

# BlackRock Launches Its First Tokenized Fund, BUIDL, on the Ethereum Network

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In This Article:

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## BlackRock®

*Investors can subscribe through Securitize Markets, LLC to participate in the fund*

*BlackRock invests in Securitize to drive transformation for digital assets infrastructure*

**NEW YORK, March 20, 2024--(BUSINESS WIRE)--**BlackRock today unveils its first tokenized fund issued on a public blockchain, the BlackRock USD Institutional Digital Liquidity Fund ("BUIDL" or the "Fund"). BUIDL will provide qualified investors with the opportunity to earn U.S. dollar yields by subscribing to the Fund through Securitize Markets, LLC.

"This is the latest progression of our digital assets strategy," said Robert Mitchnick, BlackRock's Head of Digital Assets. "We are focused on developing solutions in the digital assets space that help solve real problems for our clients, and we are excited to work with Securitize."

Tokenization remains a key focus of BlackRock's digital asset strategy. Through the tokenization of the Fund, BUIDL will offer investors important benefits by enabling the issuance and trading of ownership

on a blockchain, expanding investor access to on-chain offerings, providing instantaneous and transparent settlement, and allowing for transfers across platforms. BNY Mellon will enable interoperability for the Fund between digital and traditional markets.

"Tokenization of securities could fundamentally transform capital markets. Today's news demonstrates that traditional financial products are being made more accessible through digitization. Securitize is proud to be BlackRock's transfer agent, tokenization platform and placement agent of choice in digitizing and expanding access to its investment products," said Securitize co-founder and CEO Carlos Domingo.

BUIDL seeks to offer a stable value of \$1 per token and pays daily accrued dividends directly to investors' wallets as new tokens each month. The Fund invests 100% of its total assets in cash, U.S. Treasury bills, and repurchase agreements, allowing investors to earn yield while holding the token on the blockchain. Investors can transfer their tokens 24/7/365 to other pre-approved investors. Fund participants will also have flexible custody options allowing them to choose how to hold their tokens.

The initial ecosystem participants in BUIDL include Anchorage Digital Bank NA, BitGo, Coinbase, and Fireblocks, among other market participants and infrastructure providers in the crypto industry.

BlackRock Financial Management, Inc., will be the investment manager of the Fund and Bank of New York Mellon will serve as the custodian of the Fund's assets and its administrator. Securitize will act as a transfer agent and tokenization platform, managing the tokenized shares and reporting on Fund subscriptions, redemptions, and distributions. Securitize Markets will act as placement agent, making the Fund available to eligible investors. PricewaterhouseCoopers LLP has been appointed as the Fund's auditor for the period ending December 31, 2024.

The Fund will issue shares pursuant to Rule 506(c) under the Securities Act of 1933 and Section 3(c)(7) of the Investment Company Act. The Fund's initial investment minimum is \$5 million.

BlackRock has also made a strategic investment in Securitize. As part of the investment, Joseph Chalom, BlackRock's Global Head of Strategic Ecosystem Partnerships, has been appointed to Securitize's Board of Directors.

### **About BlackRock**

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading financial technology provider, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable. For additional information on BlackRock, please visit [www.blackrock.com/corporate](http://www.blackrock.com/corporate)

### **About Securitize**

Securitize, the leader in tokenizing real-world assets, is driving the compliant digitization of financial assets through next-generation blockchain technology. Securitize, or through its subsidiaries, is a registered broker-dealer (member Finra / SIPC) and operates a primary marketplace, an alternative trading system, as well as a top 10 transfer agent and has an exempt reporting adviser. Learn more at <http://www.securitize.io>.

### **Disclosures**

Interests in BUIDL have not been registered with the Securities Exchange Commission under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Interests in BUIDL will not be listed on any exchange.

Private market investments are speculative and considered risky, including potential loss of your investment, and may not be appropriate for every shareholder. Any discussion of liquidity is purely speculative. Past performance is not indicative of future results.

Securities are offered through Securitize Markets, LLC, ("Securitize Markets") a registered broker-dealer and member FINRA/SIPC. Neither Securitize Markets, nor any of its affiliates provide any investment advice or make any investment recommendations to any persons, ever, and no communication through herein or in any other medium should be construed as such. Securities offered by Securitize Markets have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

BUIDL may not be able to maintain a stable value of \$1.00 per token at all times. Investments in tokens using blockchain, such as an investment in BUIDL, involve a high degree of risk, including risks that are different from the risks of investing in traditional assets. These risks include, but are not limited to, risk of regulatory uncertainty, market adoption, market manipulation, market exiting, price volatility and security risk and may expose investors to loss of principal. Investments in private placements are also speculative and involve a high degree of risk. Investors must be able to afford the loss of their entire investment. Offers to sell, or the solicitations of offers to buy any security can only be made to qualified investors through official offering documents that contain important information about risks, fees and expenses associated with the applicable securities. Investors should conduct their own due diligence and are encouraged to consult with a financial advisor, attorney, accountant, tax advisors, and any other professional that can help them to understand and assess the risks associated with any investment opportunity. Past performance is not indicative of future results.

BlackRock Financial Management, Inc. (the "Investment Manager"), a Delaware corporation that is an indirectly wholly-owned subsidiary of BlackRock, Inc., is the investment manager of the Fund and is responsible for its investment activities subject to the policies, control and supervision of the board of directors of the Fund. The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended.

In connection with its services as placement agent for BUIDL, the Investment Manager will pay to Securitize Markets cash compensation as follows: (i) an upfront flat fee and (ii) a quarterly fee with respect to each investor who is introduced to BUIDL by Securitize Markets generally equal to a percentage of the average daily net asset value of such investor's interests in BUIDL for the applicable calendar quarter, with the amount of the upfront fee to be credited against the quarterly fee.

The compensation paid by the Investment Manager to Securitize Markets for acting as placement agent to BUIDL creates a conflict of interest for Securitize Markets. In particular, the amount of compensation received by Securitize Markets will depend on the number of investors that are introduced to BUIDL. As a result, Securitize Markets is incentivized to recommend that prospective investors invest in BUIDL. In addition, BlackRock's investment in Securitize Markets creates a conflict of interest for the Investment Manager.

Securitize Markets or one or more of its affiliates may be a BlackRock client or investor.

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