Credit Currents:

Insights across public and private credit

May 14, 2026

BlackRock

Dominique Bly
Macro Credit Research Strategist

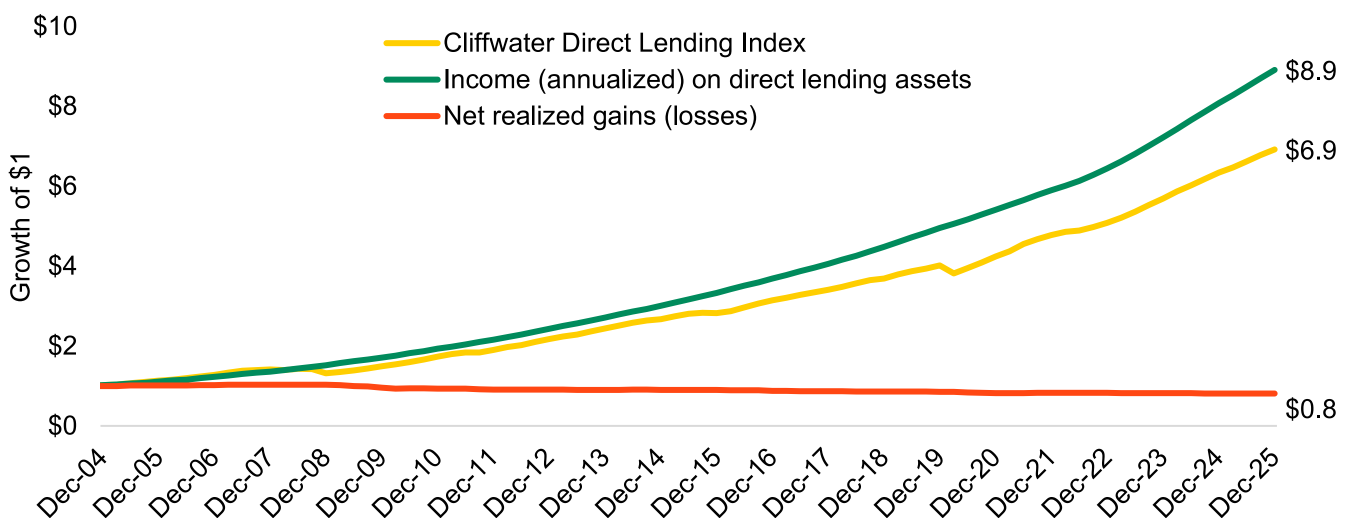
Topics in this piece:
Defaults
Private credit

Estimated read time: 10 minutes

Tracking default activity across credit markets (part II): private credit

1. **Private credit remains broadly resilient, but stress is visible beneath the surface.** Coverage ratios have improved, a majority of borrowers are still growing EBITDA, and realized losses remain modest relative to interest income. Still, weaker segments are showing pressure.
2. **Defaults can provide insight into underling credit conditions and stressed borrower cohorts.** However, reported default statistics can vary meaningfully because of differences in sample composition, calculation methodologies, and default definitions. As such, headline default rates should be interpreted carefully.
3. **Manager skill and recovery outcomes are becoming more important.** As borrower performance becomes more dispersed, underwriting discipline, portfolio construction, and workout expertise will likely play a larger role in determining realized losses and investor returns.

Exhibit 1: Interest income has been the dominant return component for the CDLI
Cliffwater Direct Lending Index (CDLI) cumulative returns by component



Source: Cliffwater Direct Lending Index, BlackRock. As of 4Q2025. Unrealized gains (losses) are excluded. Over time, unrealized marks may be realized through credit resolutions, sales, restructurings, or defaults, or may reverse if valuations improve or principal is repaid.

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

GPD0526-5487029-EXP0527-1/13

Tracking default activity across credit markets (part II): private credit

Concerns around private credit defaults have moved increasingly into focus as the credit cycle matures.

Yet despite pockets of stress beneath the surface, private credit fundamentals and aggregate performance continue to point to a broadly resilient backdrop. Borrower coverage ratios have improved, earnings growth remains positive, and realized losses remain modest relative to interest income.

Still, default activity highlights stress within weaker segments of the market.

We continue to see scope for increased differentiation in private credit borrower and manager outcomes ahead. In periods of heightened dispersion, recovery outcomes become increasingly relevant in shaping investor performance, reinforcing the importance of underwriting discipline, portfolio construction, and workout expertise.

In our previous *Credit Currents*, we examined default trends in syndicated markets. In this edition, we turn to private credit, where we assess default activity alongside broader fundamental and performance indicators to understand the current state of the private credit market.

