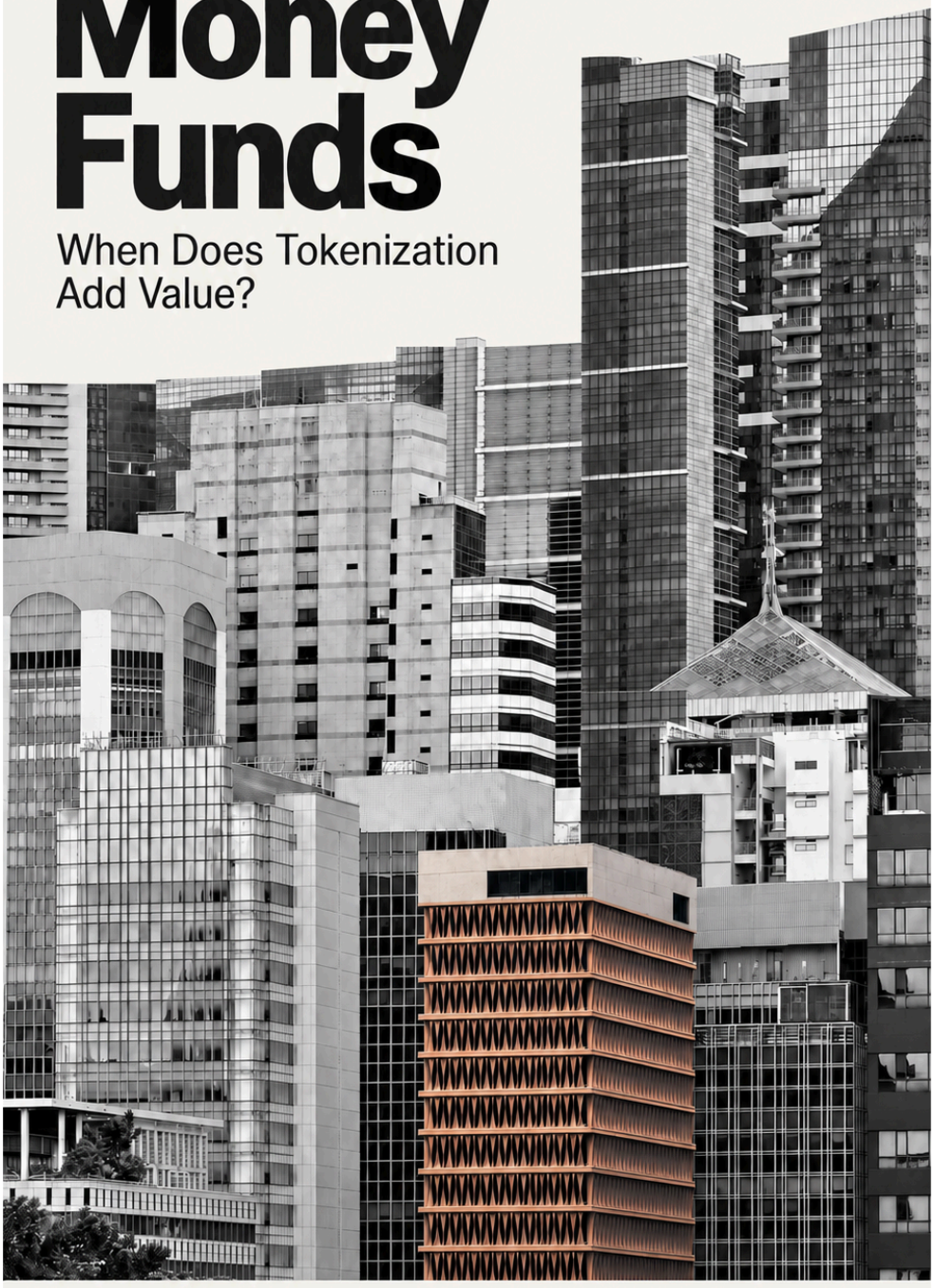
PANASIA RESEARCH

Tokenized Money Funds

When Does Tokenization Add Value?



COMPARATIVE STUDY
SEPTEMBER 2026

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When Does a Tokenized Money Fund Add Value?

Panasia Research · Working Paper 01 · Version 3.0 · Updated September 12, 2026

A treasury does not buy a faster ledger. It buys income on cash that would otherwise sit idle, or access to money when a payment is due. A tokenized money-market fund earns its place only when those outcomes improve after costs.

