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Franklin Templeton receives CSSF approval to launch first fully tokenised UCITS fund on a public blockchain using proprietary technologies in Luxembourg

FT Digital Assets platform aims to be known as a leader in providing innovative solutions in Europe

On-chain fund supported by robust digital assets ecosystem will unlock new benefits and use cases for clients as technological adoption increases

Firm will be the first asset manager in Europe to launch a tokenised fund on a public blockchain using in-house capabilities and proprietary technologies

Luxembourg, 28 October 2024 – Franklin Templeton¹ one of the world's largest global investment managers and a pioneer in digital assets technology is delighted to announce that it has received approval from Luxembourg regulator *Commission de Surveillance du Secteur Financier* (CSSF) to launch the first fully tokenised UCITS fund of its kind in Luxembourg. Shares in the fund will be issued using Franklin's proprietary blockchain-enabled transfer agency platform, giving investors the benefit of the transparency, security, accuracy and immediacy made possible by blockchain technology. The fund, which is scheduled for launch over the next few months, will be the first tokenised UCITS fund on a public blockchain using in-house capabilities and technologies in Luxembourg, and is expected to be distributed widely throughout Europe pending regulatory approval. Further details will be available to investors in due course.

Franklin Templeton's Sandy Kaul, Head of Digital Assets and Industry Advisory Services commented: "We want to be known as a leader in developing innovative

solutions that align with the needs of our clients' in terms of business growth, operational efficiency, and scalable best practices. Disruptive technology and innovation in financial services is reshaping the industry and changing the fundamental rules for how to attract, secure, and serve clients. We believe that in the future, there may be opportunities to create other tokenised financial products, including interoperability with other digital assets and blockchain native facilities. We are committed to continuing to explore these opportunities as part of our broader digital assets strategy."

The expansion of this new capability signals Franklin Templeton's confidence and belief in [Web3 and digital technologies](#) which have the potential to reshape the asset management industry by creating new opportunities to more closely link traditional asset management products and services to transactional payments. Over the last four years, the firm has developed the resources, reach and expertise to support innovative solutions from beginning to end, including regulatory, custody, digital wallet creation, and the legal and risk management structures required for long-term success.

In April 2021, Franklin Templeton launched the Franklin OnChain U.S. Government Money Fund², the first U.S.-registered mutual fund to use a public blockchain to process transactions and record share ownership.

Roger Bayston, EVP, Head of Digital Assets, Franklin Templeton added: "We have been active participants and builders in the digital asset ecosystem since 2018 and have seen the transformative power of blockchain technology firsthand. As technological innovation continues at pace, we continue to work closely with regulators around the world to introduce innovative solutions to the marketplace. Leveraging our in-depth knowledge of blockchain ecosystems and proprietary technologies, we are well positioned to introduce products that serve to further the understanding and accessibility of digital assets within the broader community."

Harnessing the power of blockchain and tokenisation

Blockchain is a decentralised digital ledger that records and verifies transactions in a secure, transparent, and immutable way. It enables peer-to-peer transactions without the need for intermediaries, ensuring that all data is permanently recorded and visible to everyone. While traditional databases can be vulnerable to security breaches, blockchain provides improved security and a reduction in administrative burden.

The benefits of asset tokenisation include increased liquidity, accessibility, composability and transparency. By applying the benefits of blockchain technology to a traditional product, investors will benefit from efficient transfer and cost-effective administration.

Matt Harrison, Head of Americas (ex-US), Europe & UK at Franklin Templeton concluded: "This new fund will mark a pivotal step in our global commitment to leverage blockchain technology for clients beyond the U.S. We continuously focus on innovation and long-term value creation for our clients, and we want to equip them with tools, services and knowledge to make informed decisions. With our proprietary solutions, we offer enhanced security, transparency, and efficiency, further solidifying our leadership in the rapidly evolving digital asset space."

Franklin Templeton Digital Assets Services (FTDAS) has been active in the digital asset ecosystem since 2018, building blockchain-based technology solutions, developing a range of investment strategies, and running node validators. FTDAS' dedicated research team leverages fundamental "tokenomic" analysis, insights from an embedded data science team and deep industry connections to help inform product development and investment decisions. For more information, please visit the firm's library of articles and research related to [digital assets](#).

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Notes to Editors:

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2. This is a US-registered fund and it is not available to investors outside of the US.

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