



TOKENIZED STOCKS

Positioning for the Future of Digital Securities

July 2025

Executive Summary:

Tokenized stocks represent a compelling diversification opportunity offering 24/7 trading capabilities, fractional ownership, reduced settlement costs, and enhanced liquidity. With market projections ranging from \$5-30 trillion by 2030, strategic positioning in this asset class provides significant portfolio benefits.

Key Investment Highlights:

- Market size projected to grow 50x from current \$50B
- Regulatory environment shifting from hostile to supportive under Trump administration
- Major platforms launching tokenized stock offerings
- Unique DeFi integration opportunities unavailable in traditional markets
- Direct exposure to crypto ecosystem through tokenized crypto stocks (MSTR, COIN, mining companies)



MARKET BACKGROUND AND CURRENT STATE

a. Defining Tokenized Stocks

Tokenized stocks are digital representations of traditional securities that exist on blockchain networks, maintaining a 1:1 ratio with underlying shares. These tokens represent actual ownership in corresponding companies, typically held by regulated custodians, while providing operational benefits of blockchain technology.

b. Core Characteristics

- i. Digital ownership through blockchain tokens
- ii. Fractional access to expensive shares
- iii. 24/7 trading capabilities beyond traditional market hours
- iv. Global accessibility with reduced geographical barriers
- v. Smart contract integration for automated corporate actions

Market Development (2025)

c. Current Market Metrics

- i. Total tokenized asset market: **\$50+ billion**
- ii. Annual growth rate: 60% y.o.y.



d. Growth Projections

- i. **\$1-4 trillion by 2030** (McKinsey)
- ii. **\$5 trillion** (Bernstein) (Citi)
- iii. **\$16 trillion by 2030** (Boston Consulting Group, aggressive estimate)

Native Portfolio Integration

For crypto-focused investors, tokenized stocks represent a natural evolution of portfolio construction that addresses the operational complexities of managing both traditional and digital assets. The fundamental challenge facing sophisticated crypto investors has been the friction of maintaining exposure across disparate systems – traditional brokerage accounts operating on legacy settlement infrastructure alongside crypto wallets utilizing blockchain-based custody solutions.

Tokenized stocks eliminate this operational divide by enabling investors to maintain their entire portfolio within a unified blockchain ecosystem. This integration allows for seamless position management where crypto holdings and equity exposure can be monitored, traded, and strategically allocated from the same interface. The operational synergies



extend beyond simple convenience, creating opportunities for sophisticated cross-asset strategies that were previously impossible due to settlement timing mismatches and platform fragmentation.

The primary strategic advantage of tokenized crypto stocks lies in their ability to provide amplified exposure to crypto market dynamics through professionally managed business operations. Unlike direct cryptocurrency ownership, which depends solely on market price appreciation, tokenized crypto stocks offer exposure to the fundamental business growth within the cryptocurrency ecosystem.

The Tokenized Universe, So Far

The investment universe for crypto-focused tokenized stocks encompasses several distinct categories each offering different risk-return profiles and correlation characteristics with the broader cryptocurrency market. Bitcoin treasury companies represent the most direct equity exposure to cryptocurrency price movements, with MicroStrategy leading this category through its unprecedented corporate Bitcoin accumulation strategy.



MicroStrategy's position as the world's largest corporate Bitcoin holder, with **592, 345 BTC** worth over \$63 billion, creates a unique investment vehicle that combines traditional enterprise software revenue with direct cryptocurrency exposure. This dual-revenue model historically produces volatility characteristics that amplify Bitcoin's price movements during bull markets while providing some operational stability through the company's ongoing software business. The company's adoption of updated accounting standards allows unrealized gains and losses on Bitcoin holdings to flow through net income, creating direct earnings sensitivity to cryptocurrency price movements.

Tesla represents a different approach to corporate Bitcoin treasury management, maintaining significant cryptocurrency holdings while operating primarily as an automotive and energy technology company. This structure provides indirect crypto exposure through a company with substantial fundamental value from its core operations, potentially offering more stability during market downturns while still participating in cryptocurrency appreciation.

Marathon Digital Holdings exemplifies the mining sector approach, combining direct Bitcoin accumulation through



mining operations with significant cryptocurrency holdings. With 48,237 Bitcoin on its balance sheet, Marathon provides exposure to both Bitcoin price appreciation and the operational leverage that comes from controlling significant mining infrastructure. This dual exposure mechanism can produce higher volatility than direct Bitcoin ownership while providing exposure to the fundamental infrastructure development of the Bitcoin network.

The cryptocurrency exchange sector offers exposure to the broader adoption and trading activity within digital asset markets. **Coinbase**, with its \$64 billion market capitalization and positioning as the dominant US cryptocurrency exchange, provides revenue exposure that correlates with overall crypto market activity, trading volumes, and institutional adoption trends. As cryptocurrency markets mature and institutional participation increases, exchange operators benefit from both increased trading activity and the expansion of custody, staking and infrastructure services.

Robinhood's expanding cryptocurrency services and development of tokenization platforms position the company at the intersection of traditional fintech and crypto



innovation. While maintaining diversified revenue streams from traditional brokerage services, the company's crypto initiatives provide exposure to the digitization of financial services and the growing integration between traditional and digital asset markets.

The **mining infrastructure** sector encompasses companies like **Riot Platforms**, **CleanSpark** and **CoreScientific**, each offering different approaches to Bitcoin mining operations. These companies provide leveraged exposure to Bitcoin price movements through their operational economics, where higher Bitcoin prices improve mining profitability and enable infrastructure expansion. The sector also offers exposure to the technological development of Bitcoin mining, including improvements in energy efficiency and renewable energy integration.