Making sense of varying default rates

We begin by examining how private credit defaults are measured.

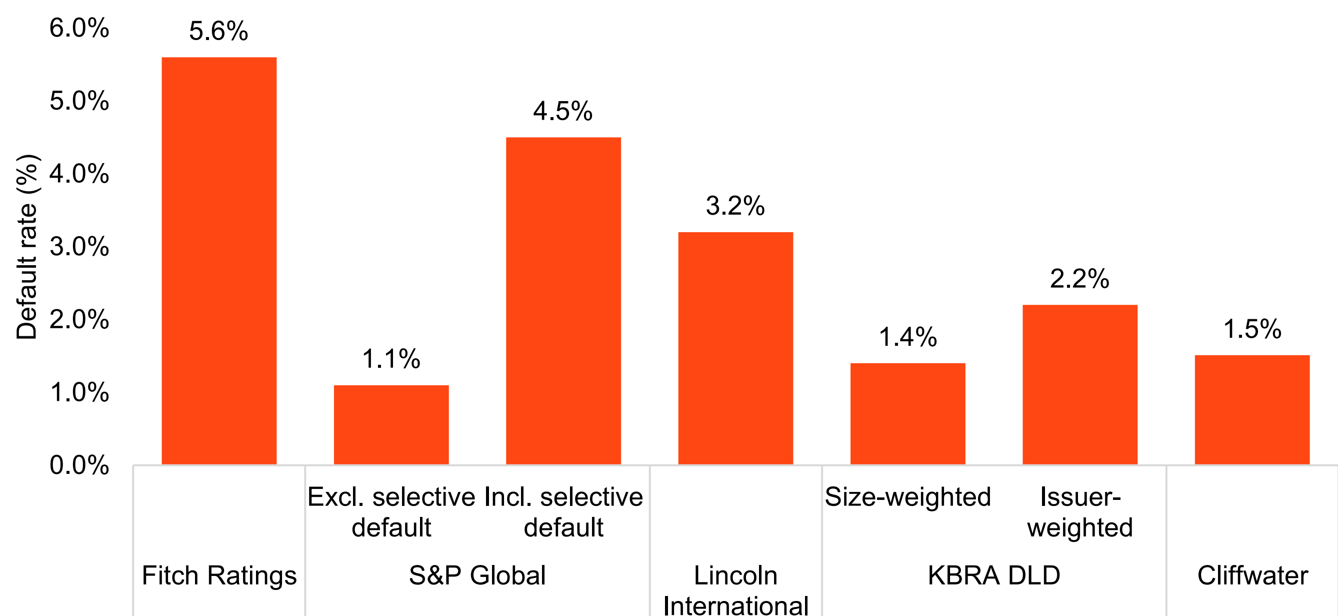
Private credit default rates can vary meaningfully across providers due to differences in sample composition, calculation methodologies, and default definitions. As such, variations between metrics may not necessarily reflect conflicting views, but rather different ways of measuring default activity.

Exhibit 2 highlights the range of reported private credit default rates. For comparability, we use year-end 2025 data across all providers because it is the most recent available for the Cliffwater Direct Lending Index. Most notable, in our view, is the divergence in reported default rates, both across providers and across different metrics within the same provider (e.g., S&P Global default rate excluding selective defaults and including selective defaults).

Exhibit 3 (next page) summarizes the underlying methodology for each dataset using the most recent data available, while Exhibits 12-16 show a time series for each provider's default rate.

Exhibit 2: Default rates vary meaningfully across providers

Private credit default rates across various data providers, as of year-end 2025, most recent available for the Cliffwater Direct Lending Index



Source: Fitch Ratings, S&P Global, Lincoln International, KBRA DLD, Cliffwater, BlackRock. As of December 31, 2025 (most recent available for Cliffwater Direct Lending Index). Default definitions for each are detailed on next page.

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

Sources of variation in default rates

Several factors can drive differences in reported default rates:

- **Sample composition.** The composition of the dataset is a key input. Smaller samples can be more volatile. Differences in borrower mix, such as borrower size or sector, can also influence activity.
- **Default definition.** What is considered a 'default' can vary meaningfully. Some measures focus only on more traditional events, such as bankruptcies or missed payments, while others capture a broader definition, including events such as distressed exchanges or loan amendments. This distinction is particularly relevant in private credit, where smaller lender groups and more flexible documentation allow for a wider range of negotiated outcomes before a formal default occurs.
- **Calculation methodology.** Default rates are typically measured in two ways:
  - *Issuer-weighted* measures treat each borrower equally, regardless of size, and are most useful for understanding how widespread stress is across the borrower base.
  - *Size-weighted* measures reflect the amount of capital involved in each default and are therefore more informative for assessing the potential economic impact on investors.

