

# BlackRock ESG Capital Allocation Term Trust (ECAT)

Commentary for First Quarter 2024

The views expressed reflect the opinions of the BlackRock Global Allocation Team as of 3/31/2024 and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

## Quarterly Highlights

*All information is as of 3/31/2024 unless otherwise noted*

**Performance:** During the quarter, stock markets around the world generally rose as the combination of resilient economic growth in the U.S., solid earnings gains, and continued investor optimism surrounding the growth potential of artificial intelligence (AI) pushed global share prices higher. Bond market performance was more challenged amidst elevated inflation and delayed rate cuts from the Federal Reserve. ECAT returned 10.6% on market price and 7.4% on net asset value (NAV) during Q1 2024.\*

**Distributions:** ECAT's distribution rate is 50% higher since inception 9/27/2021 (from \$0.10 to \$0.15). The portfolio's distribution rate based on market price was 9.3% annualized. NAV of \$18.93 per share plus the \$3.23 cumulative distributions paid equals \$22.16 per share.\*\*

**Portfolio:** The Trust increased its equity weighting to 71.4% from the 68.6% start of the quarter. During the quarter, overall exposure to fixed income was reduced from 27.4% to 25.7%.

**Private Investments:** ECAT is early in its build out of the private investment allocation (5.3% or \$101 million of the portfolio) and seeking meaningful exposure over the long run.\*\*\*

**Share Repurchases:** The Trust seeks to enhance shareholder value by purchasing its shares when trading at a discount to their NAV per share. ECAT has repurchased \$54 million of its shares, generating approximately \$11 million in accretion to the Trust's NAV.\*\*\*\*

**Discount Management Program (DMP):** The Trust has also announced the adoption of a DMP to repurchase a portion of its common shares via tender offer if certain conditions are met during specified periods. See the [5/3/2024 Press Release](#) for more details.\*\*\*

**Liquidity at NAV:** There will be a liquidity event at NAV for Trust shareholders in 2033.<sup>1</sup>

<sup>1</sup> ECAT has a contingent limited term structure and will offer investors a liquidity event at net asset value either at the Dissolution Date (as indicated below) or in connection an Eligible Tender Offer (as discussed below). The Trust intends to dissolve on or about September 27, 2033 (the "Dissolution Date") in accordance with its Agreement and Declaration of Trust; provided that the Board of Trustees of the Trust (the "Board") may vote to extend the Dissolution Date: (i) once for up to one year, and (ii) once for up to an additional six months, to a date up to and including eighteen months after the initial Dissolution Date (which date shall then become the Dissolution Date). Each holder of common shares would be paid a pro rata portion of the Trust's net assets upon dissolution of the Trust. The Board may also vote to cause the Trust to conduct a tender offer, as of a date within twelve months preceding the Dissolution Date (as may be extended as described above), to all common shareholders to purchase 100% of the then outstanding common shares of the Trust at a price equal to the NAV per common share on the expiration date of the tender offer (an "Eligible Tender Offer"). The Trust must have at least \$200 million of aggregate net assets immediately following the completion of an Eligible Tender Offer to ensure the continued viability of the Trust. Following the completion of an Eligible Tender Offer, the Board may vote to eliminate the Dissolution Date without shareholder approval and provide for the Trust's perpetual existence. If an Eligible Tender Offer would result in the Trust having aggregate net assets below \$200 million, the Eligible Tender Offer will be canceled, and the Trust will dissolve on its Dissolution Date. **The Trust is not a so called "target date" or "life cycle" fund whose asset allocation becomes more conservative over time as its target date, often associated with retirement, approaches. In addition, the Trust is not a "target term" fund and thus does not seek to return its initial public offering price per common share upon dissolution.** To increase awareness of this contingent limited term structure, ECAT's name changed to "BlackRock ESG Capital Allocation Term Trust" on April 5, 2023.