Technology infrastructure companies like **Nvidia** and **AMD** provide indirect cryptocurrency exposure through their GPU products that power both cryptocurrency mining and AI development. While these companies derive relatively small percentages directly from crypto markets, their products remain essential for blockchain infrastructure, creating correlation with adoption trends.



24/7 Trading Alignment

One of the most significant practical advantages of tokenized stocks for crypto investors is the alignment with cryptocurrency markets' continuous trading schedule. Traditional equity markets operate within limited hours that often conflict with optimal crypto trading strategies, particularly for global investors operating across multiple time zones. This temporal misalignment has historically forced crypto investors to choose between maintaining equity exposure and participating in time-sensitive crypto market opportunities.

Tokenized stocks eliminate this constraint by operating on blockchain infrastructure that supports continuous trading operations. This capability becomes particularly valuable during significant crypto market events that occur outside traditional trading hours, such as regulatory announcements, major institutional adoption news, or technical developments that can dramatically impact crypto-related companies. The ability to immediately adjust positions in response to these events provides a strategic advantage that extends beyond simple convenience to encompass genuine risk management capabilities.



The continuous trading capability also enables more sophisticated arbitrage strategies between traditional and tokenized markets. During periods when traditional markets are closed but crypto-related news develops, tokenized stocks can begin pricing in these developments immediately, creating temporary valuation discrepancies.

The global nature of cryptocurrency markets means that significant developments can occur at any time, driven by regulatory changes in different jurisdictions, institutional adoption announcements, or technical developments. The ability to trade crypto-related equity positions without waiting for traditional market openings provides both **defensive and offensive strategic capabilities** that align with the 'always-on' nature of crypto market dynamics.

Access to Previously Unavailable Assets

Tokenization creates access to investment opportunities that have historically been restricted by geographic, regulatory, or capital requirements. For crypto-focused investors, this expansion of the available investment universe is particularly valuable given the global nature of cryptocurrency development and the concentration of many leading crypto companies in specific jurisdictions or private markets.



The fractionalization capability of tokenized stocks removes capital barriers that have traditionally limited access to high-value individual positions. Companies like **Berkshire Hathaway**, with Class A shares trading above \$400,000, become accessible through tokenized fractional ownership, allowing crypto investors to gain exposure to traditional value investing approaches without requiring enormous single-position commitments.

The emerging tokenization of private company equity presents the most significant opportunity for sophisticated crypto investors. Companies like **SpaceX**, which has significant cryptocurrency exposure through its treasury management and acceptance policies, or **OpenAI**, which operates at the intersection of AI and crypto applications, represent high-growth opportunities that have previously been available only to accredited investors through private placement markets. As these companies explore tokenized equity offerings, crypto investors gain access to pre-IPO growth opportunities that align with their existing portfolio.

Why Now Is The Time

The Trump Effect:



The regulatory environment has completely flipped since Trump took office in January 2025. The new SEC chairman is pro-crypto, and the agency has dropped enforcement cases against Coinbase, Kraken and others. Instead of fighting crypto, regulators are now creating clear rules to help it grow.

The GENIUS Act passed the Senate **68-30**, creating the first federal framework for crypto regulation. This isn't anti-crypto regulation—it's pro innovation regulation that provides clarity and legitimacy.

- **Platform Expansion:** US platforms like Coinbase will soon offer tokenized stocks domestically, creating massive new demand
- **Institutional Adoption:** Clear regulations mean pension funds, insurance companies and hedge funds can finally participate
- **Market Growth:** Regulatory clarity typically leads to **3-5x** market expansion as institutional money flows in
- **Reduced Risk:** Clear rules mean less chance of sudden regulatory crackdowns that could kill the market



We expect US based exchanges to have full integration with traditional markets by Q4 of 2025, with mainstream adoption hitting peaks 2027 and beyond.

Sample \$150,000 Portfolio

1. Core Crypto Stocks:

- a. **COIN** (Coinbase): \$25,000- Stable revenue model, regulatory clarity
- b. **MSTR** (MicroStrategy): \$25,000- Proven Bitcoin strategy, software business backup
- c. **HOOD** (Robinhood): \$15,000- Diversified fintech with growing crypto exposure

2. Established Miners:

- a. **MARA** (Marathon): \$20,000- Second-largest Bitcoin holder, solid operations
- b. **RIOT** (Riot Platforms): \$18,000- Proven US based mining infrastructure

3. High-Growth Infrastructure:

- a. **NVDA** (Nvidia): \$10,000 - Essential GPU technology, AI + crypto exposure
- b. **TSLA** (Tesla): \$12,000- Bitcoin treasury + Elon factor

4. Emerging Plays (Higher Risk/Higher Reward)



- a. **BTDR (BitDeer):** \$5,000- Mining services
- b. **Future Private Tokens (SpaceX, OpenAI, etc):**
\$25,000

Our conservative case estimates annual returns on a portfolio of this sample to be 15-20%, with a bull case bringing these returns up to 40-60% annually.

In conclusion, tokenized crypto stocks represent the best of both worlds: exposure to crypto's growth potential through profitable businesses that operate 24/7 on blockchain infrastructure. With major platforms launching, regulations becoming favorable, and market projections showing 50-100x growth potential, early investors have a unique opportunity.

Stay Tuned.