BlackRock.

Global Product Solutions
Investment & Portfolio Solutions
Product Distribution

Investment Directions

Midyear 2024: Implementing ideas for today's market

Positioning for fundamental transformation

We believe a seismic structural transformation is underway, with potential to reshape the investment landscape. It's being driven by a potential surge in capital spending on artificial intelligence (AI), rewiring of global supply chains and the low-carbon transition. However, the speed, size and impact of that investment remains uncertain, and comes against an unusual economic backdrop. We lean into the transformation and look to adapt as the outlook changes, with a more nimble, granular approach to identifying investment opportunities.

We've evolved our quarterly investment guide to meet this challenge: Investment Directions is designed to help navigate opportunities in equities, fixed income and portfolio diversifiers for H2 2024. It's grounded in the themes laid out in the BlackRock Investment Institute's Midyear Outlook.

We remain bullish on AI and see opportunity in the massive infrastructure investment – and energy – needed to fuel its expansion. On a tactical horizon, we see AI winners continuing to drive equities – despite recent tech-led volatility – yet turbulence in macro data is likely to keep dispersion and volatility high. We see scope for uncertainty to persist as markets digest European election results and we approach the final straight to November's US vote. All this makes the case for quality and selectivity in equities, we think. Major developed market (DM) central banks have begun to ease back from decade highs, but we expect rates to stay higher for longer – putting carry in focus. At the same time, we look beyond traditional equity and bond allocations to build diversified portfolios that have the potential to outperform as the transformation unfolds.

How we're investing this quarter:

Equity

Uncertainty and dispersion drive opportunity

We think the current environment favours an active approach in equities, to capture deeper pockets of quality from the bottom up. From a top-down index perspective, we look to AI beneficiaries as well as early-cycle plays. We see better opportunities in DM vs. emerging markets (EM) – though select opportunities persist across regions.

Fixed income

Higher-for-longer rates mean carry is king

Rates across DM should start to fall from cycle-highs over Q3, but it's likely to be a gradual descent. We look to lock in yields through fixed-maturity products and see relative value in € high yield (HY). The start of rate cuts in Europe supports our willingness to extend duration further in the region vs. the US, where we keep our preference for the front end.

Portfolio diversifiers

A transforming landscape requires new diversifiers

The path and pace of the transformation is highly uncertain. Multiple, diverse scenarios are possible – with major implications for portfolios. Investors need to adapt, we think. This means looking to a wider range of portfolio diversifiers across regions, sectors, strategies and asset classes – with private markets and liquid alternative strategies in focus.

All figures are in US dollars, unless stated otherwise.

FOR PROFESSIONAL CLIENTS / INSTITUTIONAL INVESTORS / QUALIFIED INVESTORS / QUALIFIED CLIENTS / SOPHISTICATED INSTITUTIONS / NON-NATURAL QUALIFIED INVESTORS / FINANCIAL INTERMEDIARIES ONLY

EIIiH0724E/M-3687874-1/18

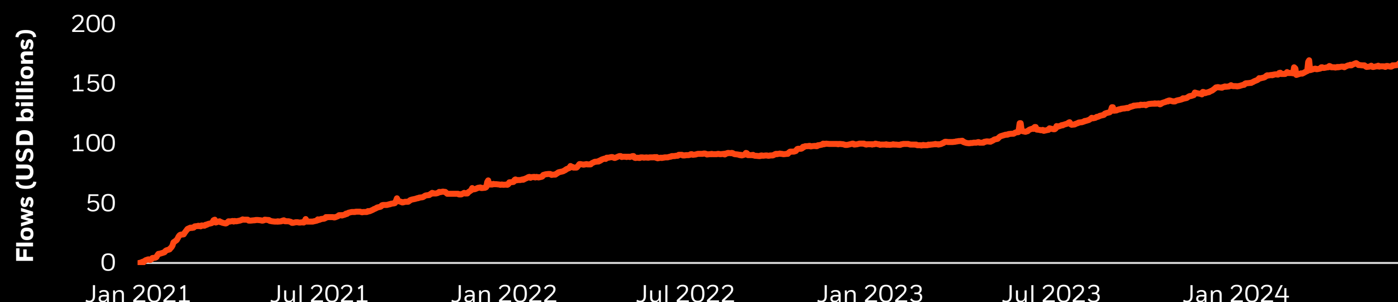
Uncertainty and dispersion drive opportunity in equities

Equities have been driven by strong sentiment towards tech and AI-related themes so far this year, supported by an improving earnings backdrop in the US and Europe.[1] Despite the US equity market gaining 15.5% on the year, its 12-month forward P/E remains unchanged from its starting level, indicating that returns have been fuelled by earnings durability, not multiple expansion.[2] We've also seen cyclicals come back into focus. Yet uncertainty around the macro outlook and elevated geopolitical risk spell further volatility ahead, we think. Sharp regional equity market selloffs following elections in Mexico and India and the calling of a snap election in France have shown how sensitive markets remain to policy uncertainty.[3] As the US election draws closer, we expect to see volatility rise, particularly from August, as we enter the final 90 days before the vote.

Our approach in H2 leans into these themes: we advocate building a strong, quality-focused core in equities, supported by exposure to select cyclicals. We also look to add to structural themes such as the low-carbon transition and AI, where we think the opportunity set remains cross-sector and under-priced.