\* See page 5 for the performance table. Source: BlackRock as of 03/31/2024. The Trust's inception was 9/27/21. Returns are shown net of advisory fees paid by the Trust and net of the Trust's operating fees and expenses. As of the Trust's latest shareholder report dated 12/31/2023, the Trust's gross expense ratio is 1.36%. Investors who purchase shares of the Trust through an investment adviser or other financial professional may separately pay a fee to that service provider. **Past performance is not indicative of future results.** The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted, and numbers may reflect small variances due to rounding.

\*\* See page 6 for further information. Distribution rate is calculated by annualizing the Trust's latest declared regular distribution on 3/31/2024 and dividing that number by the Trust's market price as of 3/31/2024. The distribution rate is calculated net of expenses. ECAT's estimated source of distributions paid during the current fiscal year to date is 100% return of capital as of 03/31/2024. The amounts and sources of distributions reported are only estimates and are not provided for tax reporting purposes. **Past performance does not guarantee or indicate future results.** ECAT's IPO price was \$20 a share.

\*\*\* There are no assurances this level will be achieved.

\*\*\*\* Share repurchase data is provided by BlackRock as of 12/31/2023 and reflects share repurchases since the Trust's inception. The amount and timing of any repurchases under the Trust's Repurchase Program will be determined at the discretion of the Trust's management. There is no assurance that the Trust will repurchase shares in any particular amounts. The Trust's repurchase activity will be disclosed in its shareholder report for the relevant fiscal period. Any repurchases made under the Trust's Repurchase Program will be made on a national securities exchange at the prevailing market price, subject to exchange requirements and certain volume and timing limitations and other regulations under federal securities laws.

## A unique approach to capture alpha and high income with ESG considerations

- The BlackRock ESG Capital Allocation Term Trust (ECAT) (the “Trust”) is a closed-end fund (“CEF”) that has an unconstrained approach with the ability to invest in public and private markets across different asset classes, looking to identify untapped growth opportunities tied to the evolution of ESG. We believe that a generational shift toward sustainable practices, coupled with a large reallocation of capital towards ESG, presents a long-term investment trend. ECAT’s closed-end structure allows the management team to identify, what it believes to be advantageous capital appreciation and opportunities from around the globe.
- The Trust will utilize a proprietary ESG framework, with a minimum of 80% exposure in companies that the Global Allocation Team deem to have positive or neutral externalities from a sustainability perspective and will avoid all companies deemed to have negative externalities (Please see table on page 5 titled ESG Framework for details on externalities).
- ECAT is led by Rick Rieder, BlackRock’s CIO for Global Fixed Income and Head of Global Allocation Investments, along with portfolio managers Russ Koesterich, David Clayton, and Kate Moore. The team also partners closely with Ashley Schulten, Head of Fundamental ESG Investing in Global Fixed Income.

### Market Commentary <sup>1</sup>

- Global stocks rose, as measured by the MSCI World Index, gained +8.9% as the combination of resilient economic growth in the U.S., solid earnings gains, and continued investor optimism surrounding the growth potential of artificial intelligence (AI) pushed global share prices higher.
- Stocks enjoyed these gains despite an inflation backdrop that - while much improved since the mid 2022 - remains above the 2% long-term target. Although elevated U.S. inflation prints precluded the Fed from cutting rates, Fed commentary reinforced the expectation that U.S. inflation would continue to decline. This optimistic outlook served as a catalyst for investors to bid share prices higher, despite popular market expectations that the Fed would reduce from 6 rate cuts to 3 rate cuts in 2024.
- In Asia, Q1 2024 ushered in a historic policy shift in Japan. The Bank of Japan (BoJ) ended an 8-year stretch of negative interest rates in the world’s fourth largest economy, with a new era of stable inflation in sight.
- U.S. stocks were among the world’s best performers during the quarter, due to the resilience of U.S. economic growth, solid corporate profits, and continued optimism regarding the growth potential of artificial intelligence. Japanese stocks followed closely behind their U.S. peers as a combination of solid domestic demand, corporate management reforms, and continued progress against the Bank of Japan’s long fight against deflation, served as strong catalysts for share price gains. China was the only major equity market to decline during the quarter, as prices for new homes declined for the eighth consecutive month, weighing heavily on consumer sentiment.
- From a sector perspective, global telecom and technology continued to pace overall market leadership during the quarter. While U.S. equities may appear fully priced, much of the current valuation is attributable to a small handful of AI related stocks in the technology-related sectors. In addition, some cyclical sectors, including Financials & Industrials, also experienced double-digit gains for the quarter. Sector laggards included several “defensive” segments, such as REITs, Utilities, and Consumer Staples. These sectors may be susceptible to a rise in long-term government bond yields (as experienced over the quarter), given their potentially low growth/high dividend characteristics.
- Global bond performance was more challenged in Q1 amidst elevated inflation and delayed rate cuts from the Fed. Long-duration government bonds in both the U.S. and among several large developed-market issuers were among the market’s worst performers during the quarter. One standout in the government sector was emerging market bonds, as Mexico’s central bank delivered its first interest cut since 2021 during March, a trend that other Latin American countries had began in 2023. Across credit, U.S. high yield bonds and bank loans were among the market’s best performers,

