

Baillie Gifford launches first public fully native UK tokenised fund

Natively issued tokenised fund¹ brings short-duration fixed income onchain through a UK-regulated OEIC structure, using public blockchains as the legal record of ownership.

Baillie Gifford, the independent global investment manager founded in 1908, has launched the Baillie Gifford Enhanced Yield Fund (BAGEY) with BNY (NYSE: BNY), a global financial services company, delivering the first publicly available fully native UK-regulated tokenised fund.

BAGEY, denominated in dollars, gives eligible investors access to an actively managed, short-duration portfolio of public corporate bonds through a UK-regulated OEIC structure on Ethereum and Solana. Tokens are issued directly as the investor's holding in the Fund, with public blockchains used as the legal source of truth for ownership.

The product creates an asset that is truly native, rather than wrapping an existing product or legacy infrastructure. By using public blockchains compliantly as part of a fund's core architecture, Baillie Gifford is extending the standards investors expect from regulated investment funds into infrastructure designed for markets that operate continuously, transparently and programmatically. This opens up new possibilities for how fund interests are issued, transferred and used.

The Enhanced Yield portfolio currently offers a yield of c.7%, with two-year duration and an average credit quality of BBB.² The Fund is daily-dealt, and will be available to eligible investors in the UK, Switzerland and Cayman Islands, subject to applicable laws, regulations and distribution restrictions.

Theo Golden, Head of Digital Assets and Tokenisation at Baillie Gifford, said:

"Tokenisation will only matter if it makes finance fundamentally better. A digital wrapper around yesterday's infrastructure is not enough. Clients do not need novelty for its own sake; they need cleaner ownership, stronger governance, faster settlement and infrastructure they can trust.

"That is what native issuance changes. The Baillie Gifford Enhanced Yield Fund is not a token placed on top of a fund. It is a fund issued onchain, with the blockchain serving as the register of record. Investors hold the fund directly: direct ownership, direct recourse.

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"We are taking this step, and setting a new standard, by bringing together the combined prowess of two historic institutions: Baillie Gifford's active investment expertise and long-term approach, and BNY's innovative, resilient infrastructure."

"This is what we can achieve when standards drive innovation, and the industry collaborates to build better infrastructure for clients. Same discipline; better rails."

Baillie Gifford has collaborated with BNY, a long-term strategic relationship for the firm, in co-designing the product. BNY will be providing tokenisation and wallet infrastructure for the Fund (subject to applicable regulatory approval), supporting a direct issuance model designed to reduce operational complexity and improve transparency. NatWest Trustee and Depository Services Limited will act as the fund's Depository.

Katey Neate, BNY Global Head of Investor Solutions at BNY, said:

"Tokenisation has moved from concept to real-world application, and this launch shows how regulated fund structures can evolve to meet the needs of a more digital, connected marketplace. We're proud to be collaborating with Baillie Gifford on this first for the UK market, which will be a global blueprint for shaping how traditional financial assets can be issued, serviced and accessed through blockchain-enabled infrastructure."

The focus on short-duration fixed income provides a strong foundation for the Fund's design. Public government and corporate bonds offer the liquidity, pricing transparency and income-generating characteristics required for practical use within onchain financial infrastructure, while Baillie Gifford brings more than 25 years of experience managing dedicated bond strategies.

Eligible professional investors can mint and redeem Fund tokens directly using stablecoins or fiat, with a minimum investment of \$100. Initially the Fund will use USDC³, issued by regulated affiliates of Circle Internet Group, Inc⁴. The Fund is daily-dealt, supporting a daily NAV, and will provide an indicative NAV for secondary market trading and ecosystem use cases.

Public blockchains are an important unlock for interoperability. Baillie Gifford has collaborated with the Ethereum and Solana ecosystems, two major public blockchains, to support the Fund's availability across a range of infrastructure used for tokenised assets, stablecoins and onchain financial applications.

The Fund is intended for eligible professional investors seeking blockchain-based access to regulated, fixed income assets. For investors, this is designed to offer a step out of cash-like instruments, combining income potential, daily liquidity and institutional fund governance within a familiar UK-regulated structure.

Stuart Dunbar, Partner at Baillie Gifford, said:

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“Long-termism is at the core of Baillie Gifford. It’s how we approach markets, technology and client needs. Tokenisation is not a short-term theme for us, but an integral evolution in how financial products may be built, distributed and used over time.

“We have been a first mover in this space, but done so with clients in mind, rather than sacrificing standards for quick commercial wins. Clients would expect nothing less. The ambition is not tokenisation for its own sake. It is to build fund infrastructure that is recognisably institutional, but better suited to the way markets are evolving in the digital age.”

###ENDS###

¹ *‘Natively issued’ refers to a fund structure in which tokens are issued directly as the investor’s holding in the Fund, rather than as a separate vehicle, beneficial ownership or wrapper model representing exposure to it. The Fund’s ownership records are maintained onchain, with the blockchain underpinning the legal source of truth for the Fund’s register.*

² *The model portfolio figures are sourced from Baillie Gifford & Co as at 09 June 2026. The Fund’s benchmark is a composite index comprising 50% ICE BofA 1-3 Year US Treasury Index and 50% ICE BofA 1-3 Year US Corporate Index.*

³ *Subject to applicable restrictions.*

⁴ *Baillie Gifford is an investor in Circle Internet Group, Inc.*

About Baillie Gifford:

Baillie Gifford is an independent investment manager founded in 1908, owned and run by 54 partners. While much has changed in 118 years, the firm’s focus on seeking superior, long-term investment returns for clients remains constant. Baillie Gifford’s mission is to identify game-changing companies capable of sustaining growth and delivering returns for decades to come.

As at April 30, 2026, assets under management totaled \$260bn (£190bn). For more information, visit: www.bailliegifford.com/digital-assets

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