Structural tailwinds: flows into tech ETPs remain strong

Cumulative global flows into tech ETPs, January 2021 – June 2024



Source: BlackRock and Markit, as of 17 June 2024. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product. See appendix for 5Y data. For data reference sources, please refer to the notes on page 10.**

Quality at the core of portfolios

Quality can be broadly defined by characteristics such as high margins and stable earnings – yet we believe a more selective approach can capture even deeper quality metrics. This can help build exposure to exceptional businesses with dominant market positions, supported by strategic tailwinds that may compound cashflows over the long term. We believe such companies exist across the market, with particularly strong opportunities today in tech and AI-related industries, in health care themes such as the growth of GLP-1 drugs, and in the long-term brand heritage of the luxury goods sector.

Read our full range of factors views in *Precision Insights: Factors*.

Historically, the duration of high-quality companies has been underestimated. Maintaining conviction over the long-term is key to building a quality core – leading us to prefer high-conviction alpha strategies to implement quality as a long-term theme. We look to unconstrained equity strategies that seek to generate high-quality alpha from stock-specific features as earnings growth compounds. We also like systematic strategies leveraging large data sets to help generate insights, identify high-quality stocks and generate stock-specific alpha. In the index space, sector-controlled exposure to the quality factor could help to bolster resilience while capitalising on quality exposure.

For data reference sources, please refer to the notes on page 10.

Warming up to European equities

While we're not yet overweight European equities, investors have been warming to the region. The earnings picture for Europe has turned much more positive. From 2010 to 2020, European equities registered little-to-negative EPS growth. Today, EPS is 31% higher vs. 2010 levels:[4] we believe structural changes have equipped the region for better earnings growth, thanks to a repaired banking sector, reduced index exposure to challenged sectors such as autos, and higher international revenues. Investors have allocated $12.5B to European equity ETPs YTD – outpacing the $7.6B added globally over 2023 – with flows from outside Europe hitting the highest level since 2021.[5]

Read our full range of views across GICS Level 1 sectors in Precision Insights: Sectors.

Against this positive backdrop, we saw political uncertainty rise in European markets in late H1 – reinforcing our preference for quality and selectivity. We look to access Europe through high-conviction alpha-seeking strategies, which point to opportunity in construction, banks, semiconductors, luxury goods and health care. In index strategies, we target early-cycle beneficiaries like European banks. Our conviction goes beyond net interest income: European banks have improved in quality, with room to run in 2024, in our view – especially as they trade cheaply vs. their own history and remain a key income-returning sector in Europe.[6]

Selectivity in EM equities

Elections dominated the EM landscape over H1: we see political uncertainty starting to recede in Q3, but remain mixed on EM equities for now. We stand ready to add to equities in markets with stable macro backdrops and policy outlooks. We believe India may have reached that threshold after the recent election. Rich valuations are largely justified, in our view, and we see India supported by long-term tailwinds including youthful demographics and the rewiring of global supply chains. A solid base of domestic investor participation,[7] paired with rising international interest, supports our positive view. A record $10B was added to Indian equity ETPs globally in 2023, with $6.2B going into EMEA and US-listed exposures – a trend that's continued in 2024, with international interest accounting for 82% of global Indian equity ETP flows.[8] Amid dispersion across broader EM, active stock selection may help to differentiate potential winners and losers: we look to flexible, unconstrained approaches with the ability to express conviction on the long and the short side.

Read our full range of granular views across EM equity and debt in Precision Insights: Emerging markets.

Harnessing the low-carbon transition

We stay positive on key materials and miners powering the low-carbon transition. Copper has been a 2024 bright spot, with supply-chain investment lagging demand.[9] As this deficit widens, it should feed through into better margins for copper miners, we believe. Although copper pulled back from highs in Q2 due to concerns around oversupply in China,[10] we don't see this impacting the long-term deficit – and believe it opens an entry point to build strategic positions. We favour exposure through commodity equities, to hedge price volatility and take advantage of the disconnect between materials and commodity spot prices, with supply-demand technicals feeding through faster in direct commodity prices. Copper also plugs into structural themes including electrification and decarbonisation – presenting an investment opportunity from a re-rating perspective for materials companies essential to the low-carbon transition.

Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product. See appendix for 5Y data. For data reference sources, please refer to the notes on page 10.

Looking to the next leg in AI

Our conviction in AI continues to grow: the past year has seen rising adoption of AI tools, with the promise of much more to come. We think the AI wave is underpinned by solid fundamentals: in Q1, ex-Magnificent 7 S&P 500 earnings growth registered at -3.8% YoY vs. 0.7% YoY for the broader index.[11] Moreover, we see AI buoyed by the vast investment required as AI tech scales up. Yet the proliferation of 'AI companies' calls for selectivity. We still like semiconductors as a foundational play, but look to the next leg of the AI trade, centred on the rapid growth of tools and the vast data sets required to train them. We think this opens opportunities in three key areas: **protecting** data and consumers from digital threats, and **building** out and **powering** the vast infrastructure required.

Protecting data and consumers through digital security

We look to the next leg of AI investment in digital security, as firms seek cutting-edge solutions to protect large datasets used to train AI models – and their consumers. We lean into diversified digital security exposure to firms keeping data safe across cybersecurity, hardware and physical security.

Building out AI infrastructure

Significant capex spending will be needed as companies continue to invest in AI capabilities: more servers will require more data centres to house them – which will in turn drive demand for water cooling systems and energy infrastructure. Global infrastructure indices may be well-positioned for this demand, with a sizeable tilt to the utilities sector.[12] Raw materials will also be in focus: for example, every megawatt of data centre power requires 20-40 tonnes of copper. This could add 2% of current demand,[13] which the copper industry is already struggling to meet (see p. 3) – offering a potential tailwind for copper miners.

Listed infrastructure exposures also look well-positioned as a low-volatility, high-yielding inflation hedge, providing liquid access to infrastructure sub-sectors. Private markets are also being increasingly integrated into investors' strategic asset allocation for their distinct investment prospects and are set to benefit from all three mega forces driving the transformation.

Powering AI's expansion

AI data centres' electricity consumption is expected to total as much as 1k terawatt hours by 2026, roughly equal to the total current power demand of Japan and significantly outpacing current supply.[14] Beyond the power demands of data centres, the average search using generative AI can use nearly 10x the energy of a conventional web search.[15] We stay constructive on the energy sector, which remains cheap after a poor 2023 due to negative earnings, trading at 11.2x 12m forward earnings vs. its 10Y average of 16.9x.[16] Energy ETPs have seen $5.7B of global outflows YTD – we see room for allocations to rise as sentiment recovers.[17] The key input will be earnings, which are improving – as shown by the three-month change in analyst revisions.[18] We favour strategies offering targeted exposure to companies pivotal to the global economy, providing essential materials for new infrastructure and playing a crucial role in the low-carbon transition.

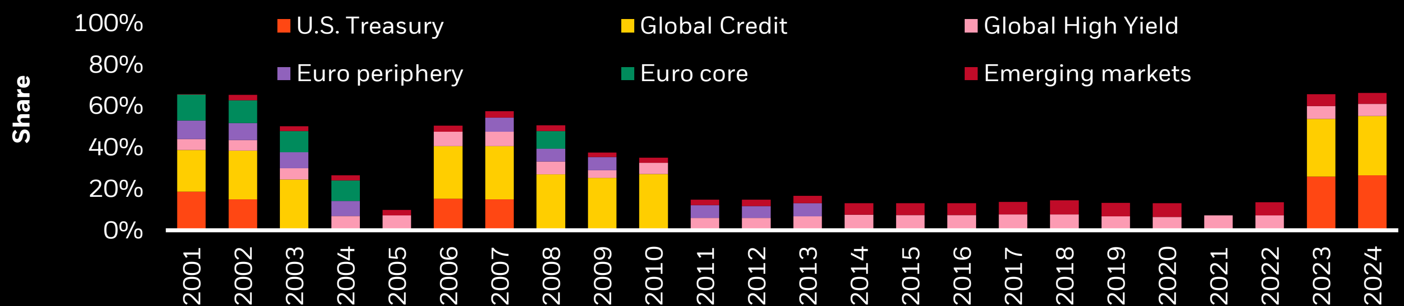
Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product. See appendix for 5Y data. For data reference sources, please refer to the notes on page 10.

Higher-for-longer rates mean carry is king

The ECB began its rate-cutting cycle in June, decoupling policy from the US Federal Reserve (Fed). Divergent paths down from peak rates reflect today's unique economic cycle, where US growth has remained resilient in the face of restrictive rates – ultimately keeping default rates and credit spreads reasonably contained.[1] Meanwhile, sticky inflation – particularly in the services sector[2] – is keeping DM central bankers cautious on the pace of cuts. Despite similar market pricing, we see more room for the European Central Bank (ECB) to cut this year. Restrictive policy is more binding in Europe, and while fiscal spending is helping to keep policy rates high in the US (and risks some term premium at the long end of the curve), we expect less fiscal stimulus in Europe. We see better relative value opportunities in EUR vs. USD credit, despite higher costs of capital and an elevated wage backdrop.[3] We look to lock in elevated yields via fixed maturity products in both regions and see structural tailwinds supporting select EM debt exposures.

Income is back in fixed income

Fixed income assets yielding over 4%, 2001 - 2024



Sources: BlackRock Investment Institute, with data from Refinitiv Eikon, June 2024. Note: The bars show market capitalization weights of assets with an average annual yield over 4% in a select universe that represents about 70% of the Bloomberg Mulitiverse Bond Index. Euro Core is based on French and German government bonds indexes. Euro periphery is based on an average of government debt indexes for Italy, Spain and Ireland. Emerging markets combine external and local currency debt.

Staying nimble with duration in rates

Uncertainty over the US election outcome and its implications for the global economy could encourage investors to pare back risk-taking as November nears. With eight of the G10 central banks expected to have started lowering policy rates ahead of the US vote,[4] government bond investors may consider closing underweight duration positions heading into Q4. Our conviction at this juncture is in European government bonds (EGBs) vs. their US counterparts, given a more certain policy outlook. While a shallower rate cut cycle vs. history is likely on both sides of the Atlantic, we see more cuts coming through in Europe. In the US, we maintain our preference for the front end of the curve, while we feel more comfortable extending duration in Europe.

Investors may seek to lock in elevated yields via fixed maturity products (FMPs). We see an income opportunity in Italy, against a backdrop of ECB rate cuts. FMPs hold a diversified basket of bonds (such as Italian BTPs) with similar maturity dates and distribute a final payment at maturity. Broad EGB exposures have continued to gathers flows, with $2.9B added to global EGB ETPs in Q2, after $1.9B in Q1. Blended maturity ($3.1B) and long-duration EGBs ($1.1B) have been the most popular and consistent flow gatherers YTD.[5]

Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product. See appendix for 5Y data. For data reference sources, please refer to the notes on page 10.

Getting selective in EM debt

We maintain conviction in Indian government bonds (IGBs), with inclusion in JP Morgan EM bond indices having kicked off in June 2024, and Bloomberg set to follow suit in early 2025. Inclusion means that Indian bonds are becoming more accessible to international investors. The IGB market has traditionally been complex and challenging to access relative to other emerging markets – index exposure to IGBs can help investors circumvent the operational hurdles and inefficiencies faced by direct investment in the underlying markets in a cost-efficient manner. We see room for investors to start building allocations to India in fixed income, given that international ownership is coming off a low base of just 1.9%.[6] Low foreign ownership means IGBs can act as a diversifier within portfolios; they're not only lowly-correlated to euro credit and global HY (at 0.17 and 0.46, respectively), but also vs. broader EM debt, with a sub-0.5 correlation to both local and hard currency debt indices.[7]

Read our full range of granular views across EM equity and debt in Precision Insights: Emerging markets.

At 7.1%, IGBs yield slightly more than broad local EMD indices (6.8%), though it's worth noting that the India index has a slightly higher duration profile vs. broader EM debt.[8] From a top-down index perspective, we see potential for Indian bonds as a carry trade. Additionally, from a bottom-up, alpha-seeking perspective, we're observing numerous emerging opportunities across the broader market.

Alpha-seeking EMD strategies may be able to capitalise on the favourable global environment, which includes robust or resilient global growth and the initiation of rate cuts by DM central banks. The fundamentals in EM sovereign debt are improving, with expectations of more net rating upgrades than downgrades in 2024. Following numerous macroeconomic divergences in the post-Covid world, such as inflation, geopolitics, recession fears, and varying growth cycles, along with a busy global election cycle, we have strong conviction that there will be ample opportunities for alpha generation through strategic and tactical security and country selection in EM debt.

Seeking relative value in €HY

We prefer €HY to US counterparts on a relative value basis. Option-adjusted spreads (OAS) are wider, attractive carry is supported by a large yield cushion, and fundamentals have remained fairly resilient despite a higher cost of capital and an elevated wage backdrop.[9] Median leverage for € investment grade (IG) and HY issuers remains below the recent peak – in fact, while €IG coverage ratios have declined in recent quarters, €HY metrics have been range-bound.[10] Looking at technicals, broader €HY and Non-Financial Senior gross supply is at the highest YTD pace since 2021, and ahead of pre-pandemic volumes – however, attractive yields mean elevated supply has been well-digested so far.[11]

Read our full range of granular views across USD and EUR credit in Precision insights: credit.

Attractive yields and a relative value opportunity vs. $HY favour a broad, diversified index approach to €HY, in our view. Amid a still-restrictive rate environment and macro uncertainty, we see dispersion staying elevated in the asset class – a theme investors can tap into through alpha-seeking strategies, offering potential to generate alpha through credit selection and short duration positioning.

For data reference sources, please refer to the notes on page 10.

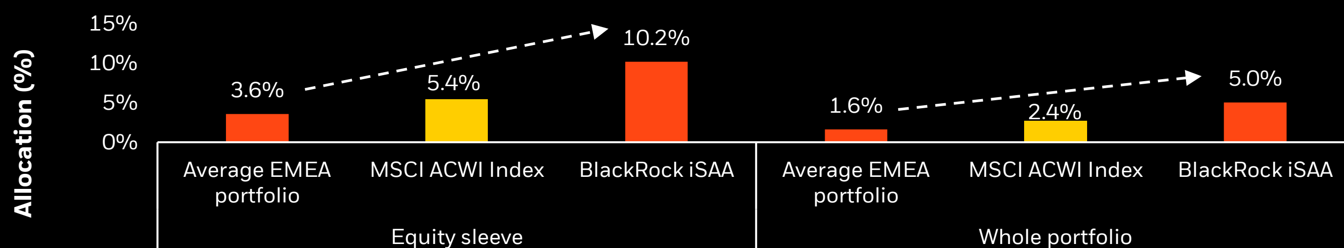
A transforming landscape requires new diversifiers

We've seen an erosion in the traditional role of long-term bonds for portfolio ballast, against a backdrop of increasing equity-bond correlation – US bonds and stocks are currently the most correlated they have been since 2000[1] – as well as higher inflation. Structurally elevated geopolitical risk means this dynamic is likely to persist, in our view. We think this calls for looking to alternative asset classes for diversification and returns.

We see room to dial up exposure to Japanese equities within strategic asset allocations, as we see EMEA investors still being underweight in their portfolios vs. global equity benchmarks such as the MSCI ACWI – see the chart below. We think global macro funds have a larger role to play in driving potential returns across asset classes and geographies. We also look to private markets, which may benefit from strategic tailwinds like supply-chain rewiring and demographic divergence.

We call for higher allocations to Japanese equities in average multi-asset portfolios

Japanese equity allocation optimised for a moderate risk multi-asset EMEA portfolio, May 2024



This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance. Forecasts are not a reliable indicator of future performance. Source: BlackRock Investment Institute. Data as of 30 April 2024; time period: 10 years. Morningstar, EMEA average portfolio positioning as of 31 March 2024. Return assumptions are total nominal returns. Asset return expectations are net of assumed fees. Fees and alpha are estimates for illustrative purposes only and do not represent any actual fund performance. Indices are unmanaged and one cannot invest directly in an index. These portfolios represent a sample of the various possible solutions on the efficiency frontier. BlackRock has not considered the specific needs of the client and is not making any recommendation of any particular option. You should consider the most appropriate allocation for your needs. 'Moderate risk portfolio' defined as one targeting 9% volatility. 'Whole portfolio' weighting for average EMEA portfolio based on equity sleeve accounting for 45% of average EMEA portfolio analysed; 'Whole Portfolio' weighting for MSCI ACWI Index and BlackRock iSAA based on equity sleeve accounting for 49.2% of a multi-asset EMEA portfolio optimised for a moderate level of risk.

Solving for underexposure to Japan

We think Japan presents a compelling opportunity due to shareholder-friendly corporate reforms, an inflation renaissance and increased domestic investor participation. We interpret the Bank of Japan's move towards positive rates as a step towards normalisation rather than tightening, and the end of yield curve control as a catalyst for institutional investors to rotate capital into the market. Our analysis of EMEA portfolios highlights ample room for upping allocations: Japanese equities account for only 3.6% of the average equity sleeve and 1.6% of the average whole portfolio – see the chart above.[2] Closing the underweight could help to diversify the equity sleeve from areas of concentration, such as the Magnificent 7; an unhedged position in Japanese equities, moreover, can act as a diversifier if global equities fall, as yen appreciation tends to outweigh the equity downside.[3] Index exposure can offer simplified access to Japanese large and mid-cap equities, serving as a core building block to close the gap in portfolios. For those looking to take allocations further, flexible alpha-seeking strategies can combine bottom-up stock selection and a top-down thematic approach to capture Japan's structural tailwinds.

For data reference sources, please refer to the notes on page 10.

Active equity income as ballast

Elevated macro uncertainty and the decoupling of traditional asset correlations have led investors to seek sources of return with less correlation to broad equity market risk. Dividend strategies offer a defensive tilt within equities, with consistent cash flows helping to boost diversification. Our systematic equity income strategies take an innovative approach to generating income with lower volatility – by combining human insight, big data and AI/machine learning – balancing yield targets without compromising defensive qualities. An options overlay allows them to potentially enhance income and participate in market upside with minimal drawdowns and illustrates how investors are getting more granular and sophisticated when it comes to diversifying portfolios through index and active strategies.

Diversifying through liquid alts

As a result of higher interest rates, some investors have decreased their allocations to liquid alternatives in favour of fixed income over recent years. However, heightened correlation of fixed income to equities means bonds may not provide the same ballast in portfolios. We believe liquid alternatives, especially those targeting higher absolute returns, could enhance portfolios by delivering returns without as much broad equity market risk. Macro-trading strategies have the ability to invest across regions and asset classes, and may be able to deliver strong outcomes to investors due to their ability to capitalise on dispersion and fluctuations in growth, inflation, policy and pricing, and to add alpha on top of cash rates.

Moreover, strategies focusing on specialised market segments – for example, equity markets in Asia-Pacific, which show high levels of intra-asset class dispersion – are also poised to deliver positive risk-adjusted returns. Through bottom-up analysis, such strategies can offer a liquid pure alpha play to navigate idiosyncratic dislocations in the region and generate potential returns from single names in both the long and short book.

Hedging for geopolitical risk via gold

We remain constructive on gold. The precious metal has registered all-time highs this year, driven by continued demand from central banks. We expect this to support prices into year-end, despite the recent pause in gold buying by the People's Bank of China. Prices have rebounded from a sharp dip after the announcement, amid robust demand from other central bank buyers.[4]

We see a strong role for gold as a diversifier and portfolio hedge, with inflation expected to remain above central bank targets in many DMs, and elections and ongoing conflicts driving geopolitical risk higher. The longer gold is held as a structural allocation in portfolios, the better its diversification benefits, we find, with a <0.3 correlation to broad equities over a 10Y+ period.[5] We've recently seen investor interest in the metal rise, with flows into global gold ETPs turning positive in May and June, led by EMEA investors, after 12 months of outflows.[6] Increased interest has also come through in gold options during periods of elevated geopolitical tension this year, as investors seek to hedge and maintain exposure for further gold upside.

Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product. See appendix for 5Y data. For data reference sources, please refer to the notes on page 10.

Building strategic exposure to private markets

As technology, central bank rate paths, and the low-carbon transition landscape evolve, we think private equity (PE) offers several advantages when blended with public equities in a portfolio, beyond a pure returns basis. While global policy rates are expected to decline over H2, the cutting cycle may be shallow – keeping rates higher for longer. This has shifted PE investing from a focus on leverage and multiple expansion to operational improvements, revenue growth and margin expansion. We expect the asset class to continue generating strong returns over a strategic horizon, with M&A activity already up 34% YoY in Q1 this year.[9] The BlackRock Investment Institute's Capital Market Assumptions point to an optimal private markets allocation of 15-20% – yet our analysis shows that, on average, EMEA portfolios allocate less than 1% to the asset class, suggesting widespread structural underallocation.[9]

We favour exposure to strategies offering a high-conviction portfolio of private equity assets, with potential diversification benefits and upside through the private nature of the constituent firms.