### Market Index Returns \*

Stocks	Q1 2024 (%)	YTD (%)	Bonds	Q1 2024 (%)	YTD (%)
U.S. Large Cap	10.6	10.6	U.S. 10-Year Treasuries	-1.6	-1.6
U.S. Small Cap	5.2	5.2	U.S. Municipals	-0.4	-0.4
Global	8.9	8.9	U.S. Investment Grade	-0.1	-0.1
Europe	5.2	5.2	U.S. High Yield	1.5	1.5
China	-0.5	-0.5	U.S. Aggregate	-0.8	-0.8
Japan	10.4	10.4	International Sovereign	-3.4	-3.4
Emerging Markets (EM)	2.1	2.1	EM Sovereign	1.8	1.8

\* Source: Bloomberg as of 3/31/2024. The above illustrates the YTD returns of the following indexes in USD through 3/31/2024. U.S. large cap stocks represented by the S&P 500 Index, U.S. small cap stocks by the Russell 2000 Index, Global stocks represented by the MSCI World Net Total Return Index, European stocks by the MSCI Europe Index, Chinese stocks by the Shanghai Composite Index, Japanese stocks by the MSCI Japan Index, emerging market stocks by the MSCI Emerging Markets Index, U.S. Treasuries by the ICE BofA/ML 10-Year Treasury Index, U.S. municipal bonds by the S&P National AMT-Free Municipal Bond Total Return Index, investment grade bonds by the ICE BofA/ML U.S. Corporate Index, U.S. high yield bonds by the ICE BofA/ML U.S. High Yield Index, U.S. Aggregate by the Bloomberg U.S. Aggregate Bond Index, international bonds by the FTSE Non-USD World Gov’t Bond Index, EM bonds by the JPM EMBI Global Core Index.

Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

The Trust’s environmental, social and governance (“ESG”) investment strategy limits the types and number of investment opportunities available to the Trust and, as a result, the Trust may underperform other Trusts that do not have an ESG focus. The Trust’s ESG investment strategy may result in the Trust investing in securities or industry sectors that underperform the market as a whole or underperform other Trusts screened for ESG standards. In addition, companies selected by the index provider may not exhibit positive or favorable ESG characteristics.

1)Source: Bloomberg and BlackRock as of 3/31/2024.

- as resilient U.S. economic growth caused corporate bond spreads (relative to comparable maturity U.S. Treasuries) to narrow. Meanwhile, the higher duration sensitivity of U.S. investment grade bonds resulted in modest declines.
- Despite firmer than expected inflation data in Q1, we still believe the Fed will maintain its less hawkish tone, and if inflation data improves, may engage in modest interest rate cuts later this year.

