BlackRock®

Alternative data: The informational advantage in growth equity

Applying predictive data science to chart a new path in private markets

Summary

- Alternative (or big) data is physical, unstructured (text) or non-financial data generated by every day activities such as internet searches, GPS networks, and online and in-person transactions; the volume and availability of such data on both public and private companies has grown immensely over the last decade as companies and customers increasingly transact and communicate online and through mobile devices.

- Today's disruptive companies are staying private for a decade or longer, amassing significant valuation appreciation and creating increasingly large digital footprints prior to IPO.

- While alternative data has been embraced by leading systematic investors to gain an informational advantage in public markets, its application in growth equity is nascent and has the potential to revolutionize the way investors identify and due diligence investment opportunities.

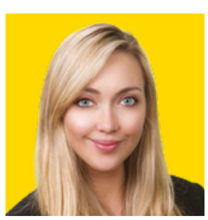
- Investors pioneering the integration of alternative data and a systematic process alongside fundamental due diligence and sourcing may stand to benefit sustained advantages over traditional approaches.

Lynn Baranski
Global Head of Investments
BlackRock Private Equity Partners

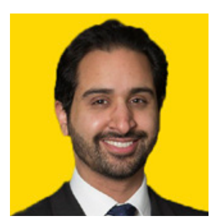
Kevin Franklin
Global Equity Portfolio Manager
BlackRock Systematic Active Equities

Gerardo Rodriguez
Global Co-Head Product Strategy
BlackRock Systematic Active Equities

Ali Almufti, CFA
Portfolio Manager and Researcher
BlackRock Systematic Active Equities



Alex Eldemir
Head of Investment Strategy for Factors,
Solutions and Private Markets



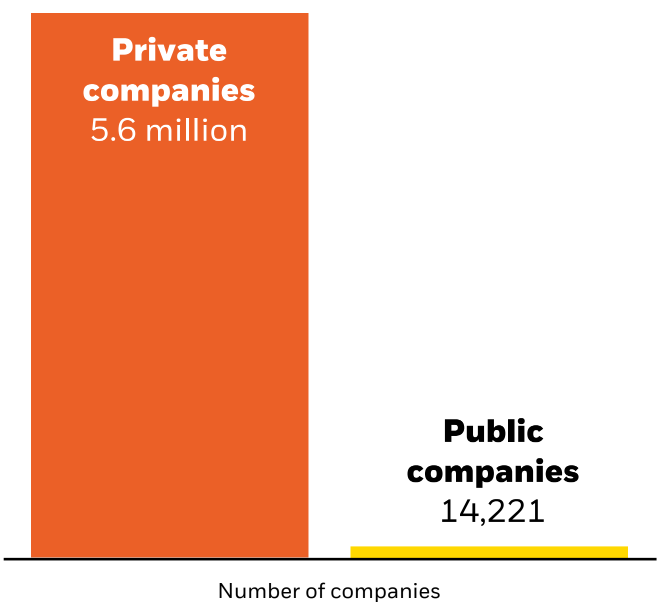
Samir Menon
Portfolio Manager
BlackRock Private Equity Partners

The value of alternative intelligence

The amount of data produced each day is staggering. It's estimated by the International Data Group that nearly 100 trillion gigabytes of data were created and consumed in 2022, a sum equivalent to 4.5 trillion times the entire text contents of Wikipedia.[1] Consumers and businesses alike are producing enormous data sets, and savvy investors are finding ways to gain an investment advantage by exploiting these sources of information that were not available before. Despite imprecise comparisons between today's sprint toward discoveries in "big data" and prior discoveries of gold or oil, the analogy still rings true: "Data is like crude [oil]. It's valuable only once refined, but if left unrefined it cannot really be used."[2]

For investors able to refine this growing stream of raw data into tradeable intelligence, the hurricane of data has been a windfall. Investors, now armed with diverse information sources and streams of alternative data, can more accurately pinpoint a company's probability for investment success.

Online job posting coverage of public vs. private companies



Source: BlackRock, Burning Glass Technologies, September 2023.

Systematic investment managers have been exploiting alternative data sources in public markets for years. Alternative data — sometimes called big data — is unstructured (text) or non-financial data generated by the technologies of our everyday lives like smartphones, GPS or other smart IoT devices. When aggregated and analyzed the right way, alternative data can provide valuable insights into the growth prospects of individual companies, sectors or themes. Innovative investors are beginning to extend to private markets the same systematic, data-driven processes that have been successful in public markets for decades. These techniques can now be applied to growth equities in private markets to quickly home in on, and to guide, fundamental due diligence on those firms that may have the highest probability of a successful exit.