'Outsourcing' diversification through multi-asset funds

Heightened macro uncertainty over the past year has meant that investors have had to work harder to diversify their portfolios for all-weather situations. Yet markets are interconnected and new information can impact more than one asset class – especially with mega forces at play. Fluctuations in economic activity and investor sentiment may not have an equal impact across various segments that can comprise an asset class, so portfolio resilience is key.

In an environment of greater dispersion and multiple expansion, investors may choose to 'outsource' portfolio diversification by allocating high-conviction, unconstrained multi-asset strategies. A combination of high-conviction stocks and a diversified bond allocation may be well-positioned to capitalise on broader themes such as inflation and interest rate volatility and can also serve to provide differentiated alpha.

For data reference sources, please refer to the notes on page 10.

Notes

Equities (p. 2–4)

1, 3 Source: Bloomberg, as of 28 June 2024.
2 Source: Bloomberg, as of 18 June 2024. Note: equity market as represented by SPX Index.
4 Source: LSEG Datastream, as of 7 May 2024.
5, 8, 17 Source: BlackRock and Markit, as of 28 June 2024.
6 Source: Bloomberg, as of 20 May 2024. Based on estimates on the Stoxx Europe 600 Banks Index.
7 Source: Goldman Sachs, as of 21 May 2024.
9 Source: LME, Bloomberg, as of 15 April 2024.
10 Source: Bloomberg, June 2024.
11 Source: Bloomberg, June 2024.
12 Source: BlackRock, as of 28 June 2024.
13, 14 Source: BlackRock, The new infrastructure blueprint, June 2024.
15 Source: Joule, "The growing energy footprint of artificial intelligence," October 2023.
16, 18 Source: LSEG Datastream, MSCI , as of 31 May 2024.

Fixed income (p. 5–6)

1, 2, 3, 8 Source: Bloomberg, as of 28 June 2024.
4 Source: Bloomberg, June 2024.
5 Source: BlackRock and Markit, as of 28 June 2024.
6 Source: Reuters, as of 1 December 2023.
7 This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise – or even estimate – of future performance. Source: BlackRock Investment Strategy EMEA, BlackRock Aladdin, Morningstar. Portfolio average allocation based on 294 moderate multi-asset portfolios collected by between 02/01/2024 – 28/03/2024. Currency: EUR. Correlations data as of 21 May 2024. For Illustrative purposes only, and subject to change.
9 Source: Bloomberg, June 2024.
10 Source: Bloomberg, June 2024.
11 Source: Bloomberg, June 2024.

Portfolio diversifiers (p. 7–9)

1 Source: Source: LSEG Datastream. Bonds represented by the US Generic Government 10Y Index, stocks represented by the S&P 500 Index.
2 Source: BlackRock and MSCI, as of 30 April 2024. Time period: 10 years. Morningstar, EMEA average portfolio positioning as of 31 March 2024. These portfolios represent a sample of the various possible solutions on the efficiency frontier. BlackRock has not considered the specific needs of the client and is not making any recommendation of any particular option. You should consider the most appropriate allocation for your needs. 'Whole portfolio' allocations based on equity sleeve accounting for 45% of portfolio.
3 Source: BlackRock, June 2024.
4 Source: Bloomberg, as of 28 June 2024.
5 Source: Bloomberg, June 2024.
6 Source: BlackRock and Markit, as of 28 June 2024.
7 Source: BlackRock, June 2024.
8 Source: BlackRock Portfolio Consulting EMEA, BlackRock Aladdin, Morningstar, March 2024. Portfolio average allocation based on 294 moderate portfolios collected between 02/01/2024 – 28/03/2024. Currency: EUR.

Annual flows into global ETPs by exposure type, 2019 – 2024 to date

	2019	2020	2021	2022	2023	2024 YTD
European equity	-$5.2B	$7.6B	$27.5B	-$16.5B	$7.6B	$12.8B
Indian equity	$1.1B	$0.13B	$0.83B	-$0.94B	$9.99B	$9.2B
Eurozone rates	$1.0B	$4.9B	$2.6B	$6.7B	$12.8B	$5.0B
Energy sector	-$4.2B	$24.9B	$25.2B	-$1.9B	-$9.2B	-$5.7B
Gold	$19B	$45.5B	-$9.7B	-$3.3B	-$14.9B	-$5.8B

Source: BlackRock and Markit, as of 3 July 2024. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.**

BlackRock's Long-Term Capital Market Assumption Disclosures: This information is not intended as a recommendation to invest in any particular asset class or strategy or product or as a promise of future performance. Note that these asset class assumptions are passive, and do not consider the impact of active management. All estimates in this document are in US dollar terms unless noted otherwise. Given the complex risk-reward trade-offs involved, we advise clients to rely on their own judgment as well as quantitative optimisation approaches in setting strategic allocations to all the asset classes and strategies. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Assumptions, opinions and estimates are provided for illustrative purposes only. They should not be relied upon as recommendations to buy or sell securities. Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. If the reader chooses to rely on the information, it is at its own risk. This material has been prepared for information purposes only and is not intended to provide, and should not be relied on for, accounting, legal, or tax advice. The outputs of the assumptions are provided for illustration purposes only and are subject to significant limitations. "Expected" return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. Because of the inherent limitations of all models, potential investors should not rely exclusively on the model when making an investment decision. The model cannot account for the impact that economic, market, and other factors may have on the implementation and ongoing management of an actual investment portfolio. Unlike actual portfolio outcomes, the model outcomes do not reflect actual trading, liquidity constraints, fees, expenses, taxes and other factors that could impact future returns.