Our comparison of two Franklin Templeton USD money-market funds leads to a specific conclusion: **the public terms do not establish a faster direct cash exit for the tokenized product. Its stronger economic case requires an additional use for the fund shares: settlement with an accepting counterparty, or financing against eligible collateral.** That additional use must save enough capital or operating expense to pay for distribution, conversion and financing.

The distinction matters most over short holding periods. Small transaction charges can consume several days of money-market income. This paper measures that hurdle, separates documented product terms from hypothetical economics, and identifies the circumstances that would change the conclusion.

1. A comparison with a defined buyer

We study an already onboarded, non-US Singapore treasury investor with USD cash, access to both selected share classes and a USD 1 million allocation. This is a conditional comparison of product economics; it does not imply every corporate account is eligible. A retail saver starting with USD 20 faces a different access problem.

The pair is Franklin OnChain U.S. Dollar Short-Term Money Market Fund and Franklin U.S. Dollar Short-Term Money Market Fund, both **A (acc) USD**. Franklin explicitly describes the tokenized fund's investment objectives as mirroring the Luxembourg fund's objectives. That makes the pair more informative than comparing a tokenized bond with a money fund. [1]

Comparison boundary	Tokenized fund	Conventional fund
Share-class identifier	SGXZ71843866	LU0128526901
Legal vehicle	Singapore VCC sub-fund	Luxembourg FTIF sub-fund
Currency / income treatment	USD / accumulating	USD / accumulating
Published minimum	USD 20	USD 1,000
Benchmark	Bloomberg U.S. Treasury 1-3 Month	Bloomberg U.S. Treasury 1-3 Month

Identifiers, minimums and benchmark are from the July 31, 2026 share-class factsheets. [2] [3]

The funds remain separate portfolios in different legal structures. Matching manager, currency and stated purpose does not hold credit exposures, holdings or domicile constant. We therefore compare observable terms and outcomes, without attributing return differences to tokenization. We also exclude

Franklin's US government money fund: a feature available to its US token holders is not evidence of the same feature for this Singapore fund.

Institutional distribution is real: Marketnode announced its appointment as an authorised distributor in March 2026. Distribution access, however, answers where an eligible customer can obtain exposure; it does not by itself supply a secondary buyer or a lending facility. [7]

2. The cash exit still has a dealing calendar

The conventional fund's May 29 Product Highlights Sheet specifies payment within one Dealing Day following the Dealing Day on which a sale request is received and accepted. Its representative's cutoff is 4 p.m. Singapore time; a later accepted request uses the next Dealing Day's valuation. [4]

The tokenized fund's May 12 sheet describes normal redemption proceeds within seven Business Days after receipt and acceptance, with requests after its 4:30 p.m. deadline carried to the next Dealing Day. Its register combines blockchain records with off-chain information. Token recordkeeping does not remove the fund's dealing process. [5]

The full disclosure pages are reproduced in Source appendix B1-B2.

These are **documented payment windows, not measured execution times**. Seven days is not an observed average; one day is not a guarantee under every stress condition. We cannot conclude that the tokenized fund normally takes six extra days. We can conclude that the reviewed terms provide no stronger direct-redemption timing commitment.

For a treasury that must pay a supplier in bank dollars, there are three economically distinct routes:

Route	What changes hands?	What makes the payment possible?
Fund redemption	Shares are cancelled for proceeds	Fund processing and cash delivery
Sale or transfer to a counterparty	An existing holding changes owner	A willing, eligible recipient and an acceptable settlement asset
Collateral borrowing	The holding supports a loan	A lender, collateral acceptance and borrowing capacity

The second route can avoid waiting for the fund by transferring the waiting period to a buyer. The third finances that period. Neither removes the economic cost of supplying cash. A claim of instant liquidity must identify who supplies it, in what currency, at what size and price.

