# A quarter closer to retirement: LifePath® Dynamic

Active target date series – mutual fund

BlackRock.

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## About LifePath® Dynamic

LifePath Dynamic (LPD) combines two powerful levers often treated separately: long-term lifecycle design and active market positioning. Our glidepath is built on enduring structural forces—like demographics, income needs, and longevity—while our portfolios dynamically adjust to changing market conditions. Together, this approach enables participants to take the **right risk**, at the **right time**, across a **lifetime**.

Our approach is deliberately selective. Rather than layering multiple overlapping strategies, we build portfolios from a flexible set of high-conviction, complementary strategies—each designed to deliver a distinct source of return. The result: more precise risk-taking, clearly measurable sources of alpha, and a portfolio built to perform across market environments. This stands in contrast to traditional fund-of-funds approaches, which can dilute conviction and lead to index-like outcomes at active fees.

### Key takeaways

**Positioned for long-term performance through active management in Q2**

**Targeted rebalancing opportunities and real assets, while managing equity risk and higher U.S. yields**

**Leaning into diversification and positioning for long-term structural global shifts**

## Performance drivers

*As of 6/30/2026*

LPD enters the second half of the year with solid momentum against its baseline peer, LifePath Index (LPI), maintaining a consistent track record of excess returns over the long term, with LPD delivering an average of 45 basis points and 44 basis points of net of fee outperformance across vintages over 3- and 5-year periods, respectively.

| Active performance (%) (LPD vs. LPI) | QTD | 1-year | 3-year | 5-year | 10-year | Since Mandate Transition* |
|---|---|---|---|---|---|---|
| LifePath Dynamic Retirement K | 0.27 | -0.12 | 0.59 | 0.60 | 0.68 | 0.68 |
| LifePath Dynamic 2030 K | 0.05 | -0.13 | 0.49 | 0.63 | 0.72 | 0.70 |
| LifePath Dynamic 2035 K | -0.16 | 0.05 | 0.38 | 0.52 | 0.63 | 0.59 |
| LifePath Dynamic 2040 K | -0.17 | -0.11 | 0.52 | 0.61 | 0.66 | 0.62 |
| LifePath Dynamic 2045 K | -0.16 | -0.08 | 0.53 | 0.57 | 0.50 | 0.46 |
| LifePath Dynamic 2050 K | -0.24 | -0.22 | 0.43 | 0.25 | 0.32 | 0.27 |
| LifePath Dynamic 2055 K | -0.07 | -0.04 | 0.41 | 0.25 | 0.35 | 0.28 |
| LifePath Dynamic 2060 K | -0.14 | -0.12 | 0.42 | 0.29 | - | - |
| LifePath Dynamic 2065 K | 0.00 | -0.11 | 0.24 | 0.24 | - | - |
| LifePath Dynamic 2070 K | 0.07 | -0.02 | - | - | - | - |

Source: BlackRock, as of 6/30/2026. Performance is net of fee for the mutual fund K share. Returns shown for periods greater than one year are annualized. **Past performance does not guarantee future results.** Active performance is the difference in the standardized performance of LifePath Dynamic vintages and LifePath Index vintages. Refer to page 3 for standardized performance of each suite of funds. *Data calculated with a since mandate transition date of 12/01/2016. This is the first day of the month following the investment strategy change for LPD which occurred on 11/7/2016.

**+ Contributors**

**Portfolio sleeves:** This quarter's gains came from strong alpha generation across portfolio sleeves. Performance was positive overall. Tactical Opportunities (macro sleeve) and Diversified Equity (domestic equity sleeve) were the strongest contributors, capturing opportunities across global and local markets. Diversified Fixed Income (domestic fixed income sleeve) also added to performance over the period.

**– Detractors**

**Asset allocation**: Equity positioning was the largest detractor, in particular a tilt away from US tech as select names continue to benefit from the AI mega force. An overweight to the yen detracted as well given rate differentials have stabilized. Fixed Income was about flat over the quarter.

## How we adjusted portfolio positioning

Over the quarter, we remained nimble as markets weighed persistent inflation pressure, geopolitical risk, and shifting growth leadership. Positioning changes focused on selectively adding exposure to rebalancing beneficiaries and real assets, while managing regional equity risk and taking advantage of higher U.S. yields.

**Equities:** We remained broadly neutral at the directional level, while favoring select international and cyclical rebalancing beneficiaries over U.S. mega-cap concentration. In April, we introduced a small underweight to European equities. While improved Middle East headlines had supported near-term price action, we saw continued risks to European equity pricing given elevated energy prices and the market's reliance on strong fiscal spending.

**Fixed income**: We added exposure to the belly of the U.S. curve in April after U.S. 10-year yields had risen materially, reflecting the view that policymakers would have limited appetite for further increases in a key rate tied to mortgage affordability. In May, after long-end yields moved toward the top of their recent range, we bought back a small portion of our underweight to long-end bonds. In June, we further increased the portfolio's overweight to 10-year bonds as yields remained elevated and risks of a sharper Middle East escalation appeared more benign, while still maintaining an aggregate underweight to U.S. duration given our broader view that long-end yields could rise.

**Currencies**: We added back Australian dollar exposure in April following ceasefire news, as the probability of severe left-tail outcomes declined and a reversal of the terms-of-trade shock to Australia created scope for prior macro dynamics to re-emerge. In May, we added a further 1% AUD/USD exposure to increase relative exposure to industrial commodities and other "rebalancing beneficiaries," using Australia's export mix as a way to gain exposure to industrial commodities and rebalancing beneficiaries without holding the commodities directly.

## How we're navigating the next turn

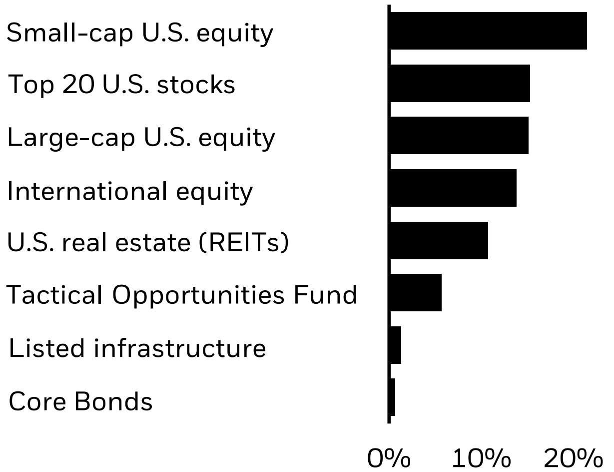
We're moving away from a long period of low inflation and easy growth into a more uncertain environment, where inflation may stay higher and global dynamics are changing. Recent events aren't the cause of this change—they're accelerating a transition already in motion.

**So what are we doing in LifePath Dynamic?**

- **Staying diversified for a wider range of outcomes**: Leveraging a broader toolkit—including inflation-sensitive exposures like commodity-linked currencies—to help navigate a market where inflation, geopolitics, and policy uncertainty remain key risks.
- **Taking a more cautious stance on bonds**: With inflation risks still present, we are selective in how we position across rates. We added to parts of the U.S. curve when yields looked more attractive but continue to be cautious on long-end duration. Near term, lower oil prices and calmer geopolitics have made the inflation backdrop somewhat more two-sided, but sticky services inflation, Fed uncertainty, and fragile Treasury liquidity keep the portfolio construction challenge in place.
- **Positioning for structural global shifts**: Including evolving growth dynamics, changing trade and commodity patterns, and potential opportunities in non-U.S. and commodity-linked markets.

In short, we're focused on helping portfolios stay resilient—not just for today's headlines, but for a changing investment landscape.

## Key asset class performance Q2 2026[1]




1 Source: Morningstar Direct as of 6/30/26. See page 4 for additional information on indices

# The bottom line

## Markets will shift. Retirement goals do not.

Staying invested through cycles is essential to long-term outcomes. This quarter reinforced the value of combining a long-term glidepath with active portfolio management — using a broader toolkit, trimming risk where appropriate, and staying focused on resilience through volatile market conditions.

For retirement investors, success is not about reacting to every headline. It is about staying invested in portfolios built to adapt — with diversified sources of return, thoughtful risk management, and a clear focus on helping participants reach their long-term goals.

## Standardized performance (as of 6/30/26)

| Fund | Net expense ratio | Gross expense ratio | Inception Date | 1-year | 5-year | 10-year | Since inception |
|---|---|---|---|---|---|---|---|
| LifePath Dynamic Retire K (LPSAX) | 0.34% | 0.54% | 5/30/2008 | 11.50% | 4.80% | 6.79% | - |
| LifePath Dynamic 2030 K (LPSDX) | 0.34% | 0.55% | 5/30/2008 | 13.57% | 6.28% | 8.96% | - |
| LifePath Dynamic 2035 K (LPJKX) | 0.34% | 0.55% | 6/30/2010 | 16.21% | 7.43% | 10.07% | - |
| LifePath Dynamic 2040 K (LPSFX) | 0.34% | 0.57% | 5/30/2008 | 18.49% | 8.74% | 11.21% | - |
| LifePath Dynamic 2045 K (LPHKX) | 0.34% | 0.56% | 6/30/2010 | 21.03% | 9.85% | 12.01% | - |
| LifePath Dynamic 2050 K (LPSGX) | 0.34% | 0.58% | 6/30/2008 | 23.01% | 10.45% | 12.45% | - |
| LifePath Dynamic 2055 K (LPVKX) | 0.34% | 0.56% | 6/30/2010 | 24.24% | 10.87% | 12.71% | - |
| LifePath Dynamic 2060 K (LPDKX) | 0.34% | 0.60% | 5/31/2017 | 24.34% | 10.96% | - | 12.11% |
| LifePath Dynamic 2065 K (LPWKX) | 0.34% | 0.66% | 10/30/2019 | 24.30% | 10.91% | - | 13.20% |
| LifePath Dynamic 2070 K (LPYKX) | 0.34% | 1.23% | 9/24/2024 | 24.34% | - | - | 18.51% |