Index Disclosures: Index returns are for illustrative purposes only and do not represent any actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index.

General disclosure: This material is intended for information purposes only, and does not constitute investment advice, a recommendation or an offer or solicitation to purchase or sell any securities to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. This material may contain estimates and forward-looking statements, which may include forecasts and do not represent a guarantee of future performance. This information is not intended to be complete or exhaustive. No representations or warranties, either express or implied, are made regarding the accuracy or completeness of the information contained herein. The opinions expressed are as of May 2024 and are subject to change without notice. Reliance upon information in this material is at the sole discretion of the reader. Investing involves risks.

EIIiH0724E/M-3687874-11/18

Risk Warnings

Capital at risk. 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 and depend on personal individual circumstances.

Regulatory Information

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 Advisors (UK) Limited, which is 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. 00796793. For your protection, 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 Israel: 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 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 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.

For investors 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.

For 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.

For investors in the Dubai International Financial Centre

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.

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 06/07, Level 1, Al Fattan Currency House, DIFC, 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 Bahrain

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 authorised financial adviser.

For investors 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.

For investors in Oman

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 authorised financial adviser.

For investors in Qatar

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 authorised financial adviser.

For investors in 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 authorised financial adviser.

For investors in 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.

For investors in South Africa and Mauritius

The information contained in this document is intended strictly for Sophisticated Investors.

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.

For investors in Botswana, Namibia, and Kenya

The information contained in this document is intended strictly for Central Banks and Sovereign Investors.

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.

For investors in Egypt

The information contained in this document is intended strictly for Central Banks and Sovereign clients.

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.

For investors in Azerbaijan, Jordan, Kazakhstan, and Pakistan

The information contained in this document is intended strictly for Central Banks and Sovereign Investors.

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.

The information contained in this document is intended for the exclusive use of Central Banks and Sovereign Investors and is not for redistribution or further dissemination.

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 does not hold any regulatory licenses or registrations in **Egypt, Azerbaijan, Jordan, Kazakhstan**, and **Pakistan** and is therefore not licensed to conduct any regulated business activity under the relevant laws and regulations as they apply to any entity intending to carry on business in MEA, nor does BlackRock purport to carry on, any regulated activity in any country in MEA. BlackRock funds, and/or services shall not be offered or sold to any person in any jurisdiction in which such an offer, solicitation, purchase, or sale would be deemed unlawful under the securities laws or any other relevant laws of such jurisdiction(s).

This material is provided to the recipient on a strictly confidential basis and is intended for informational or educational purposes only. Nothing in this document, directly or indirectly, represents to you that BlackRock will provide, or is providing BlackRock products or services to the recipient, or is making available, inviting, or offering for subscription or purchase, or invitation to subscribe for or purchase, or sale, of any BlackRock fund, or interests therein. This material neither constitutes an offer to enter into an investment agreement with the recipient of this document, nor is it an invitation to respond to it by making an offer to enter into an investment agreement.

The distribution of the information contained herein may be restricted by law and any person who accesses it is required to comply with any such restrictions. By reading this information you confirm that you are aware of the laws in your own jurisdiction regarding the provision and sale of funds and related financial services or products, and you warrant and represent that you will not pass on or utilize the information contained herein in a manner that could constitute a breach of such laws by BlackRock, its affiliates or any other person.

Latin America

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 investment advice or an offer or solicitation to sell or a solicitation of an offer to buy any shares of any fund or security and it is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of your relevant jurisdiction. If any funds are mentioned or inferred in this material, such funds may not been registered with the securities regulators of Argentina, Brazil, Chile, Colombia, Mexico, Panama, Peru, Uruguay or any other securities regulator in any Latin American country and thus, may not be publicly offered in any such countries. The securities regulators of any country within Latin America have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America. The contents of this material are strictly confidential and must not be passed to any third party.

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

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 Chile, the sale of each fund not registered with the CMF is subject to General Rule No. 336 issued by the SVS (now the CMF). The subject matter of this sale 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 sale of each fund discussed herein, if any, 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. With the receipt of these materials, and unless the Client contacts BlackRock with additional requests for information, the Client agrees to have been provided the information for due advisory required by the marketing and promotion regulatory regime applicable 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.

In Peru, this private offer does not constitute a public offer, and is not registered with the Securities Market Public Registry of the Peruvian Securities Market Commission, for use only with institutional investors as such term is defined by the Superintendencia de Banca, Seguros y AFP.