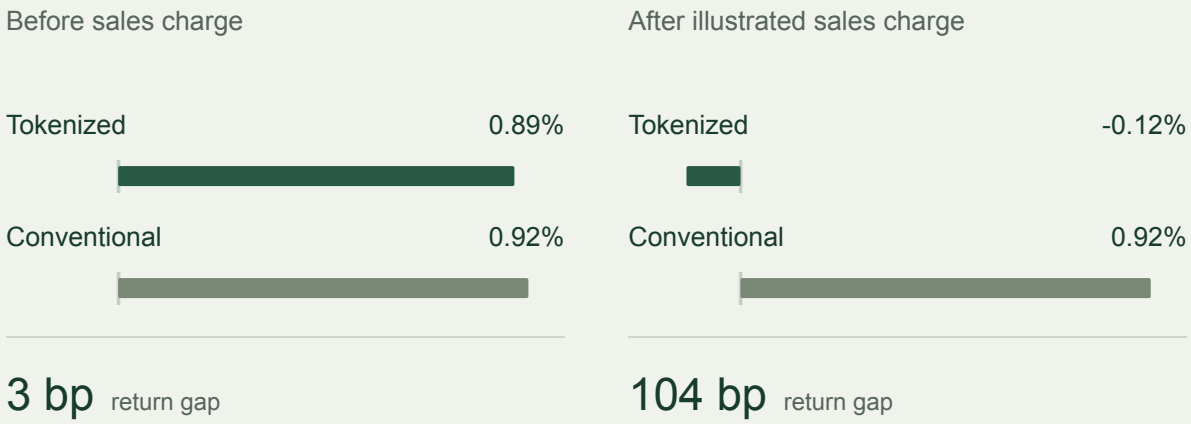
The endpoint is decisive. A token or stablecoin that cannot satisfy a bank-dollar invoice still requires conversion and payout. Conversely, if an existing obligation can be settled directly with the fund token, redemption may be unnecessary. Our base-case treasury therefore measures time until the required payment can be completed, rather than time until a blockchain transaction confirms.

3. Distribution costs can dominate the return

The same-date factsheets provide a useful check on the economics of a short holding period:

THE COMPARISON / JULY 31, 2026

A small return gap. A large distribution effect.



Three-month returns, both A (acc) USD. Illustrated entry charge: tokenized 1%; conventional 0%. Separate portfolios; this is not a causal estimate of tokenization's effect. Source: Franklin Templeton factsheets [2] [3].

Three months ending July 31, 2026	Tokenized A (acc) USD	Conventional A (acc) USD
Return net of fund fees, before sales charge	0.89%	0.92%
Published return after sales charge	-0.12%	0.92%
Sales charge used in that calculation	1%	0%

These are manager-published historical returns, rounded to two decimals, not forecasts or executable quotes. The tokenized factsheet applies a 1% initial sales charge; the conventional factsheet applies zero. [2] [3]

The original return-table excerpts are reproduced in Source appendix A.

Before that charge, the difference is just three basis points for the quarter. After the displayed charge, it is 104 basis points. The observation does not show that blockchain reduced investment performance. It shows that **the investor's distribution terms can matter far more than the small return difference between the portfolios**. A waived charge changes that comparison immediately.

The tokenized Product Highlights Sheet allows a subscription fee of up to 1% from June 7, 2026 and notes potential additional distributor charges. This is a published allowance, not proof that every buyer pays the maximum. [5] The conventional sheet lists Class A's current entry charge at zero, with a higher permitted maximum. [4] The economically relevant input is the quote for the investor's actual channel and share class.

Recurring charges also require care. The July factsheets show a 0.20% total expense ratio for the tokenized class and a 0.25% ongoing charges figure for the conventional class. The newer fund's factsheet allows an estimate when fewer than 12 months of history are available. These figures exclude

some costs and do not establish a permanent five-basis-point advantage. [2] [3]

For the historical return comparison above, fund expenses are already reflected in performance. Subtracting the displayed expense ratios again would double-count them. For forward economics, the model below uses an assumed **net carry difference**, with incremental transaction and service costs handled separately.

4. How many days are worth paying for?

Consider USD 1 million that can earn an additional 4% per year instead of sitting in a zero-yield balance. If tokenization genuinely keeps that whole amount productive for three extra calendar days, the incremental income is:

USD 1,000,000 × 4% × 3 / 365 = USD 328.77.

That is **3.29 basis points of principal**. This is a scenario, not a measured advantage of either fund. The 4% input is a net opportunity-cost assumption, not a quoted yield. If the alternative cash balance earns 2%, while the productive balance earns 4%, the relevant difference is 2% and the benefit halves.