To illustrate this point, consider the insights available through online job postings. This rich data set can reveal many granular details about an industry, a sector or a specific company — providing real-time insights to assess which sectors are positioned for outperformance, which companies are experiencing increases in demand and what opportunities executives are positioning for strategic growth. What's more, the coverage of private company job posting data is nearly 400 times greater than that of public companies.

In this paper, we'll assess the current opportunity in growth equity investing, review examples of how investors are applying data science to this universe, and offer our thoughts on why we believe the future of growth equity investing will be in the hands of those with the ability to refine "crude" data into meaningful and actionable investment decisions.

1 Mikkonen and Wilson, "The looming data centre crunch," *Financial Times*, October, 2023. **2** Michael Palmer at the Association of National Advertisers, 2006.

Defining the growth equity opportunity

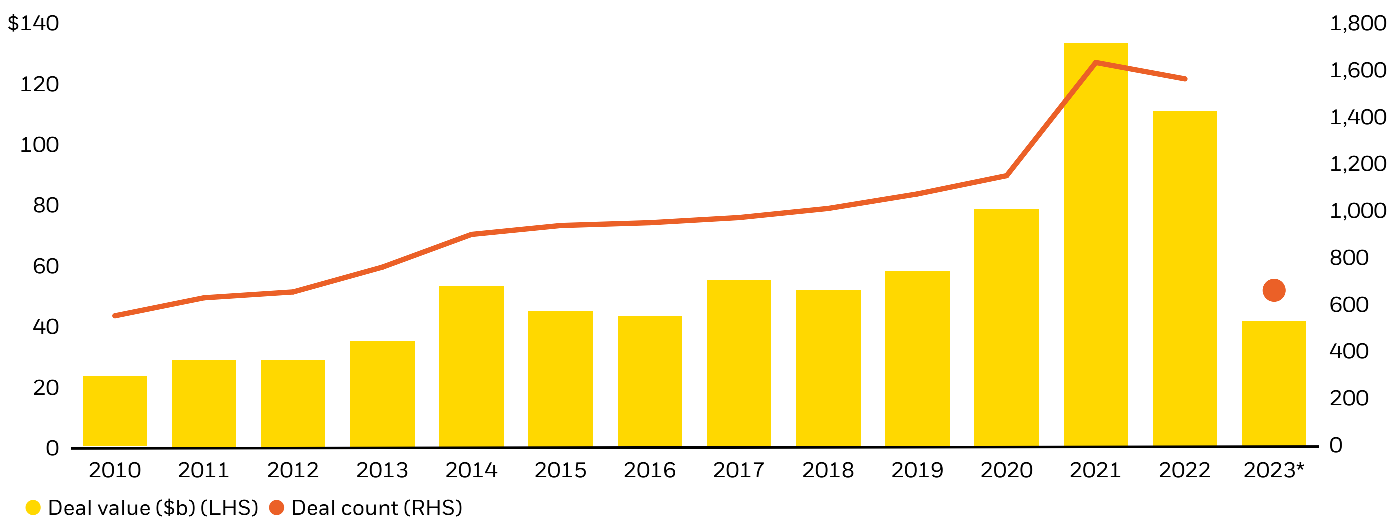
Until quite recently, growth equity was a nascent area of the private equity market where technology companies were bootstrapped prior to IPO. Today, the growth equity market has matured to USD 112 billion of deal activity last year, up from USD 23 billion in 2010 (see chart below). In years past, it was exceedingly rare for companies to achieve a USD 1 billion valuation without access to public capital (hence the name "unicorn" to describe the statistical rarity). Today there are over 1,200 companies boasting this status, turning their once mythical status into a more common sighting.[3]

The diversity of the opportunity set in growth equity has grown as well. Disruptive technologies dominate the growth equity space, but there are now disruptors across many sectors beyond traditional technology such as healthcare, transportation, financial services and education. And while U.S. firms have typically dominated growth equity, activity over the past five years has significantly increased in Europe and Asia. Growth equity investors can now access opportunities in innovation in a robust and diversified marketplace in seeking to achieve attractive risk adjusted returns.

There is a mutually beneficial relationship between companies and institutional capital that is driving the strong development of the growth equity market. Young companies with attractive revenue growth, and limited debt, are catching the eye of large-scale private capital providers. These companies no longer see the need to rush to the public markets to finance their growth plans. The founders of growth companies can dedicate their efforts to a long-term strategic vision rather than the relentless focus on quarterly results that are demanded by public investors. At the same time, working with investors in the private space, companies can focus on the relevant governance and institutional improvements that will allow them to continue their journey.