Exhibit 3: Default metrics are nuanced

Data provider	Sample composition	Calculation methodology	Default definition	Latest reported default rate[3]
Fitch Ratings	Combination of: (1) Non-BSL issuers in rated middle market CLOs and (2) direct lending issuers in Privately Monitored Rating portfolio 1,400 private credit issuers	TTM issuer-weighted (based on unique defaulters)	Bankruptcy, payment default, distressed debt exchange, or other material[1] reduction in terms	5.7%
S&P Global	Companies with S&P Global Ratings credit estimates 3,800+ credit estimates	TTM issuer-weighted	Conventional default[2]: default *across* capital structure Selective default (SD): default on *a portion of* the capital structure	Excluding SD: 0.9% Including SD: 4.4%
Lincoln International	Private companies tracked by Lincoln International 7,100 portfolio valuations	Size-weighted	Covenant default at quarter-end	3.1%
KBRA DLD	U.S. sponsor-owned companies financed by direct lending 2,900 issuers	TTM size- and issuer-weighted	Bankruptcies, missed payments, distressed exchanges, restructurings, distressed exits and zero fair value marks	Size-weighted: 1.2% Issuer-weighted: 1.6%
Cliffwater Direct Lending Index	Loan segments held in BDCs 21,000+ loan holdings	TTM size-weighted	New loan volume added to non-accruals, at cost / cost of debt investments outstanding in universe	1.5%

Source: Fitch Ratings, S&P Global, Lincoln International, KBRA DLD, Cliffwater Direct Lending Index, BlackRock. TTM = trailing twelve months. 1. A 'material reduction in terms' is an action taken to avoid bankruptcy or other payment default. This may include introduction of PIK or maturity extension, for example. 2. For S&P Global, a conventional default may capture a bankruptcy or payment failure across the capital structure. A selective default impacts only a portion of the capital structure, and may include activities such as deferral of interest payments, maturity extension, or PIK amendments to existing credit documents. 3. Fitch Ratings, S&P Global, and Lincoln International as of March 31, 2026. KBRA DLD is as of April 2026. Cliffwater Direct Lending Index as of year-end 2025.

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

Measures of default activity also vary in the European private credit market

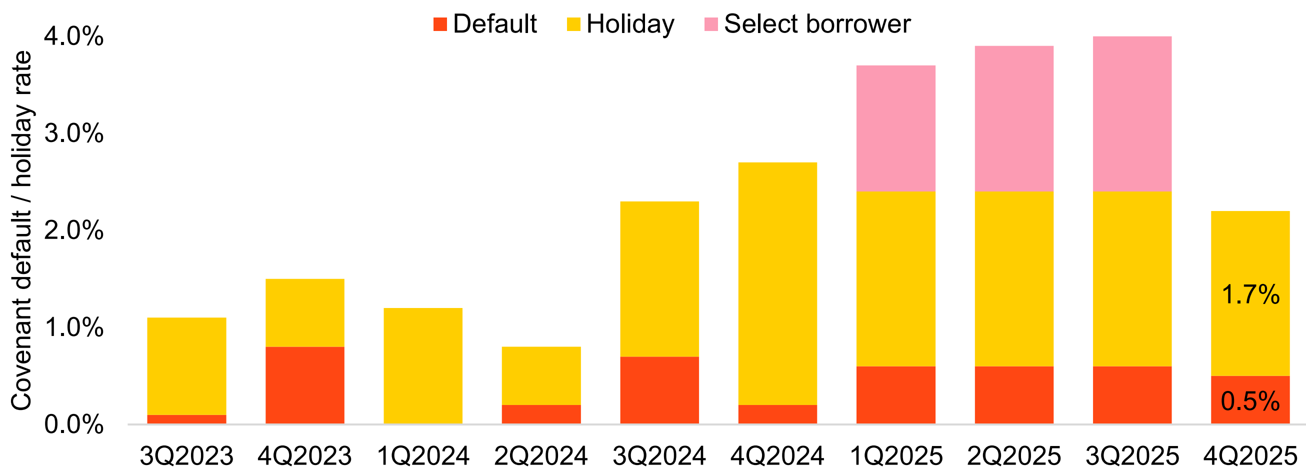
Many of the same considerations around default methodology also apply in the European private credit market, though available data continue to suggest that default activity remains modest in aggregate.

Exhibit 4 shows size-weighted default and payment holiday rates for European borrowers in the Lincoln International database. Notably, one large issuer drove much of the reported increase during the first three quarters of 2025. