What Is BlackRock BUIDL?

The world's largest asset manager put a money-market fund on a blockchain — you almost certainly cannot buy it, and you may already be holding something backed by it.

Alain AI Lab Research · Published July 30, 2026 · 10 min read

BUIDL is BlackRock's tokenized money-market fund — formally the USD Institutional Digital Liquidity Fund — launched in 2024 and now the reference product of the tokenized Treasury market. It is written about constantly and understood loosely, largely because most coverage skips the two facts that matter most: the minimum investment runs to seven figures, so it is not a product ordinary readers can access; and its influence reaches them anyway, because it sits inside other products they can. This report explains the structure, the access reality, and why it matters even to people who will never hold it. It assumes you know what tokenized treasuries are.

AT A GLANCE

WHAT IT IS	MANAGER	TOKENIZED BY
Tokenized money-market fund	**BlackRock**	**Securitize, as transfer agent**
HOLDS	**MINIMUM**	**YOU MEET IT VIA**
Cash, T-bills, repo	**Millions — qualified buyers only**	**Products that hold it**

01

What it actually is

Decode the name and the product explains itself. It is a *fund*, managed by BlackRock, holding cash, short-dated United States Treasury bills and repurchase agreements — a conventional institutional money-market strategy of the sort the firm has run for decades. *Digital* refers to the share register: ownership is recorded as tokens on public blockchains rather than solely in a traditional register. *Institutional* and *Liquidity* describe who it is for and what it does.

What is genuinely new is only the last part. The investment strategy is unremarkable and deliberately so; the fund is designed to hold its value and pay the prevailing short-term rate. The innovation is that a share can be transferred between approved holders on-chain, at any hour, with settlement in seconds rather than through the conventional multi-day process. Everything interesting about BUIDL follows from that one change, and nothing about it requires you to have a view on interest rates or credit.

02

Who does what

The arrangement involves several distinct firms, and knowing which does what is the substance of assessing it. BlackRock is the investment manager, responsible for the portfolio. A separate specialist firm, Securitize, acts as transfer agent and broker-dealer — maintaining the tokenized share register, running the identity and eligibility checks, and processing subscriptions and redemptions. A major traditional bank provides custody of the underlying securities, while a set of digital-asset custodians hold the tokenized shares for investors who prefer not to self-custody.

That division is the template the institutional market has settled on, and it is worth recognising because it repeats across the category: the asset manager manages, a regulated tokenization specialist handles the on-chain layer and compliance, and conventional custody sits beneath. It also means the product carries a multi-party dependency chain — several firms, each essential, each a potential point of failure — which is the structural picture described in what real-world assets are. More parties is not automatically worse; it does mean the assessment is of a chain rather than of a company.

03

You cannot buy it

Here is the fact most coverage omits, and it should come near the top of anything written about this product. BUIDL is offered under an exemption for private placements to sophisticated investors, and the minimum subscription runs into millions of dollars — a threshold in the low single-digit millions for qualifying individuals and substantially higher for institutions. Investors must additionally meet the qualified-purchaser standard, complete identity verification, and hold the tokens in wallets the transfer agent has approved.

The consequence is that transfers are permissioned: shares move only between whitelisted addresses, so this is not a token anyone can buy on an exchange. Articles inviting readers to consider BUIDL as an investment are, for almost all of them, describing something unavailable. That is not a criticism of the product — it was built for institutional treasuries and was never intended as a retail instrument — but it is the single most useful thing to know, and its absence from most explainers is a reasonable measure of how carefully they were written.

> *The gap between reading about BUIDL and being able to buy it is roughly seven figures. Which makes the interesting question not whether to hold it, but what it means that the largest asset manager in the world now settles a fund on public blockchains.*

04

You are probably exposed anyway

The reason this product matters to readers who cannot access it is that institutional tokenized funds have become collateral for instruments that *are* widely available. A regulated stablecoin issuer, a synthetic dollar protocol, or a treasury-management product can hold shares in a tokenized money-market fund as backing, and then issue a token to the public against it.

That structure now appears repeatedly across the market. Several dollar-denominated products designed for regulated distribution are backed substantially by tokenized institutional funds of this type — including, as noted in our report on Ethena USDe, the compliant sibling product that protocol launched for regulated markets. So a retail holder may have no route to BUIDL directly while holding a token whose reserves sit in it. The practical instruction is worth stating plainly: when a product tells you it is backed by tokenized Treasuries, the question is *whose* fund, under what terms, and what your claim is on it — because you are now several layers from the bills.

05

What the tokenization actually buys

Set against a conventional institutional money-market fund, the improvements are real but specific. Shares transfer between approved holders continuously rather than through business-day settlement cycles, which matters for a treasury operating across time zones. The fund exists across multiple blockchains, so a holder can move a position to whichever network their other activity uses. And because the share is a token, it can serve as collateral inside on-chain systems without leaving the chain — the composability advantage that makes these instruments useful to protocols rather than merely convenient.

