s centralized database and would also support issuance of equities in tokenized form.

Tokenized Treasuries Dominate

Both tokenized equities and U.S. Treasuries have shown significant growth over the past year, with the value of tokenized equities increasing +248% Y/Y and tokenized U.S Treasuries increasing +120% Y/Y.

Chart 5: Total Value of Tokenized Equities (\$M)

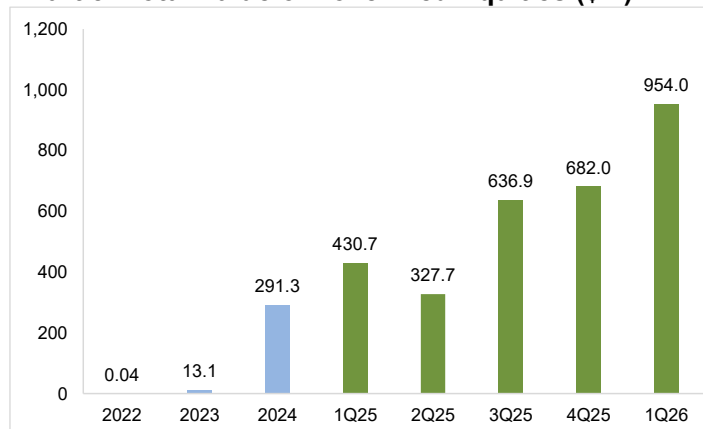
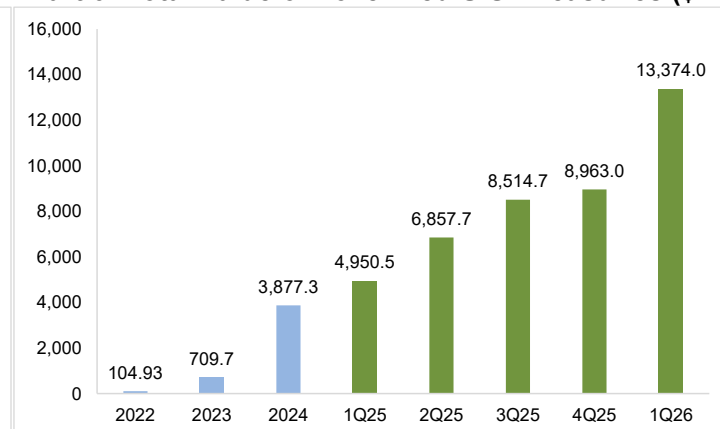


Chart 6: Total Value of Tokenized U.S. Treasuries (\$M)



Source: RWA.xyz

Note: 2026 data is as of April 29th. Includes “distributed” assets, which use the blockchain as a distribution layer that allows investors to subscribe, hold, and manage assets directly through their own wallets or custodians. Does not include tokenized equities under the custodial receipt model, which only use the blockchain as a record keeping layer. As of April 29th, “represented” tokenized equities and U.S. Treasuries were worth \$17.8 million and \$179.7 million, respectively. Tokenized equities include listed stocks and ETFs. Tokenized U.S. Treasuries includes Treasury bills, notes, bonds, and Treasury-focused money market funds. A large proportion of the volume of tokenized equities at present are structured wrapped tokens issued off-shore.

Despite the more rapid growth of tokenized equities, the total value of tokenized Treasuries is more than 14x as great as that of tokenized equities. To date, the market for digital Treasuries largely has taken the form of tokenized Treasury funds that are similar to money market funds (“MMFs”) in investment holdings, even if they are not registered investment companies.¹⁷

As with tokenized equities, tokenized bonds and bond funds can be natively on-chain or tokenized versions of traditional bond holdings. **Native on-chain bonds** are originated, issued and managed entirely on a blockchain network. There are no off-chain paper or electronic records, and embedded smart contracts reference external benchmarks for variable interest rate calculations in addition to handling coupon payment computations and principal repayments at maturity.

Example: In December 2025, J.P. Morgan arranged a commercial paper deal for Galaxy Digital Holdings, harnessing the Solana blockchain for the issuance and servicing of securities, with both issuance and redemption proceeds paid in USDC stablecoins.

In contrast, many **tokenized bond funds** are SPV-wrapped tokens, which act as digital representations of existing off-chain bonds held by a traditional custodian. The asset layer remains the same (the fund still holds fixed income instruments, generates yield, maintains a NAV and may actively use repo) but tokenization converts fund shares

¹⁷ Many of these tokenized Treasury funds are still called tokenized money market funds (“TMMFs”).

into blockchain tokens held by investors that can move wallet-to-wallet and integrate with digital platforms on a 24/7 basis, even as a transfer agent or fund administrator maintains the official shareholder register off-chain.

At the beginning of May 2026, AUM for all tokenized Treasury funds totaled \$15.2B, with the six largest funds comprising nearly 80% of the total.

Table 1: AUM of Largest Tokenized Treasury Funds

Ticker	Name	AUM (\$B)	Holders (# Addresses)	Comments
USYC	Circle USYC	\$2.91	43	<p>Access is restricted to non-US persons with a minimum purchase of \$100,000 in USDC.</p> <p>The fund uses an appreciation model, where the value of the token itself increases over time to reflect accrued interest, rather than paying out a separate yield token. Up to a certain "instant-redemption capacity," USYC can be redeemed into USDC in near real-time.</p>
BUIDL	BlackRock USD Institutional Digital Liquidity Fund	\$2.58	101	<p>Access is restricted to US Qualified Purchasers with a minimum investment of \$5 million in USDC. Accumulated interest dividends are dropped in investor wallets in the form of new BUIDL tokens monthly. Liquidations for USDC can occur instantaneously; Tokens can also be traded on UniswapX via Securitize to allow authorized market makers to achieve atomic settlement.</p>
USDY	Ondo US Dollar Yield	\$2.14	14,280	<p>Access is restricted to non-US persons; Direct Minting (via Ondo Finance) requires a \$100,000 minimum whereas there is a \$5,000 minimum for minting and redeeming directly on networks like Sui, Aptos, Stellar, XRP, or Noble.</p> <p>Only peer-to-peer transactions (not involving minting or redemption) settle in real-time.</p>
FOBXX*	Franklin Onchain US Government Money Market Fund	\$2.05	1,132	<p>The first U.S.-registered MMF to utilize a public blockchain for share transactions and ownership records (launched in April 2021). Yield is earned by the second.</p>
JTRSY	Janus Henderson Anemoy Treasury Fund	\$1.24	18	<p>CUSIPs for the underlying T-bills can be viewed in real time on-chain. Investors also have the option to subscribe and redeem in fiat U.S. dollars. Offers same-day liquidity, but T+1 settlement.</p>
WTGXX*	WisdomTree Government Money Market Digital Fund	\$0.98	874	<p>Designed to be chain-agnostic, existing on Ethereum, Stellar, Avalanche, Arbitrum, Base, Optimism, and Plume. The fund is open to both retail and institutional investors. Offers instantaneous settlement.</p>

Source: rwa.xyz. As of May 2, 2026

*FOBXX and WTGXX are both SEC-registered money market funds (MMFs),

Tokenized Treasury funds appeal to investors by combining the ability to pay yield while allowing for faster transaction and settlement times, including immediate payment of accrued interest on redemption, even on

weekends and holidays. Their ease of movement, high quality underlying assets, and yield payments also make them appealing as on-chain collateral.

The direction of travel for digital assets is clear: As these systems become more integrated, tokenization is likely to move from a niche use case to a core part of how financial markets operate, narrowing the divide between digital and traditional systems. The shift is already visible in areas where the benefits are most immediate, such as payments, cash management, and short-duration assets. Broader adoption will depend on resolving remaining frictions around settlement and interoperability, particularly with regard to cross-platform trading. As these constraints ease, tokenization is likely to become a more standard feature of market infrastructure.

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