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Chainlink

DAR In Conversation: Q&A with Ryan Lovell

Our CEO Doug Schwenk had the chance to speak with Ryan Lovell, Director of Capital Markets at Chainlink Labs, to ask a few questions about **onchain opportunities for asset managers**.

Click to watch video highlights or scroll down to read the full transcript.

What problems is blockchain technology solving for asset managers?

Blockchains solve infrastructure problems for asset managers. Blockchains are:

- Settlement systems that can be shared with other market participants where users get a real-time view of assets that settle.
- Smart contract systems where computation can be made on top of assets (a user's ability to build applications within the same system that the assets settle).
- Communication systems that enable bidirectional conversation between onchain and offchain systems.

Combining these capabilities provides the potential to create flexible and innovative products to meet the demands of the investors of the future.

What's happening now in tokenization?

We're seeing the first phase of funds coming onchain with a particular focus on money market funds. Asset managers are focused on bringing tokens more utility and leveraging existing products like fixed-income and private wealth funds. Bringing trusted data into this ecosystem while allowing tokens to travel between different chains will also be key to the tokenization space going forward. We're on a path where tokenized funds will hold tokenized assets, with the entire process transacted on a blockchain.

Why is the ability to work across multiple blockchains, or a *chain-agnostic* approach, important?

In 2017, it was believed there would only be one or two networks developed; however, today there are hundreds of different networks. To truly achieve liquidity, you need to be able to seamlessly and securely move tokens between these different networks and enable new marketplaces. Cross-chain liquidity is enabled with CCIP, the global standard for connecting different public and private heterogeneous technologies. Traditional assets have interoperability between different custodians, and CCIP allows that interoperability between different chains.

What trends do you see impacting asset managers in the onchain space?

Asset managers are moving in much the same way as banks did when they entered this space several years ago. They should ask where their clients want to be in the market. Questions such as: Whether they want to provide custody? Run a chain? Create products or assets? These are all important factors to consider. Certain firms are moving at a very fast pace, while others are waiting to see what's happening next.

What do you see in the next five years for the industry?

A major adoption of tokenized assets and a major ramp-up in fund tokenization. Flexible fund vehicles holding digital assets where investors can pick and choose their levels of risk and exposure are also imminent. While some asset managers have a firm stance that they don't believe in these types of assets, we've gotten to the point where if you don't have a digital asset strategy, your investors will look elsewhere.

A few ways to learn more:

- Explore [Chainlink CCIP](#)
- Learn [How Chainlink Unlocks the Full Capabilities of Tokenization for Capital Markets](#)
- Visit on.chain.link