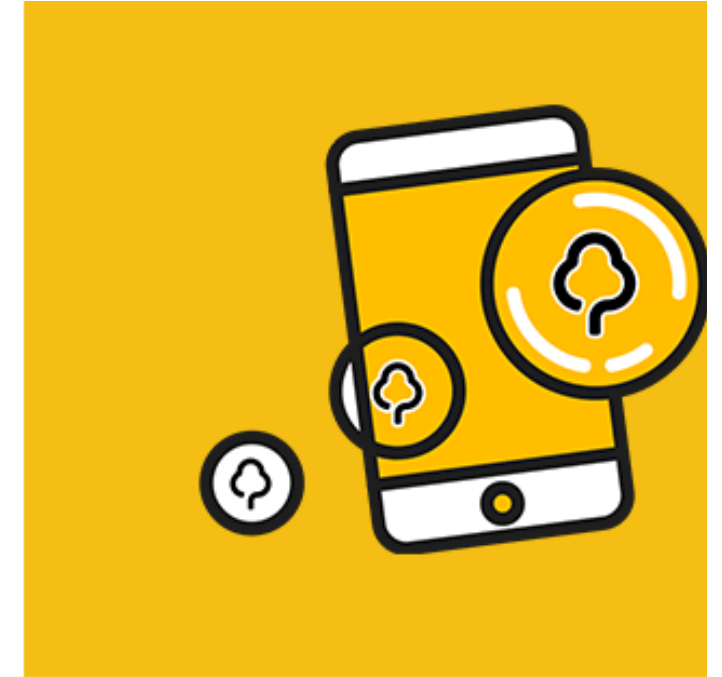


# Asset-Backed Tokens: Bridging Traditional Assets and Decentralized Finance



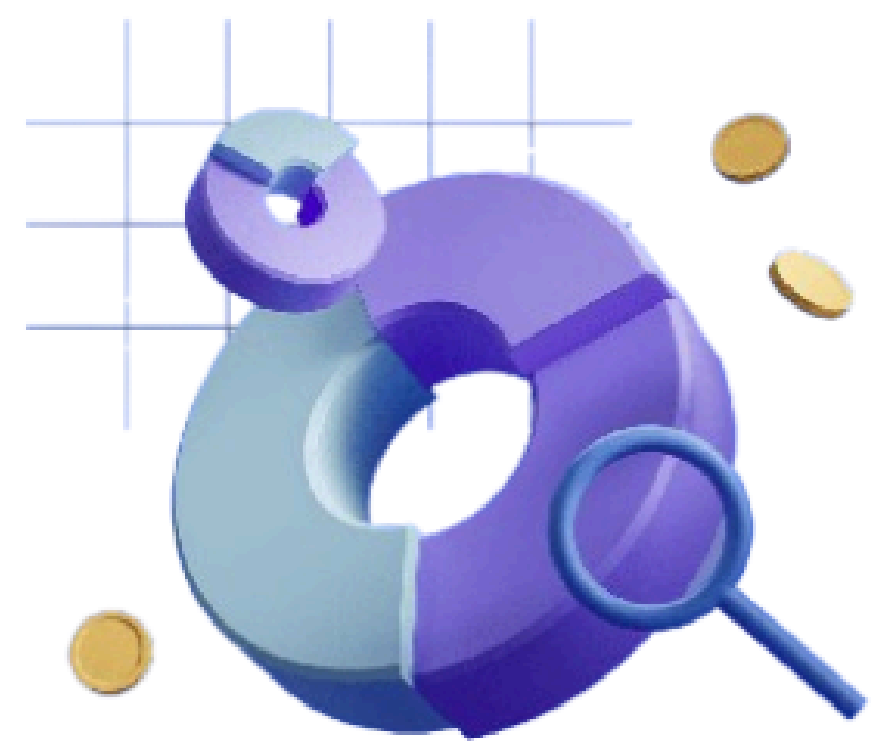
# Asset-Backed Tokens:

An asset-backed token is a digital representation of a real-world asset on the blockchain, where the token derives its value from a physical or financial asset.

These assets can include commodities (like gold or oil), real estate, bonds, fiat currencies, or even intellectual property.

The underlying asset "backs" the token, meaning each token is tied to a specific real-world asset, either in full or fractional ownership.