Let P be the affected principal, r the annual net carry difference, d the calendar days of idle time avoided, and f the incremental one-time cost as a fraction of that principal. The timing-only benefit is P × (r × d / 365 − f). The break-even number of days is **365 × f / r** when r is positive.

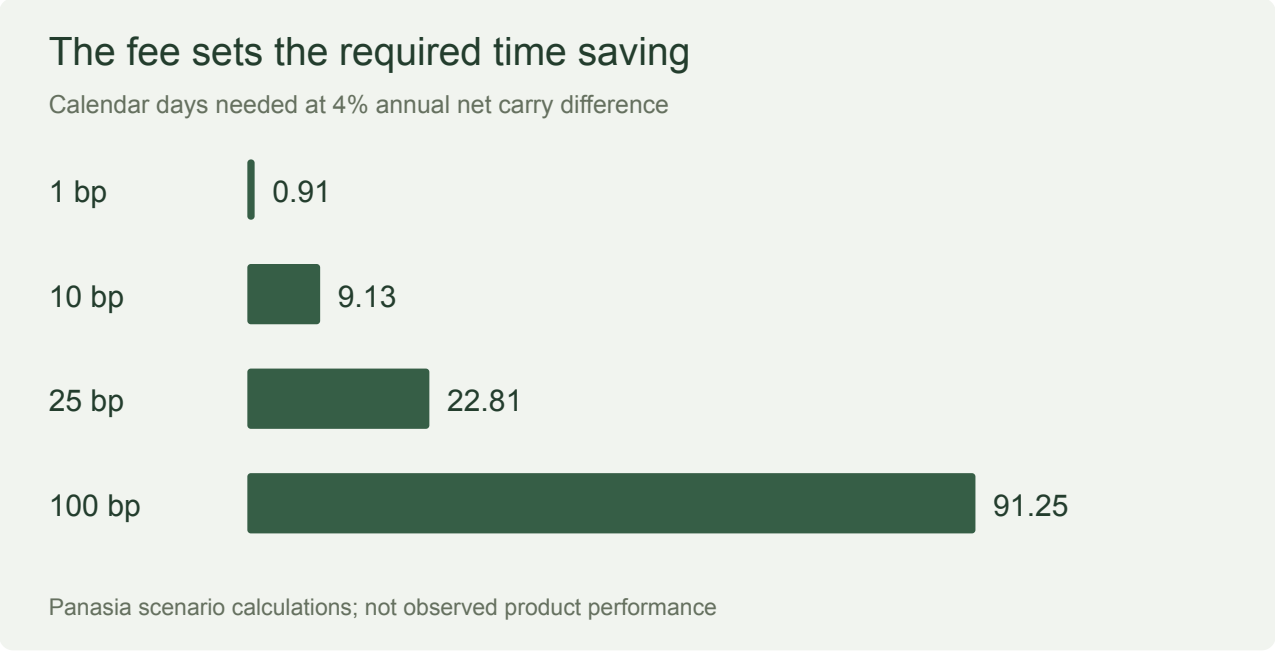


Figure 1. One-time incremental fee divided by the value of an additional productive day. Assumed net carry difference: 4% per year; simple ACT/365. Panasia calculations.

At the assumed 4% carry difference, a ten-basis-point incremental charge requires 9.13 days of additional productive use. A 100-basis-point charge requires 91.25 days. A three-day improvement cannot cover either hurdle on timing income alone. If no idle time is removed, this component of value is zero even when the transfer itself is fast.

Calendar days of idle time avoided	Value at 2% net carry	Value at 4% net carry	Value at 6% net carry
1	USD 54.79	USD 109.59	USD 164.38
3	USD 164.38	USD 328.77	USD 493.15
7	USD 383.56	USD 767.12	USD 1,150.68
30	USD 1,643.84	USD 3,287.67	USD 4,931.51

Panasia calculations on USD 1 million, simple ACT/365 accrual, before incremental transaction and service charges. These are calendar days of additional productive use, not fund settlement promises.

This comparison is deliberately favourable to the tokenized route: it assumes the affected cash would otherwise earn nothing at the 4% setting, is entirely deployable, and can be used for the required payment at the end. Conversion spreads, market impact and operating costs reduce the available budget. Avoided failed-payment penalties or operational labour can increase total value, but must be added as separate, evidenced benefits.