Capital providers that seek higher levels of return than are available in the public markets are responding by awarding these young companies with meaningful access to capital, and therefore the luxury to remain private. The growth equity sector has delivered some of the most attractive risk-adjusted returns within the private equity market (see chart on page 5).

U.S. private markets growth equity activity



Source: Pitchbook data as of June 30, 2023. Above information represents private equity growth equity investment from 2010 to 2023 in the United States.
***** 2023 data as of June 2023.

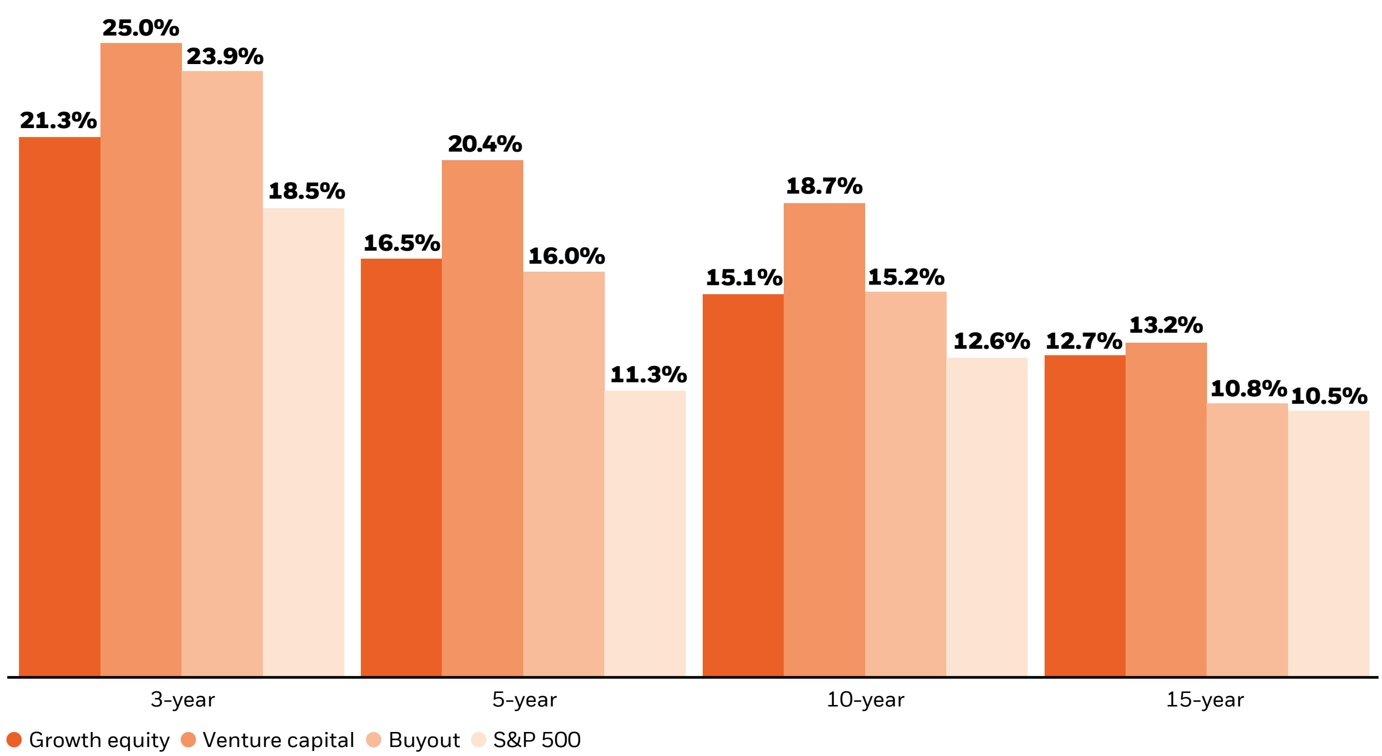
3 CB Insights, 'The Complete List of Unicorn Companies,' September 2023, https://www.cbinsights.com/research-unicorn-companies.

This feedback loop of better governance driving better returns and thus more capital flows is extending the time horizon for private ownership, and more importantly is shifting much of the value creation to occur before companies make public market debuts. Said another way, the growth premium is being captured in the private market, leaving less excess return potential for post-IPO investors. This can be illustrated in a recent study of unicorn (>USD 1 billion valuation) performance pre- and post-IPO between 2015 and 2020.[4] In the sample set of 107 companies, the median unicorn generated private investment performance equal to six times initial invested capital, while returns to public shareholders for the same firms post-IPO generated a modest 1.1x on average. Almost half of the companies in the sample produced a negative return after their public listing.

This dynamic is driving some convergence between public and private equity ownership. Investors seeking exposure to companies creating value via innovation and disruption cannot wait for these companies to enter the public arena. The growth equity space has become a prime hunting ground for opportunity: growth equity has arrived, and it's here to stay.

Alternative data seeks to unlock the information embedded in the digitized world to identify opportunities missed by traditional models. Today, companies are raising more private capital and creating more value earlier in their lifecycle. Tech trends have accelerated, and there is no debate that technological innovation is touching every industry and will continue to disrupt traditional business models. At the same time, private market valuations are rising, making it more critical for investors to discern potential winners from hyped-up future losers.

Historical performance rate of returns*



Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Important Information. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Indices are unmanaged and one cannot invest directly in an index. *Source: Cambridge Associates LLC as of March 31, 2023. The "Growth Equity" index is a horizon calculation based on data compiled from 419 U.S. growth equity funds, including fully liquidated partnerships, formed between 1986 and 2023. The "Venture Capital" index is a horizon calculation based on data compiled from 2,350 U.S. venture capital funds, including fully liquidated partnerships, formed between 1981 and 2023. The "Buyout" index is a horizon calculation based on data compiled from 1,086 U.S. buyout funds, including fully liquidated partnerships, formed between 1986 and 2023. Private indexes are pooled horizon internal rate of return (IRR) calculations, net of fees, expenses, and carried interest. CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME NAV is a function of mPME cash flows and public index returns. "Value-Add" shows (in basis points) the difference between the actual private investment return and the mPME calculated return.

4 The Journal of Applied Corporate Finance, "The Growing Blessing of Unicorns: The Changing Nature of the Market for Privately Funded Companies," Keith C. Brown and Kenneth W. Wiles.

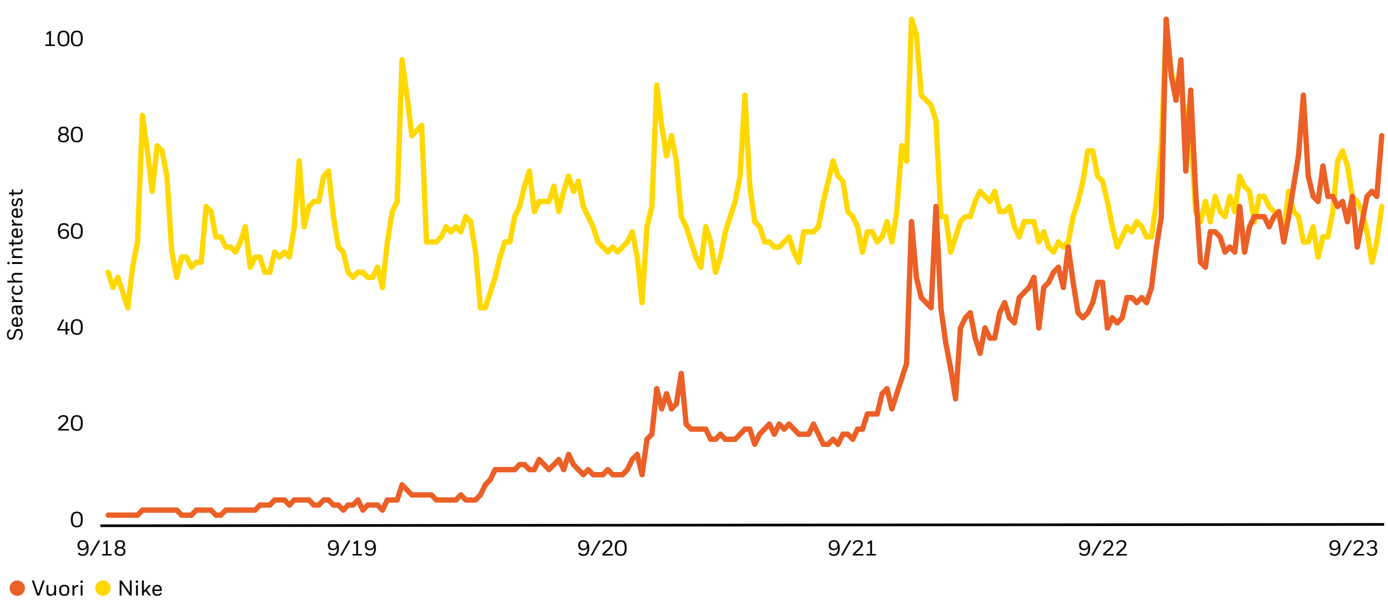
Applying a data-driven approach to private markets

If growth equity companies are staying private longer, it may be no surprise that private and public company data footprints are increasingly similar. While private companies have the luxury of forgoing the formal data disclosures required of publicly traded companies, digital footprints are not obscured by the difference in capital markets construct.

The data imprints of private and public companies are strikingly similar. Consider for example Nike,[5] the world's largest athletic apparel manufacturer, and a publicly traded company with a total market cap of $137 billion. A private competitor, Vuori, a Southern California-based athletic and performance apparel company, has grown to a market valuation of $4 billion in less than 10 years. Despite these differences, similar data exists on both companies. Consumers interested in buying performance apparel are likely to do a quick internet search before purchase — regardless if their athletic wear is made by a public or private company. Google maintains that search history the same way for Nike as it does for Vuori, providing a powerful measure of consumer intent and purchase activity at both the product and company level.

While many investment insights translate well across public and private markets, some characteristics remain unique to private markets. A data-driven process can also be trained on aspects specific to private companies: Fundraising trends in private markets can help identify dislocations, detect overheated segments and provide a pulse on the viability of growth equity investments. The quality of other limited partners investing in private firms can also imply positive or negative connotations for a company.

Vuori vs. Nike – Google weekly search interest



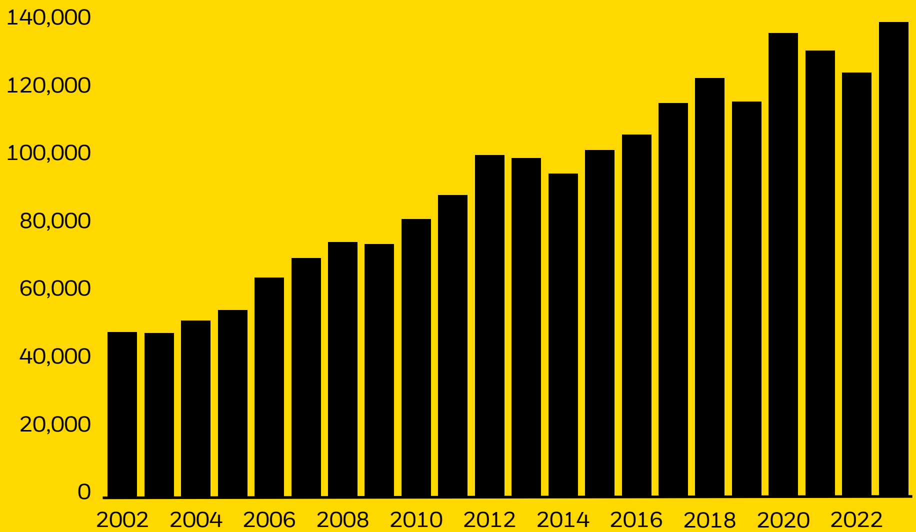
Source: BlackRock. Google Trends as of September 2023. Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. A score of 0 means there was not enough data for this term.

5 Reference to the company name mentioned in this communications is merely for explaining the investment strategy, and should not be construed as investment advice or investment recommendation of those companies.

The informational edge provided through a systematic process requires both skill and scale in interpreting that data. LSEG Data and Analytics, one of the industry's largest financial research providers, currently offers a research library featuring more than 46 million research reports from over 1,800 sources.[6] The availability and proliferation of independent unbiased broker reports is a rich data set, but keeping pace with the volume of reports and their relevance for private comparables is a significant challenge. If a public equity analyst mentions a private company among a group of public comparables, it's typically a positive sign that this private company is a viable threat to that public peer group, or a potential acquisition target. Finding that mention of a private company in the millions of broker reports requires the ability to transform unstructured text into aggregated data suitable for analysis through natural language processing, and the ability to do so for a rapidly increasing number of companies and reports. The chart below illustrates the volume of BlackRock's Systematic Active Equity team's machine-read broker reports over time.

Advances in analytical techniques such as machine learning and cognitive computing now make it possible to use alternative data to inform due diligence of growth equity companies, providing a material informational edge in the highly competitive category of growth equity investing.

100k broker reports machine read monthly



Source: BlackRock as of August 2023.

6 LSEG Data and Analytics as of September 2023.

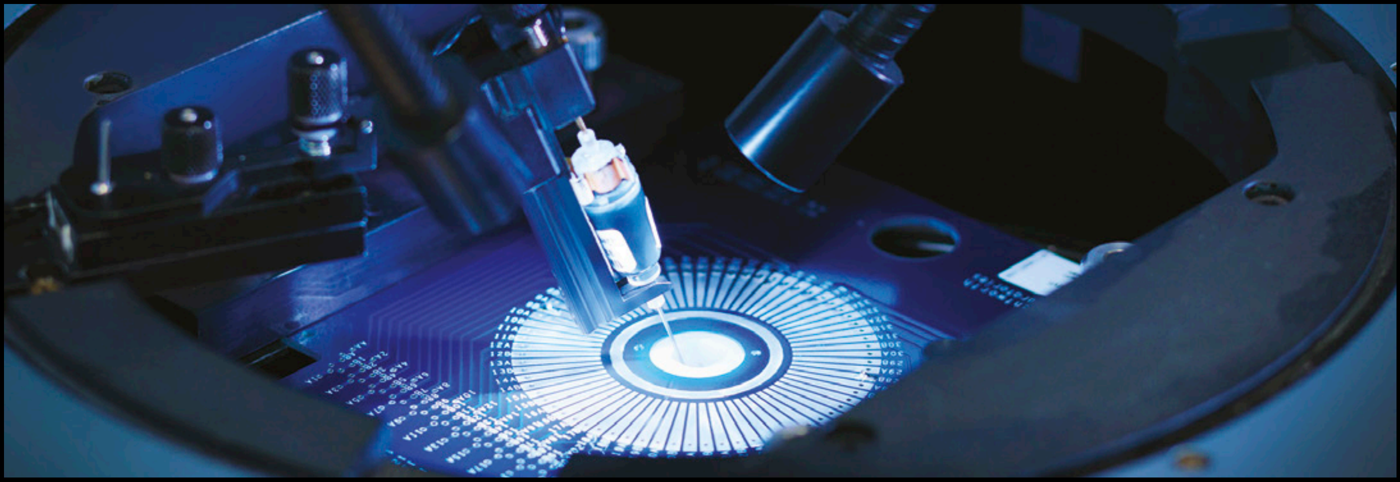
Building the next generation growth equity portfolio

The ability to recognize and source new investment opportunities is arguably the most important function of the growth equity investment process. Historically, sourcing the attractive deals has been relationship-based. The breadth and depth of personal networks have determined a manager's investment opportunity set. Today, data science techniques have raised the bar, allowing pioneering managers to look beyond their network and proactively detect attractive company characteristics using predictive models. Systematic models offer scalability, enhanced efficiency and improved portfolio outcomes by evaluating a universe of thousands of securities. A systematic approach offers investors the ability to uncover opportunities that traditional methods and models may have overlooked, with a faster view and with a higher degree of certainty.

Alternative data represents the next evolution in private market investing. Just as electronic trading brought reduced transaction costs, improved speed, efficiency and greater liquidity to public markets, alternative data will play an increasing role among firms seeking a competitive advantage in private markets. While many investment firms already integrate structured data from typical information providers, investors further along the adoption spectrum are putting more resources toward tapping into the informational advantages afforded by unstructured data, uncovering growth equity companies with higher probabilities of exit success.

The increasing digital footprint of private companies presents a rare opportunity for growth equity investors to gain an informational advantage. Examples are widely available from the different ways in which we now hail taxis, order food and book our airline tickets, to name a few. The ability to harness data and extrapolate unique and timely insights about a company's customers, products and supply chains is no longer a competitive advantage, it's a strategic imperative.

Alternative data and predictive analytics add dimensionality to traditional fundamental analysis — bringing in more attributes and a new lens. Importantly, alternative data and systematic modeling do not replace a fundamental process for growth equity. A systematic model allows a fundamental team to be more efficient with their time and energy. It affords investment teams the ability to cast a wider net, highlight opportunities that may have been missed by competitors. It allows investors to focus their research on opportunities with higher probabilities of success. Most importantly, a predictive model provides a faster view, more certainty, accelerates the processing of information and allows for better, smarter decisions along the entire investment process.



Advancing innovation

The availability of alternative data and its application in private markets has the potential to revolutionize the growth equity investment process. Investors pioneering the integration of alternative data and a systematic process alongside fundamental due diligence and sourcing stand to benefit sustained advantages over traditional approaches — identifying opportunities more efficiently, proactively recognizing disruptive companies before competitors and having greater confidence around the probability of success.

Evolving trends in growth equity, such as the acceleration of digital transformation, soaring valuations and a frenzied IPO market suggest investors with a competitive edge could have the opportunity to generate compelling risk-adjusted returns for clients. In this competitive environment, analytics that can incorporate machine learning to evaluate company characteristics, analyze views of stakeholders and assess the behavior of other market participants will set the bar for the next era of successful general partners. The ability to refine new data and advance analytics to exploit market trends will be the baseline attributes for a new era of growth equity investors.

BlackRock Systematic

USD $223B
Assets under management in equities, fixed income and alternatives

35+
Years investing systematically across alpha-seeking & factor-based investments[7]

200+
Person interdisciplinary team of investment experts, data scientists and academics

30+
Professionals with advanced degrees, like PhDs or MFEs

8+
Years of private markets research

BlackRock Private Equity Partners

USD $47B[8]
In commitments across core strategies, custom accounts and focused strategies

20+
Years of experience delivering global private equity solutions

204[9]
Private equity specialists, including 49 Investment professionals

450+
General Partner relationships across 800+ funds

USD $3B
Direct investments in private growth equity companies

Want to learn more about BlackRock's systematic capabilities?
View our latest insights at BlackRock.com

Source: BlackRock as of June 30, 2023.

7 A 35-year history reflects predecessor firms. **8** A portion of the total investor commitments remains subject to drawdown. Includes total commitments under management as of August 31, 2023. **9** As of September 15, 2023.

For investors in Italy: This document is marketing material: Before investing please read the Prospectus and the PRIIPs KID available on www.blackrock.com/it, which contain a summary of investors' rights.

Risk warnings

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.

Private equity investments may have low liquidity which often causes the value of these investments to be less predictable. In extreme cases, it may not be possible to realise the investment at the latest market price or at a price considered fair.

Important information

This material is provided for educational purposes only and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are subject to change. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations. Reliance upon information in this material is at the sole risk and discretion of the reader. The material was prepared without regard to specific objectives, financial situation or needs of any investor.

This material may contain "forward-looking" information that is not purely historical in nature. Such information may include, among other things, projections, forecasts and estimates of yields or returns. No representation is made that any performance presented will be achieved by any BlackRock Funds, or that every assumption made in achieving, calculating or presenting either the forward-looking information or any historical performance information herein has been considered or stated in preparing this material. Any changes to assumptions that may have been made in preparing this material could have a material impact on the investment returns that are presented herein. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

The information and opinions contained in this material are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

In the U.S., this material is for Institutional use only — not for public distribution.

In Canada, this material is intended for permitted clients only, is for educational purposes only, does not constitute investment advice and should not be construed as a solicitation or offering of units of any fund or other security in any jurisdiction.

This material is for distribution to Professional Clients (as defined by the Financial Conduct Authority or MiFID Rules) only and should not be relied upon by any other persons.

In the UK and Non-European Economic Area (EEA) countries: This is Issued by BlackRock Investment Management (UK) Limited, authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: + 44 (0)20 7743 3000. Registered in England and Wales No. 02020394. For your protection telephone calls are usually recorded. Please refer to the Financial Conduct Authority website for a list of authorised activities conducted by BlackRock.

In the European Economic Area (EEA): This is Issued by BlackRock (Netherlands) B.V. is authorised and regulated by the Netherlands Authority for the Financial Markets. Registered office Amstelplein 1, 1096 HA, Amsterdam, Tel: 020 – 549 5200, Tel: 31-20-549-5200. Trade Register No. 17068311. For your protection telephone calls are usually recorded.

In Italy: For information on investor rights and how to raise complaints please go to https://www.blackrock.com/corporate/compliance/investor-right available in Italian.

For qualified investors in Switzerland: This document is marketing material. This document shall be exclusively made available to, and directed at, qualified investors as defined in Article 10 (3) of the CISA of 23 June 2006, as amended, at the exclusion of qualified investors with an opting-out pursuant to Art. 5 (1) of the Swiss Federal Act on Financial Services ("FinSA"). For information on art. 8/9 Financial Services Act (FinSA) and on your client segmentation under Art. 4 FinSA, please see the following website: www.blackrock.com/finsa.

In DIFC, the information contained in this document is intended strictly for Professional Clients as defined under the Dubai Financial Services Authority ("DFSA") Conduct of Business (COB) Rules.

In South Africa, please be advised that BlackRock Investment Management (UK) Limited is an authorised Financial Services provider with the South African Financial Services Conduct Authority, FSP No. 43288.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements." These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

In the Kingdom of Saudi Arabia, the information contained in this document is intended strictly for sophisticated institutions.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorized financial adviser.

In the United Arab Emirates, the information contained in this document is intended strictly for non-natural Qualified Investors as defined in the UAE Securities and Commodities Authority's Board Decision No. 3/R.M of 2017 concerning Promoting and Introducing Regulations.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

In Kuwait: The information contained in this document is intended strictly for sophisticated institutions that are 'Professional Clients' as defined under the Kuwait Capital Markets Law and its Executive Bylaws.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

BlackRock Advisors (UK) Limited-Dubai Branch is a DIFC Foreign Recognised Company registered with the DIFC Registrar of Companies (DIFC Registered Number 546), with its office at Unit L15 – 01A, ICD Brookfield Place, Dubai International Financial Centre, PO Box 506661, Dubai, UAE, and is regulated by the DFSA to engage in the regulated activities of 'Advising on Financial Products' and 'Arranging Deals in Investments' in or from the DIFC, both of which are limited to units in a collective investment fund (DFSA Reference Number F000738).