## **Key Features of Asset-Backed Tokens:**

### **Tangible or Financial Backing:**

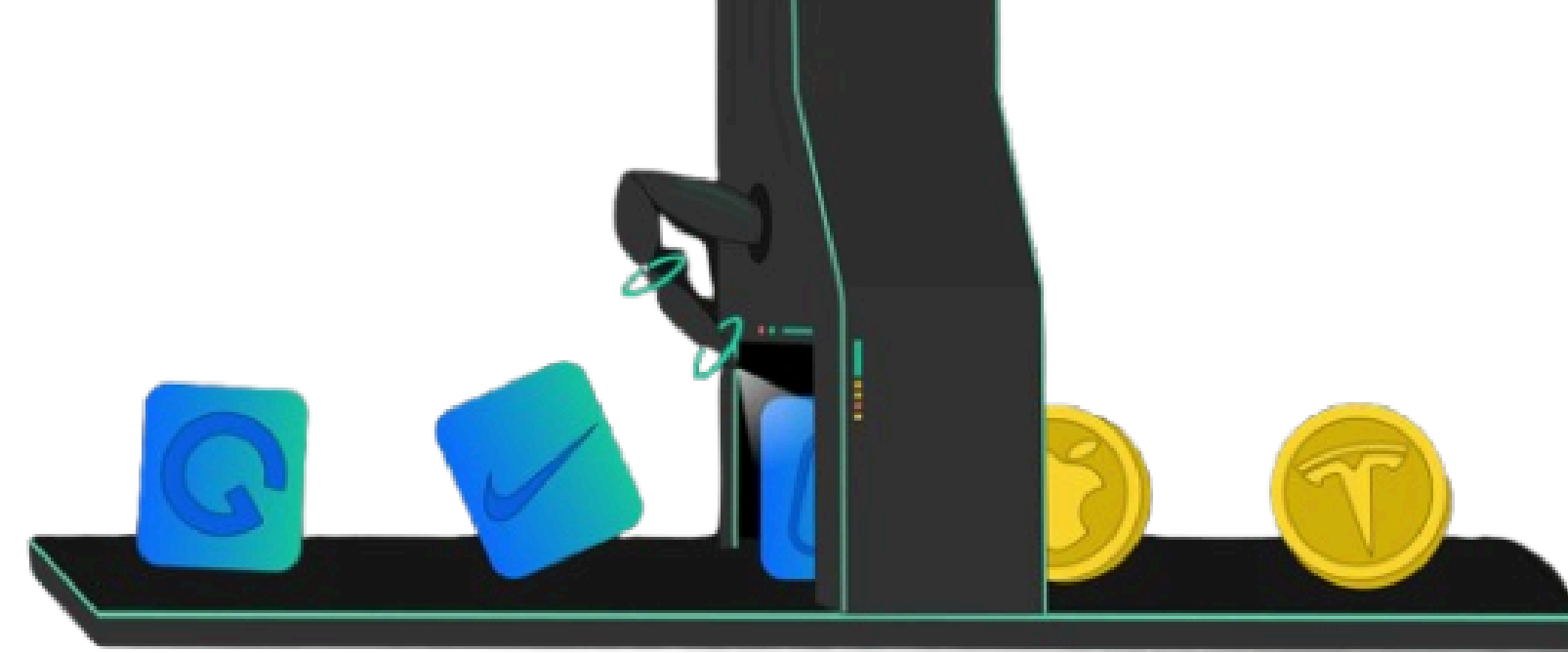
The token is linked to a real-world asset, which can be verified and has inherent value.

### **Tokenization:**

The process involves converting an asset (e.g., a piece of property) into digital tokens, making it more accessible and tradable on blockchain platforms.

### **Tradability:**

These tokens can be traded on cryptocurrency exchanges or decentralized finance (DeFi) platforms, providing liquidity for assets that are traditionally less liquid (e.g., real estate).



## **Fractional Ownership:**

Asset-backed tokens often allow fractional ownership, enabling multiple investors to own smaller portions of high-value assets (e.g., a building or artwork).

## **Use as Collateral:**

Tokens backed by assets can be used as collateral in decentralized finance applications, where they can unlock loans or be staked for returns.



## Examples of Asset-Backed Tokens:

Stablecoins: Fiat-backed tokens like USDC or Tether (USDT) are backed 1:1 by a reserve of fiat currency, such as US dollars.



Real Estate Tokens: Tokenized real estate allows investors to own portions of a property without purchasing the entire asset.

Gold-Backed Tokens: Tokens like PAX Gold (PAXG) represent ownership of physical gold, with each token tied to a specific amount of gold stored in vaults.



## Benefits of Asset Backed Tokens:

**Liquidity:** Traditionally illiquid assets like property or commodities can be traded more easily.

**Accessibility:** Investors worldwide can access asset-backed tokens, democratizing investment in assets that were once limited to large institutions.


**Transparency:** Blockchain provides transparent and immutable records of token ownership and transactions.





Transform assets into digital tokens with our Real World Asset Tokenization Services. Secure, custom solutions for creating and trading tokenized assets.

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