Repeated use changes the economics

A one-time setup or acquisition fee can be amortised over many uses of the same holding. A per-transfer fee cannot. Distinguishing those two cost types is essential for a treasury product.

Assume the same USD 1 million pool avoids three idle days each month, for 12 non-overlapping cycles. At a 4% carry difference, using the entire pool each time creates USD 3,945.21 of annual gross benefit. If only one quarter of the pool is needed in those cycles, the benefit falls to USD 986.30. That is the maximum annual budget for all incremental costs before the timing benefit disappears.

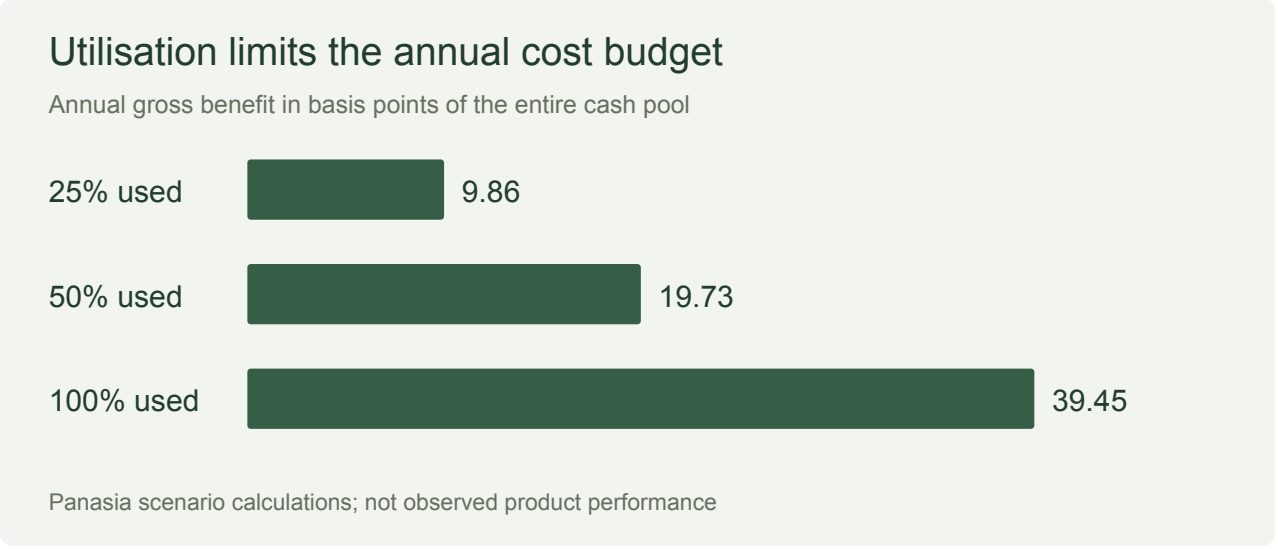


Figure 2. Annual gross benefit before additional costs, with three saved days per month over twelve non-overlapping cycles. Assumed net carry difference: 4% per year. Utilisation is the share of the cash pool used in each cycle. Panasia calculations.

The annual benefit is **P × utilisation × r × days per cycle × cycles / 365**. The model assumes a constant pool, simple accrual and no overlap between saved periods. It is not trading volume: moving the same token repeatedly does not multiply income unless it removes distinct periods of idle cash.

This produces a practical product-design threshold. Under the quarter-utilisation scenario, a ten-basis-point annual platform charge on the whole USD 1 million pool costs USD 1,000 and exceeds the USD 986 benefit before any transfer charges. An identical technology priced per actively used balance could have different economics. The relevant adoption metric is productive balance-days added, rather than gross token transfer volume.

5. Collateral creates financing capacity, with a price

An additional use for a money-fund token is already described in a specific Asian distribution context. In February 2026, DigiFT and Secured Finance announced that eligible users could pledge DigiFT-acquired UBS uMINT to access supported on-chain liquidity, including USDC and JPYC, subject to eligibility and platform terms. This is an integration announcement; it does not disclose a financing-volume history or a universal borrowing quote. It also does not establish collateral acceptance for the Franklin fund examined above. [8]

OFFICIAL ANNOUNCEMENT / COLLATERAL

A named route from fund holdings to financing

View original ↗

DigiFT's original announcement graphic, February 5, 2026. The reported integration concerns eligible uMINT collateral on Secured Finance; it does not establish a lending route for the Franklin fund.