## Changes over the quarter

### Equity Positioning

- As of quarter end, the Trust had a 71.4% weighting in equities, up from 68.6% at the end of December 2023.
- During Q1 2024, exposure to the information technology sector increased from 19.2% to 22.1%. The increase was largely driven by market movement as the Trust trimmed exposure within the sector via reductions in a number of enterprise resource planning software providers. While software continues to be a larger theme in the Trust, over the course of the quarter we pared back positioning in these names on the back of strong performance. Existing technology exposure remains tilted in favor of software providers and those semi-conductor companies that could potentially stand to benefit from AI related demand.
- Communication services represented the second largest sectoral increase and was driven by increases in media and internet / e-commerce positions as well as a large wireless tower operator.
- Financials represent an additional area of increased exposure as the team looked to emphasize cyclical exposure. Financials positioning was increased from 9.4% to 10% at the end of Q1. We rotated via a reduction in European and Japanese banks to fund purchases to select US money centers that could benefit from effective deposit management and strong capital return profiles. Over the quarter, we also added to our existing positions in payments.
- While equity exposure increased over the course of Q1, the Consumer Staples sector represented the largest decline from 3.7% to 2.9%. As a result, the team reduced exposure to the sector and reallocated capital to other equity positioning. Remaining exposure is largely concentrated in select food.

### Fixed Income Positioning

- During Q1 2024, overall exposure to fixed income was reduced from 27.4% to 25.7%. Within fixed income, investment grade (IG) credit decreased from 5.1% to 4.7% while high yield increased from 8.1% to 8.3%.
- Securitized assets were trimmed from 5.4% to 5.2% as was agency residential mortgage-backed securities which were reduced from 6.7% to 6.3%. Developed market sovereign bonds decreased from 0.9% to 0.5%. Over Q4 2023 the Trust decreased exposure to interest rate derivatives from -0.2% to 0.7%.
- Interest rate derivatives had been used in prior quarters to manage the duration profile of the Trust, however, elevated interest rate volatility has driven the cost of these instruments higher. Accordingly, the use of these derivatives came down in Q1, 2024.

### Option activity

- The team has used options as a primary source of income throughout the period, taking advantage of the pick-up in volatility in the options market in recent weeks to write covered call options.
- As of 3/31/2024, approximately 9.1% of the equity portion of the Trust was overwritten. The Trust continues to seek opportunities to generate option premiums during periods of heightened volatility.

### Leverage

- ECAT may utilize leverage to seek to enhance the distribution rate. However, there is no guarantee that these objectives can be achieved in all interest rate environments.
- As of 3/31/2024, the Trust has not used any financial leverage, such as borrowing to purchase additional investments.
- The Trust may have some transactions which can give rise to a form of economic leverage, notably using derivatives.

The information above is not a prediction of future performance or any assurance that comparable investment opportunities will be available at the time of investment. It is non-representative of all underlying investments made by the investment team and it should not be assumed that the investment team will invest in comparable investments, or that any future investments made by investment team will be successful. To the extent that these investments prove to be profitable, it should not be assumed that the investment team's other investments will be profitable or will be as profitable.

## Private investments in ECAT: <sup>1</sup>

- With respect to private investments, the Trust made a new private equity transactions, and several private debt transactions, bringing total private exposure to 5.3% as of 3/31/2024.
- Our goal is to gradually build a diversified portfolio<sup>2</sup> of private investments across equity and credit, with a general (but not exclusive) focus on technological innovation. Within private equity, we typically look for companies that we believe are growing revenue and consider the expected timeline to IPO (or other exit) as part of our analysis. Within private credit, the team seeks to identify opportunities for well-established businesses, with covenanted deals, and potential yields that may help during stressful periods.
- Over the quarter, a new private equity position was added from a software-first robotics company that provides a full-stack automation solution for high-end electronics manufacturing. Additionally, we added to an industry leading ultra-luxury hospitality provider.
- Within private credit, we added to a private home builder focused in a rapidly growing region of the country.