What is *not* improved deserves equal weight. The subscription and redemption process still runs through the transfer agent on business days, so the primary channel observes conventional hours regardless of what the token does — the mismatch examined in our note on tokenized treasuries. The fund still prices on a conventional schedule. And the yield is simply the yield on short-term government debt minus fees, which is the same thing the untokenized version pays. Tokenization changed the plumbing, not the product.

The mechanism by which that yield reaches holders is worth noting, because it differs from what many expect. Rather than the share price rising, income accrues and is distributed as *additional tokens* — the holder's balance grows while each token continues to represent a dollar. That keeps the unit stable and legible, which suits a fund used as collateral, since a system holding it can treat each token as a dollar without tracking a moving price. It also means the yield arrives as quantity rather than value, which is the rebasing convention rather than the accruing one, and the two are frequently taxed differently and handled differently by protocols. Anyone integrating such a fund, or holding a product that does, should establish which convention applies before assuming how the position will behave.

06

The risks worth naming

Three categories, none of them exotic. The *fund* risks are those of any money-market fund: the credit and duration risk of the instruments held, which for short-dated government paper is about as low as financial risk gets, and the operational competence of the manager. These are the smallest concerns here.

The *structural* risks are more interesting: the dependency chain of manager, transfer agent, custodians and blockchains means several firms must each continue functioning, and a failure at the tokenization or custody layer would be a problem even with a perfectly healthy portfolio. And the *access* risks are practical: because transfers are permissioned and secondary markets thin, the redemption channel is the real liquidity, and it operates on the transfer agent's schedule. A holder who needs money on a weekend has a token that moves and a fund that does not — which is fine if understood in advance and unpleasant if discovered in the moment.

07

Why it mattered

The significance of this product is less about its size than about who launched it. When the largest asset manager in the world runs a fund whose ownership is recorded on public blockchains, it settles a question the industry had argued about for years: whether serious institutions would use public chains as settlement infrastructure, or insist on private permissioned systems. The answer, evidently, is that they will use public chains provided the compliance layer sits above them — identity checks, whitelisting, and a regulated transfer agent.

That model — public rails, permissioned access — has become the template for institutional tokenization, and it is a genuinely different vision from the permissionless one crypto began with. Whether that counts as validation or co-option is a fair argument, and both readings have merit. What is not arguable is that it works, that competitors followed quickly, and that the tokenized Treasury market grew around this template rather than an alternative.

08

How to think about it

For almost every individual reader, BUIDL is not an investment decision but a piece of market infrastructure worth understanding. It is a plain money-market fund with an unusual share register, available to institutions and very wealthy individuals, that has become a standard collateral asset in the on-chain economy. Knowing that clarifies a great deal about why tokenized Treasuries grew, and about what sits beneath products you can actually buy.

If you want equivalent exposure, the honest routes are a conventional money-market fund or short-duration government bond fund through a brokerage account, which will be cheaper and more accessible; or, if the on-chain property matters to you, one of the tokenized products with lower minimums — noting that lower minimums usually mean a lighter regulatory structure and an extra layer between you and the assets, so the trade is real. And if you hold a token that claims tokenized-Treasury backing, read what it actually holds. That is where this product touches most people, and it is the only part of it they can do anything about.

> *"Seest thou a man diligent in his business? he shall stand before kings; he shall not stand before mean men."*
>
> PROVERBS 22:29

Methodology & Sources

This report describes a specific fund as at the date of publication; it deliberately contains no assets under management, yield figures, fee levels, precise minimum subscription amounts, or chain counts, all of which change — consult the fund's own offering documents and the transfer agent's current disclosures before acting, and note that this is not an offer or solicitation. Structural claims reflect publicly documented arrangements: the fund is managed by BlackRock, holds cash, short-dated United States Treasury bills and repurchase agreements, launched in 2024, uses Securitize as tokenization platform, transfer agent and broker-dealer handling subscriptions, redemptions and eligibility checks, employs a major traditional bank for custody of the underlying securities alongside several digital-asset custodians for tokenized shares, and is issued across multiple public blockchains. The fund is offered pursuant to a private placement exemption to qualified purchasers, with minimum subscriptions in the millions of dollars and permissioned transfers restricted to approved wallet addresses; specific thresholds and eligibility criteria are set out in the offering documents and vary by investor type and jurisdiction. The observation that tokenized institutional money-market funds serve as backing for widely available dollar-denominated products reflects publicly disclosed arrangements at several issuers. Characterisations of the public-rails, permissioned-access model as the prevailing template for institutional tokenization, and of the debate over whether this represents validation or co-option of crypto's original design goals, are analytical commentary. Nothing here is a recommendation regarding this fund, BlackRock, Securitize, any custodian, or any related product, and nothing here is legal, tax or investment advice.

Alain AI Lab — independent crypto & AI research.
intelligencecrypto.org · Research is educational and analytical, not financial advice.