The mechanism deserves its own calculation. Assume an eligible investor holds USD 1 million of a qualifying fund token, borrows USD 800,000 at an 80% loan-to-value ratio, earns 4% net on the fund, and pays 6% annual interest on a three-day loan. All rates, the loan-to-value ratio and the loan's availability here are hypothetical.

Three-day bridge calculation	Amount
Interest on USD 800,000 at 6%	USD 394.52
Fund income retained on the USD 800,000 that would otherwise be redeemed, at 4%	USD 263.01
Incremental financing cost versus redeeming that amount	**USD 131.51**

Panasia calculations, simple ACT/365, excluding transaction charges, conversion, collateral haircuts beyond the assumed loan-to-value ratio and liquidation costs.

Crediting income on the entire USD 1 million against the loan would misstate the incremental benefit: the USD 200,000 not needed for payment could stay invested under either route. The correct comparison retains income only on the amount that would otherwise be sold.

Borrowing can still be useful when redemption cannot meet a deadline. The USD 131.51 is then a price for earlier financing, not evidence of free liquidity. A conventional credit line at the same effective rate and speed would provide the same financial service; the tokenized route must improve access, operational execution or total cost to win the comparison.

Collateral also commits more assets than the cash raised. The hypothetical USD 800,000 loan encumbers USD 1 million, and a lender may require more collateral or liquidate after a valuation change. Repayment needs its own cash source. A product that solves today's payment by creating an unplanned future funding need has shifted the problem, even if the initial transaction worked perfectly.

6. Where the evidence supports adoption

For the defined treasury, the conventional fund remains a demanding benchmark. The reviewed pair does not establish a reason to pay a tokenization premium for ordinary fund holding and direct bank-cash redemption. This is a conclusion about the evidence and use case, not a universal ranking of tokenized funds.

Treasury requirement	Economic test	Assessment from this study
Hold USD cash and redeem for a scheduled bank payment	Net return, actual charge and usable-cash deadline	No demonstrated token-specific advantage in the reviewed pair
Settle an obligation with a recipient that accepts the fund token	Avoided idle balance-days and operating cost exceed incremental fees	Plausible benefit; requires an actual accepting route
Obtain funding before redemption can complete	All-in bridge cost beats available financing alternatives	Mechanism evidenced separately for eligible uMINT users; rates and capacity remain transaction-specific
Invest a small starting balance	Available product and channel minimums	The USD 20 published minimum addresses an access need absent from our USD 1 million case [1]

The strongest case for tokenized money funds is therefore a recurring workflow in which investment exposure stays useful between investment and payment. Its economics depend on counterparties and utilisation. Merely putting a fund in a wallet does not demonstrate either.

Our assessment would change with evidence that an eligible user can complete a specified payment sooner at a competitive all-in price. A useful validation would record the same payment amount and endpoint across both routes, capturing order acceptance, usable-cash arrival, itemised charges and any failed attempts. Repeated observations around cutoffs and non-business days would distinguish a dependable service from a favourable demonstration.

For providers, the implication is concrete: price the workflow against the capital it releases, publish executable exit and collateral terms, and measure saved balance-days. For researchers, the burden is equally clear: an adoption claim needs a counterfactual with the same payment endpoint. That is the difference between documenting tokenization and demonstrating its value.

Method and boundaries

Sources were reviewed on September 12, 2026. Product terms come from the named Singapore disclosure sheets; the return comparison uses both A (acc) USD factsheets dated July 31, 2026. The sample is purposive and limited to one manager's two products. No authenticated investment, redemption or borrowing was conducted, and provider-reported figures have not been independently audited. The source register identifies document locations and distinguishes published terms, reported performance and Panasia scenarios.

The downloadable model uses simple ACT/365, USD and unrounded intermediate values. Displayed outputs are rounded to two decimals; one basis point equals 0.01%. The timing model assumes otherwise comparable exposure and a positive net carry difference. It omits compounding, tax, changes in NAV and unquoted service costs; those exclusions make its output a budget for additional costs, not an investable return forecast. The comparison does not remove the funds' capital risk. Conclusions apply to the defined workflow and change when access, charges, endpoints or financing alternatives change.