## Private Equity <sup>1</sup>

Investment Quarter	Company *	Industry	Current Value (\$m) <sup>***</sup>
Q4 2021	SaltPay	Software & Services	\$0.3
Q4 2021	Mountain	Software & Services	\$0.7
Q4 2021	Verge	Pharmaceuticals, Biotechnology & Life Sciences	\$1.7
Q1 2022	Volta	Automobiles & Components	\$0.0
Q1 2022	Lessen Inc	Consumer Durables & Apparel	\$3.0
Q1 2022	CLARIFY HEALTH **	Software	\$2.0
Q2 2022	Flyer	Software & Services	\$1.2
Q2 2022	Aiven	Software & Services	\$2.4
Q3 2022	Souce Global	Commercial and Professional Services	\$0.1
Q3 2022	Deep Insitnct	IT Services	\$2.8
Q3 2023	Verge Genomics	Biotechnology	\$0.3
Q4 2023	RapidSOS (Series C-1)	Information Technology	\$1.6
Q4 2023	Company A*	Information Technology	\$2.8
Q1 2024	Company B*	Information Technology	\$1.2
Q1 2024	Company C*	Information Technology	\$0.3
Q1 2024	Company D*	Industrials	\$1.0
Q1 2024	Company E*	Industrials	\$2.7

Shaded areas for illustrative purposes only.

## Private Credit <sup>1</sup>

Investment Quarter	Industry	Current Value (\$m) <sup>***</sup>
Q4 2021 – Q1 2024	ECAT Total Private Credit	\$76.9

**1) For the Private investments shown:** These investments were selected to illustrate the Trust's private investments made since the inception of the Trust. The investments shown should not be considered a recommendation to purchase or sell a particular investment. The information above is not a prediction of future performance or any assurance that comparable investment opportunities will be available at the time of investment. It is non-representative of all underlying investments made by the investment team and it should not be assumed that the investment team will invest in comparable investments, or that any future investments made by the investment team will be successful. To the extent that these investments prove to be profitable, it should not be assumed that the investment team's other investments will be profitable or will be as profitable. **Past performance does not guarantee or indicate future results.** Private companies that have gone public, merged or been acquired are not shown.

2) Diversification does not assure a profit and may not protect against loss of principal.

### Past performance is no guarantee of future results

\* As of 3/31/2024. For full holdings see [Shareholder Report](#). Company names are not disclosed for positions initiated in Q1 2024; these will be disclosed in the Q2 2024 commentary.

\*\* Private Preferred Equity

\*\*\* Figures are sourced from BlackRock and deemed to be accurate. Figures are unaudited.

## ECAT Portfolio/Trust Statistics as of 3/31/2024:

Asset Class Breakdown	% of Net Assets <sup>5</sup>
<b>Equity</b>	<b>71.4</b>
US	51.2
Developed Markets	17.6
Emerging Markets	2.6
<b>Fixed Income</b>	<b>25.7</b>
US	23.3
Developed Markets	1.8
Emerging Markets	0.6
<b>Cash</b>	<b>2.9</b>

ESG Framework	% of Net Assets <sup>5</sup>
Positive Externalities (PEXT)	48.3
Baseline Externalities (BEXT)*	31.7
Discussion on Externalities (DEXT)	20.0
Negative Externalities (NEXT)	--

\*Includes cash securities held within the Trust, all of which was classified as BEXT as of 3/31/2024.

**Externalities:** Externalities in general parlance is defined as the cost (or benefit) to a third party from an action undertaken by a different party. While they can be intended or unintended by the party taking action, those bearing the costs (or the benefits) generally have limited say in the matter. In our framework, the parties taking action are companies/issuers and the third parties bearing the cost (or benefit) are the broader society and environment. We look to identify and classify investments based on such externalities. The composition of the externalities are broadly environmental and social in nature. Environmental externalities range from climate change and emissions, to impact on biodiversity, clean transportation, alternative energy, or best-in-class environmental practices from companies with established science based targets or alignment per the Transition Pathway Initiative. Social externalities might range from product involvement in certain industries such as tobacco or controversial weapons manufacturing, poor health and safety standards relative to peers, to mortgage financing for underserved communities. We use both internal and external data sources to identify these externalities.