For investors in Israel: BlackRock Investment Management (UK) Limited is not licensed under Israel's Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995 (the "Advice Law"), nor does it carry insurance thereunder.

In Latin America, for Institutional Investors and Financial Intermediaries Only (Not for public distribution). This material is for educational purposes only and does not constitute an offer or solicitation to sell or a solicitation of an offer to buy any shares of any fund (nor shall any such shares be offered or sold to any person) in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities law of that jurisdiction. It is possible that some or all of the funds mentioned in this document have not been registered with the securities regulator of Argentina, Brazil, Chile, Colombia, Mexico, Panama, Peru, Uruguay or any other securities regulator in any Latin American country and thus might not be publicly offered within any such country. The securities regulators of such countries have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America.

In Brazil, this private offer does not constitute a public offer, and is not registered with the Brazilian Securities and Exchange Commission, for use only with professional investors as such term is defined by the *Comissão de Valores Mobiliários*.

In Argentina, only for use with Qualified Investors under the definition as set by the Comisión Nacional de Valores (CNV).

In Chile, the offer of each security not registered with the Comisión para el Mercado Financiero ("CMF") is subject to General Rule No. 336 issued by the SVS (now the CMF). The subject matter of this offer may include securities not registered with the CMF; therefore, such securities are not subject to the supervision of the CMF. Since the securities are not registered in Chile, there is no obligation of the issuer to make publicly available information about the securities in Chile. The securities shall not be subject to public offering in Chile unless registered with the relevant registry of the CMF.

In Colombia, the offer of each Fund is addressed to less than one hundred specifically identified investors, and such Fund may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign financial and/or securities related products or services in Colombia.

IN MEXICO, FOR INSTITUTIONAL AND QUALIFIED INVESTORS USE ONLY. INVESTING INVOLVES RISK, INCLUDING POSSIBLE LOSS OF PRINCIPAL. THIS MATERIAL IS PROVIDED FOR EDUCATIONAL AND INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SHARES OF ANY FUND OR SECURITY.

This information does not consider the investment objectives, risk tolerance or the financial circumstances of any specific investor. This information does not replace the obligation of financial advisor to apply his/her best judgment in making investment decisions or investment recommendations. It is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of Mexico. If any funds, securities or investment strategies are mentioned or inferred in this material, such funds, securities or strategies have not been registered with the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, the "CNBV") and thus, may not be publicly offered in Mexico. The CNBV has not confirmed the accuracy of any information contained herein. The provision of investment management and investment advisory services ("Investment Services") is a regulated activity in Mexico, subject to strict rules, and performed under the supervision of the CNBV. These materials are shared for information purposes only, do not constitute investment advice, and are being shared in the understanding that the addressee is an Institutional or Qualified investor as defined under Mexican Securities (Ley del Mercado de Valores). Each potential investor shall make its own investment decision based on their own analysis of the available information. Please note that by receiving these materials, it shall be construed as a representation by the receiver that it is an Institutional or Qualified investor as defined under Mexican law. BlackRock México Operadora, S.A. de C.V., Sociedad Operadora de Fondos de Inversión ("BlackRock México Operadora") is a Mexican subsidiary of BlackRock, Inc., authorized by the CNBV as a Mutual Fund Manager (Operadora de Fondos), and as such, authorized to manage Mexican mutual funds, ETFs and provide Investment Advisory Services. For more information on the Investment Services offered by BlackRock Mexico, please review our Investment Services Guide available in www.Blackrock.com/mx. This material represents an assessment at a specific time and its information should not be relied upon by the you as research or investment advice regarding the funds, any security or investment strategy in particular. Reliance upon information in this material is at your sole discretion. BlackRock México is not authorized to receive deposits, carry out intermediation activities, or act as a broker dealer, or bank in Mexico. For more information on BlackRock México, please visit: www.BlackRock.com/mx. BlackRock receives revenue in the form of advisory fees for our advisory services and management fees for our mutual funds, exchange traded funds and collective investment trusts. Any modification, change, distribution or inadequate use of information of this document is not responsibility of BlackRock or any of its affiliates. Pursuant to the Mexican Data Privacy Law (Ley Federal de Protección de Datos Personales en Posesión de Particulares), to register your personal data you must confirm that you have read and understood the Privacy Notice of BlackRock México Operadora. For the full disclosure, please visit www.BlackRock.com/mx and accept that your personal information will be managed according with the terms and conditions set forth therein.

Lit No. ALT-DATA-WP-1023 232072T-1023

BlackRock.