References

[1] Franklin Templeton. MAS approval and the comparable investment objectives. May 15, 2025. Product design, Singapore VCC and USD 20 minimum.

[2] Franklin Templeton. OnChain U.S. Dollar Short-Term Money Market Fund, A (acc) USD: factsheet. July 31, 2026. Page 1: identifiers, charges and returns; page 2: expense-ratio definition.

[3] Franklin Templeton. U.S. Dollar Short-Term Money Market Fund, A (acc) USD: factsheet. July 31, 2026. Page 1: identifiers, charges and returns; page 2: ongoing-charge definition.

[4] Franklin Templeton. Conventional fund: Product Highlights Sheet. Prepared May 29, 2026. Pages 3-4: fees, sale proceeds, cutoff and dealing calendar.

[5] Franklin Templeton. OnChain fund: Product Highlights Sheet. Prepared May 12, 2026. Pages 1, 3-5: register, subscription fee change, redemption and definitions.

[6] Franklin Templeton. Valuation Day definition notice. January 2024. Reviewed alongside the conventional fund's subsequent Product Highlights Sheet; the USD fund calendar remains tied to NYSE business days. Used for the source-register calendar check.

[7] Marketnode. Appointment to distribute Franklin Templeton's OnChain money fund. March 31, 2026. Authorised distribution announcement; not a secondary-liquidity commitment.

[8] DigiFT / Secured Finance. DigiFT-distributed tokenized assets as eligible collateral. February 5, 2026. uMINT integration, supported liquidity assets and eligibility conditions.

Source appendix A / Reported returns

SOURCE EXCERPTS / REPORTED RETURNS

The sales charge is visible in the original tables

Tokenized · A (acc) USD

SGXZ71843866 · July 31, 2026

	1-Mo	3-Mo
A (acc) USD–Net of Fees	0.32	0.89
A (acc) USD–After Sales Charge	-0.68	-0.12

View original ↗

Conventional · A (acc) USD

LU0128526901 · July 31, 2026

	1-Mo	3-Mo
A (acc) USD–Net of Fees	0.35	0.92
A (acc) USD–After Sales Charge	0.35	0.92

View original ↗

Selected 1-month and 3-month columns from the July 31, 2026 factsheets, page 1. Figures are percentages. The after-sales-charge rows apply 1% for the tokenized class and 0% for the conventional class. Historical performance is not a forecast.

Source appendix B1 / Conventional fund

PRODUCT HIGHLIGHTS SHEET

decline in the Fund's NAV since you purchased it and certain administrative fees may apply.

- Sale proceeds will be paid within one Dealing Day following the Dealing Day of the receipt and acceptance of the sale request. Sale proceeds from investments using SRS monies (if applicable) will be returned to your SRS account.
- Your exit price is determined as follows:
  - If the Singapore representative receives and accepts the sale request on or before 4 p.m. on a Dealing Day, you will be paid a price based on the net asset value of the Shares applicable on that day.
  - If the Singapore representative receives and accepts the sale request after 4 p.m. on a Dealing Day, you will be paid a price based on the net asset value of the Shares at the close of the next Dealing Day.
- The sales proceeds that you will receive will be the exit price multiplied by the number of shares sold, less any charges. The following illustrates the sales proceeds on a sale of 1,000 Class A SGD share class shares at an exit price of S$12.50 and assuming no Contingent Deferred Sales Charge:

Exit price x Number of shares sold	= Gross Sales Proceeds
S$12.50 x 1,000	= S$12,500
Gross Sales Proceeds – Exit Charges	= Net Sales Proceeds
S$12,500-S$0.00	= S$12,500

CONTACT INFORMATION

HOW DO YOU CONTACT US?

- For account-related matters and product information, kindly contact the financial advisor or distributor from whom you purchased the Fund.
- For product-related queries, kindly contact Templeton Asset Management Ltd at 7 Temasek Boulevard, #26-03 Suntec Tower One, Singapore 038987 (until 28 June 2026) and 2 Central Boulevard, IOI Central Boulevard Towers, West Tower #34-01, Singapore 018916 (from 29 June 2026), tel: +65 6241 2662, website: www.franklintempleton.com.sg. Our Client Dealer Services Representative is available at tel: +65 6337 3933, email: service.sg.franklintempleton@fisglobal.com.