| Fund | Net expense ratio | Gross expense ratio | Inception Date | 1-year | 5-year | 10-year | Since inception |
|---|---|---|---|---|---|---|---|
| LifePath Index Retire K (LIRKX) | 0.09% | 0.12% | 5/31/2011 | 11.62% | 4.20% | 6.11% | - |
| LifePath Index 2030 K (LINKX) | 0.09% | 0.13% | 5/31/2011 | 13.70% | 5.65% | 8.24% | - |
| LifePath Index 2035 K (LIJKX) | 0.09% | 0.13% | 5/31/2011 | 16.16% | 6.91% | 9.44% | - |
| LifePath Index 2040 K (LIKKX) | 0.09% | 0.13% | 5/31/2011 | 18.60% | 8.13% | 10.55% | - |
| LifePath Index 2045 K (LIHKX) | 0.09% | 0.14% | 5/31/2011 | 21.11% | 9.28% | 11.51% | - |
| LifePath Index 2050 K (LIPKX) | 0.09% | 0.14% | 5/31/2011 | 23.23% | 10.20% | 12.13% | - |
| LifePath Index 2055 K (LIVKX) | 0.09% | 0.14% | 5/31/2011 | 24.28% | 10.62% | 12.36% | - |
| LifePath Index 2060 K (LIZKX) | 0.09% | 0.14% | 2/29/2016 | 24.46% | 10.67% | 12.40% | - |
| LifePath Index 2065 K (LIWKX) | 0.09% | 0.14% | 10/30/2019 | 24.41% | 10.67% | - | 13.22% |
| LifePath Index 2070 K (LIYKX) | 0.09% | 0.33% | 09/24/2024 | 24.36% | - | - | 19.18% |

| Fund | Net expense ratio | Gross expense ratio | Inception Date | 1-year | 5-year | 10-year | Since inception |
|---|---|---|---|---|---|---|---|
| Tactical Opportunities Fund (PBAIX) Institutional | 0.77% | 0.77% | 6/1/1993 | 12.05% | 7.42% | 6.12% | - |

**Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. All returns assume reinvestment of all dividend and capital gain distributions. Visit blackrock.com to obtain performance data current to the most recent month-end.**

Returns shown for periods greater than one year are annualized. LifePath Index 2060 K since inception represents common inception with LifePath Dynamic 2060 K for purposes of comparison.

The difference between gross and net expense ratios are due to contractual and/or voluntary waivers, if applicable. Any applicable contractual waiver will be terminable upon 90 days' notice. BlackRock may agree to voluntarily waive certain fees and expenses, which the adviser may discontinue at any time without notice. For this share class, the contractual waiver end date is June 30, 2027.

1 Source: Morningstar Direct as of 6/30/2026. Indices: Listed infrastructure represented by S&P Global Infrastructure Index, U.S REITs represented by FTSE Nareit All Equity REITs TR, small-cap U.S. equity represented by Russell 2000 Index, core bonds represented by Bloomberg US Agg Bond Index, international equity represented by MSCI ACWI Ex USA Index, large-cap U.S. equity represented by Russell 1000 Index, and top 20 U.S. stocks represented by S&P 500 Top 20 Select Index. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

# Important Notes

***Consider the investment objectives, risks, charges and expenses of the LifePath Funds carefully before investing. Each Fund's prospectus and, if available, summary prospectus contains this and other information about the portfolios and is available, along with information on other BlackRock funds, by calling 800-882-0052 or by visiting blackrock.com. The prospectus and, if available, summary prospectus should be read carefully before investing. Unless otherwise noted, all information contained herein is as of the date of this publication. The LifePath Funds may invest in other BlackRock funds not shown.***

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Each fund is managed to a specific retirement year (target date) included in its name which designates the approximate year an investor plans to start withdrawing money. The allocation to asset classes in each fund rebalances every quarter and becomes more conservative over time as investors move closer to their target retirement date. **The principal value of the funds is not guaranteed at any time, including at and after the target date.**

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