In Uruguay, the securities are not and will not be registered with the Central Bank of Uruguay. The Securities are not and will not be offered publicly in or from Uruguay and are not and will not be traded on any Uruguayan stock exchange. This offer has not been and will not be announced to the public and offering materials will not be made available to the general public except in circumstances which do not constitute a public offering of securities in Uruguay, in compliance with the requirements of the Uruguayan Securities Market Law (Law Nº 18.627 and Decree 322/011).

For investors in Central America, these securities have not been registered before the Securities Superintendence of the Republic of Panama, nor did the offer, sale or their trading procedures. The registration exemption has made according to numeral 3 of Article 129 of the Consolidated Text containing of the Decree-Law No. 1 of July 8, 1999 (institutional investors). Consequently, the tax treatment set forth in Articles 334 to 336 of the Unified Text

containing Decree-Law No. 1 of July 8, 1999, does not apply to them. These securities are not under the supervision of the Securities Superintendence of the Republic of Panama. The information contained herein does not describe any product that is supervised or regulated by the National Banking and Insurance Commission (CNBS) in Honduras. Therefore any investment described herein is done at the investor's own risk. In Costa Rica, any securities or services mentioned herein constitute an individual and private offer made through reverse solicitation upon reliance on an exemption from registration before the General Superintendence of Securities ("SUGEVAL"), pursuant to articles 7 and 8 of the Regulations on the Public Offering of Securities ("Reglamento sobre Oferta Pública de Valores"). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica. The product being offered is not intended for the Costa Rican public or market and neither is registered or will be registered before the SUGEVAL, nor can be traded in the secondary market. If any recipient of this documentation receives this document in El Salvador, such recipient acknowledges that the same has been delivered upon their request and instructions, and on a private placement basis. In Guatemala, this communication and any accompanying information (the "Materials") are intended solely for informational purposes and do not constitute (and should not be interpreted to constitute) the offering, selling, or conducting of business with respect to such securities, products or services in the jurisdiction of the addressee (this "Jurisdiction"), or the conducting of any brokerage, banking or other similarly regulated activities ("Financial Activities") in the Jurisdiction. Neither BlackRock, nor the securities, products and services described herein, are registered (or intended to be registered) in the Jurisdiction. Furthermore, neither BlackRock, nor the securities, products, services or activities described herein, are regulated or supervised by any governmental or similar authority in the Jurisdiction. The Materials are private, confidential and are sent by BlackRock only for the exclusive use of the addressee. The Materials must not be publicly distributed and any use of the Materials by anyone other than the addressee is not authorized. The addressee is required to comply with all applicable laws in the Jurisdiction, including, without limitation, tax laws and exchange control regulations, if any.

For investors in the Caribbean, any funds mentioned or inferred in this material have not been registered under the provisions of the Investment Funds Act of 2003 of the Bahamas, nor have they been registered with the securities regulators of Bermuda, Dominica, the Cayman Islands, the British Virgin Islands, Grenada, Trinidad & Tobago or any jurisdiction in the Organisation of Eastern Caribbean States, and thus, may not be publicly offered in any such jurisdiction. The shares of any fund mentioned herein may only be marketed in Bermuda by or on behalf of the fund or fund manager only in compliance with the provision of the Investment Business Act 2003 of Bermuda and the Companies Act of 1981. Engaging in marketing, offering or selling any fund from within the Cayman Islands to persons or entities in the Cayman Islands may be deemed carrying on business in the Cayman Islands. As a non-Cayman Islands Engaging in marketing, offering or selling any fund from within the Cayman Islands to persons or entities in the Cayman Islands may be deemed carrying on business in the Cayman Islands. As a non-Cayman Islands person, BlackRock may not carry on or engage in any trade or business unless it properly registers and obtains a license for such activities in accordance with the applicable Cayman Islands law. In the Dominican Republic, any securities mentioned or inferred in this material may only be offered in a private character according to the laws of the Dominican Republic, falling beyond the scope of articles 1 numeral (31), 46 et al of Law 249-17 dated 19 December 2017, as amended and its Regulations. Since no governmental authorizations are required in such offering, any "securities" mentioned or inferred in this material have not been and will not be registered with the Stock Market Superintendency of the Dominican Republic (Superintendencia de Mercado de Valores de la República Dominicana), and these "securities" may only be circulated, offered and sold in the Dominican Republic in a private manner based on the criteria established under Dominican laws and regulations.

For Offshore Wealth Investors, for institutional investors and financial intermediaries only (not for public distribution). The information contained herein is for informational 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. An assessment should be made as to whether the information is appropriate for you having regard to your objectives, financial situation, and needs.

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.

This material is restricted to distribution to non-U.S. Persons outside the United States within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Any securities described herein may not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction and may not be offered, sold, pledged or otherwise transferred except to persons outside the U.S. in accordance with Regulation S under the Securities Act pursuant to the terms of such securities. In particular, any UCITS funds mentioned herein are not available to investors in the U.S. and this material cannot be construed as an offer of any UCITS fund to any investor in the U.S.

Any research in this document has been procured and may have been acted on by BlackRock for its own purpose. The results of such research are being made available only incidentally. The views expressed do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of any company in the BlackRock Group or any part thereof and no assurances are made as to their accuracy.

This document is for information purposes only and does not constitute an offer or invitation to anyone to invest in any BlackRock funds and has not been prepared in connection with any such offer.

© 2024 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS and iSHARES are trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.