GLOSSARY

Dealing Day	:	means each day which is both a Valuation Day and a Singapore Business Day, or otherwise as the Directors may from time to time determine.
NAV	:	means Net Asset Value.
Singapore Business Day	:	means a day (except Saturdays, Sundays and public holidays) on which commercial banks are open for business in Singapore.
UCITS	:	means an undertaking for collective investment in transferable securities.
Valuation Day	:	means a day on which the New York Stock Exchange is open for normal business (other than during a suspension of normal dealing). Further information on the applicable Valuation Days for the Fund can be found on the website: http://www.franklintempleton.lu.

[1] The Prospectus is available for collection from Templeton Asset Management Ltd at 7 Temasek Boulevard, #26-03 Suntec Tower One, Singapore 038987 (until 28 June 2026) and 2 Central Boulevard, IOI Central Boulevard Towers, West Tower #34-01, Singapore 018916 (from 29 June 2026) and its appointed distributors during business hours, or accessible at www.franklintempleton.com.sg.

[2] Based on the lesser of the value of Shares being sold (exclusive of reinvested dividends) or the total cost of Shares when purchased.

[3] Payable to custodian, registrar and transfer, corporate, domiciliary and administrative agent (as applicable).

[*] Your financial adviser or distributor is required to disclose to you the amount of trailer fee it receives from the management company.

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PRODUCT HIGHLIGHTS SHEET

	services tax), subject to a minimum annual fee depending on the size of the Sub-Fund.	
Other fees and charges:	Other fees and charges include, but is not limited to, fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, legal fees, printing costs, out-of-pocket expenses and Directors' fees. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.10% of the Net Asset Value of the Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of the Sub-Fund.	
VALUATIONS AND EXITING FROM THIS INVESTMENT		
HOW OFTEN ARE VALUATIONS AVAILABLE? The Sub-Fund will be valued on each Dealing Day. The Shares of the Sub-Fund are issued on a forward pricing basis. The buying and selling prices of the Shares of the Sub-Fund and the respective Dealing Day to which the buying and selling prices of the Shares relates to will generally be available within 2 Business Days after the relevant Dealing Day from the Company or its appointed agents or distributors, and may also be published on the Manager's website at https://www.franklintempleton.com.sg. **HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?** • If you are subscribing for Shares in the Sub-Fund for the first time, subject to the Constitution and to the cancellation terms and conditions contained in the application form, you shall have the right to cancel your subscription of Shares within the Cancellation Period by providing notice in writing to the Company or its appointed agents or distributors in such form as the Directors may prescribe. Subject to the provisions of the Constitution, your Shares will be compulsorily redeemed and you will be paid cancellation proceeds determined as of the lower of the market value of the Shares held on the day of receipt and acceptance of such form or the original amount paid by you. Where the market value of the Shares held is greater than the original amount paid by you, the Company is not obliged to pay the excess amount to you and the excess amount shall be retained in the Sub-Fund. • You may realise your holdings in the Sub-Fund on any Dealing Day by submitting redemption requests to the Company or through its appointed agents or distributors, if applicable. • Where a redemption request is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, unless the Directors determine otherwise, that redemption request shall be held over and deemed to be received at the opening of business on the next following Dealing Day which shall be the relevant Dealing Day for the purposes of that redemption request. • You will normally receive your redemption proceeds within 7 Business Days from the receipt and acceptance of the redemption request. **Illustration of how redemption proceeds are calculated:** **(1,000** Number of Shares to be redeemed **x US$1.1000*** Redemption Price per Share **- US$0** Redemption Fee **= US$1,100** Redemption Proceeds **You should note that the redemption price is for illustration purposes only and should not be taken as any forecast of future performance.*	Refer to the "Miscellaneous Information" and "Subscription and Redemption" sections of the Prospectus for further information on valuation and exiting from the product.
CONTACT INFORMATION		
HOW DO YOU CONTACT US? • For account-related matters and product information, kindly contact the appointed agent or distributor through whom you purchased your Shares. • For product-related queries, kindly contact the Manager at 7 Temasek Boulevard, #26-03 Suntec Tower One, Singapore 038987 (address), +65 6241 2662 (tel.), https://www.franklintempleton.com.sg (website). • Client Services Representative is available at +65 6432 9447 (tel.), OnchainServicingIntl@franklintempleton.com (email)	

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