## ECAT statistics as of 3/31/2024

Equity Sector Breakdown	% of Net Assets <sup>5</sup>
Communication Services	4.4
Consumer Discretionary	7.7
Consumer Staples	2.9
Energy	1.5
Financials	10.0
Health Care	12.1
Industrials	7.2
Information Technology	22.1
Materials	1.5
Real Estate	1.0
Utilities	0.8

Fixed Income Sector Breakdown	% of Net Assets <sup>5</sup>
<b>Credit</b>	<b>12.9</b>
Investment Grade	4.6
High Yield	8.3
<b>Securitized</b>	<b>5.2</b>
ABS	0.4
CMBS	1.3
CLO	1.6
RMBS	1.9
Non-Agency RMBS	--
<b>Agency RMBS</b>	<b>6.3</b>
<b>Emerging Market Sovereign Bonds</b>	<b>0.4</b>
<b>Developed Market Sovereign Bonds</b>	<b>0.5</b>
<b>Municipals</b>	<b>0.2</b>

Top 10 Equity Holdings	% of Net Assets <sup>5</sup>
Microsoft Corp	3.3
Nvidia	2.4
Mastercard Inc	2.0
Eli Lilly	2.0
Marsh & McLennan Inc	1.7
ASML Holdings	1.6
Boston Scientific Corp	1.6
Salesforce Inc	1.5
Applied Material	1.3
Alphabet Inc	1.3

## Performance Summary\*\*

	1-Year 3/31/2023 – 3/31/2024	Since Inception Annualized: 9/27/2021 – 3/31/2024 <sup>4</sup>	Q1 2024
Total Return (NAV)	19.8%	6.3%	7.4%
Total Return (Market Price)	22.8%	2.7%	10.6%

\*\*Source: BlackRock as of 3/31/2024. The Trust's inception was 9/27/21. Returns are shown net of advisory fees paid by the Trust and net of the Trust's operating fees and expenses. As of the Trust's latest shareholder report dated 12/31/2023, the Trust's gross expense ratio is 1.36%. Investors who purchase shares of the Trust through an investment adviser or other financial professional may separately pay a fee to that service provider. Past performance is not indicative of future results. **The performance quoted represents past performance and does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's shares may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted, and numbers may reflect small variances due to rounding.

4. Performance figures reflect annualized returns

5. % of Net Assets represents the Trust's exposure based on the economic value of securities and is adjusted for futures, options, and swaps (except with respect to fixed income securities), and convertible bonds. This is subject to change.

The Trust has adopted a managed distribution plan (the “Plan”) to support a level monthly distribution of income, capital gains and/or return of capital. **The fixed amounts distributed per share or distribution rate, as applicable, are subject to change at the discretion of the Trust’s Board of Directors/Trustees.** Under its Plan, the Trust will distribute all available net income to its shareholders, consistent with its investment objectives and as required by the Internal Revenue Code of 1986, as amended (the “Code”). If sufficient income (inclusive of net investment income and short-term capital gains) is not available on a monthly basis, the Trust will distribute long-term capital gains and/or return capital to their shareholders in order to maintain a level distribution.

The Trust’s estimated sources of the distributions paid this month and for their current fiscal year are as follows:

**Estimated Allocations as of March 28, 2024**

Trust	Distribution	Net Income	Net Realized Short-Term Gains	Net Realized Long-Term Gains	Return of Capital
ECAT <sup>1</sup>	\$0.150000	\$0 (0%)	\$0 (0%)	\$0.0 (0%)	\$0.150000 (100%)

**Estimated Allocations for the fiscal year through March 28, 2024**

Trust	Distribution	Net Income	Net Realized Short-Term Gains	Net Realized Long-Term Gains	Return of Capital
ECAT <sup>1</sup>	\$0.450000	\$0 (0%)	\$0 (0%)	\$0.0 (0%)	\$0.450000 (100%)

<sup>1</sup>The Trust estimates that it has distributed more than its income and net-realized capital gains in the current fiscal year; therefore, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder’s investment is paid back to the shareholder. A return of capital distribution does not necessarily reflect the Trust’s investment performance and should not be confused with ‘yield’ or ‘income’. When distributions exceed total return performance, the difference will reduce the Trust’s net asset value per share.

