



Morgan Lewis

**ADVANCED TOPICS IN  
HEDGE FUND PRACTICES  
CONFERENCE**

**Manager and Investor Perspectives**

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# Trends in Tokenization of Funds

## Speakers



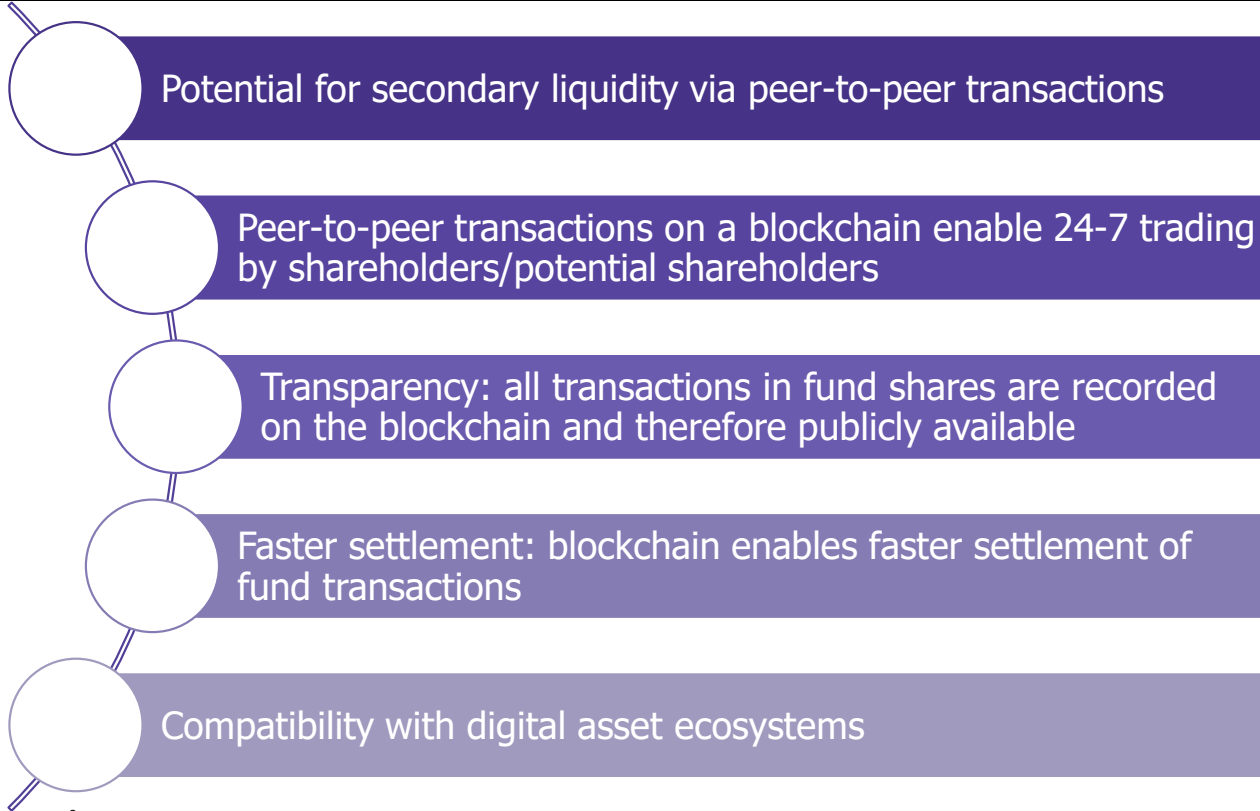
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# Benefits to Tokenization of Fund Shares



# Challenges to Tokenized Funds




**AML/KYC Compliance: how to ensure that fund shares are only transferred to a shareholder that has appropriate AML/KYC reviews**

**Digital wallet infrastructure: investors will need a digital wallet to hold the shares**

**Educate shareholders on tokenization benefits**

**Ensuring compatibility with regulatory compliance**

# Case Study: Tokenized Money Market Funds



Tokenized registered money market funds or private versions of the same

Target holders of stable coins that are not earning interest on their stable coin holdings

Solve friction of converting stable coins into fiat (e.g., fund shares) and back to stable coins

# CFTC Interest in Tokenization



“

“I have deep concerns that taking one unregulated market—carbon offsets—and layering it on top of another unregulated market—cryptocurrency—will serve only to compound the risks and vulnerabilities inherent in both.”

— CFTC Commissioner Kristin Johnson

# Benefits of Tokenizing Carbon Credits

**1**

**Mitigate against double-counting concerns**

**2**

**Efficiently redeem carbon credits**

**3**

**Digitally track and record real-time mitigation outcome data**

**4**

**Address issues of greenwashing**

# Use Cases

BIS Project Genesis 2.0

AirCarbon Exchange (ACX)

Green Tracker