**The amounts and sources of distributions reported are only estimates and are being provided to you pursuant to regulatory requirements and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon each Trust’s investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Trust will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.**

**Trust Performance and Distribution Rate Information:**

Trust	Average annual total return (in relation to NAV) for the 5-year period ending on 2/29/2024	Annualized current distribution rate expressed as a percentage of NAV as of 2/29/2024	Cumulative total return (in relation to NAV) for the fiscal year through 2/29/2024	Cumulative fiscal year distributions as a percentage of NAV as of 2/29/2024
ECAT <sup>*</sup>	5.48%	9.66%	5.12%	1.61%

\* Portfolio launched within the past 5 years; the performance and distribution rate information presented for this Trust reflects data from inception to 2/29/2024.

**Shareholders should not draw any conclusions about a Trust’s investment performance from the amount of the Trust’s current distributions or from the terms of the Trust’s Plan.**

**All investments involve risk, including the possible loss of the principal amount invested.**

# About BlackRock

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## Important information about the Trust

This document and the information contained herein relates solely to BlackRock ESG Capital Allocation Term Trust (ECAT). The information contained herein does not relate to, and is not relevant to, any other Trust or product sponsored or distributed by BlackRock or any of its affiliates. **This document is not an offer to sell any securities and is not a solicitation of an offer to buy any securities.**

**Carefully consider the Trust's investment objective, risk factors and charges and expenses before investing. This and other information can be found in the Trust's prospectus and shareholder reports which may be obtained by visiting the SEC Edgar database. Read the prospectus and shareholder reports carefully before investing.**

Common shares for the closed-end fund identified above are only available for purchase and sale at current market price on a stock exchange. A closed-end fund's dividend yield, market price and NAV will fluctuate with market conditions. The information for this Trust is provided for informational purposes only and does not constitute a solicitation of an offer to buy or sell Trust shares.

**Performance results reflect past performance and are no guarantee of future results. Current performance may be lower or higher than the performance data quoted. All returns assume reinvestment of all dividends. The market value and net asset value (NAV) of a Trust's shares will fluctuate with market conditions. Closed-end funds may trade at a premium to NAV but often trade at a discount.**

**Risks associated with the Trust's options strategy.** The ability of the Trust to generate current gains from options premiums and to enhance the Trust's risk-adjusted returns is partially dependent on the successful implementation of its options strategy. There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events.

**Restricted and illiquid investments risk.** The Trust may invest without limitation in illiquid or less liquid investments or investments in which no secondary market is readily available or which are otherwise illiquid, including private placement securities. The Trust may not be able to readily dispose of such investments at prices that approximate those at which the Trust could sell such investments if they were more widely traded and, as a result of such illiquidity, the Trust may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. Limited liquidity can also affect the market price of investments, thereby adversely affecting the Trust's NAV and ability to make dividend distributions. The financial markets in general, and certain segments of the mortgage-related securities markets in particular, have in recent years experienced periods of extreme secondary market supply and demand imbalance, resulting in a loss of liquidity during which market prices were suddenly and substantially below traditional measures of intrinsic value. During such periods, some investments could be sold only at arbitrary prices and with substantial losses. Periods of such market dislocation may occur again at any time. Privately issued debt securities are often of below investment grade quality, frequently are unrated and present many of the same risks as investing in below investment grade public debt securities.

There is no assurance that the Trust will achieve its investment objective. The Trust is subject to numerous risks, including investment risks discussed above. The Trust is not a complete investment program and you may lose money investing in the Trust. An investment in the Trust may not be appropriate for all investors.

The amounts and sources of distributions reported in any notices are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Trust's investment experience during the remainder of its fiscal year and may be subject to change based on tax regulations. The Trust will send a Form 1099-DIV for the calendar year that will tell how to report these distributions for federal income tax purposes.

Some BlackRock Trusts make distributions of ordinary income and capital gains at calendar year end. Those distributions temporarily cause extraordinarily high yields. There is no assurance that a Trust will repeat that yield in the future. Subsequent monthly distributions that do not include ordinary income or capital gains in the form of dividends will likely be lower.

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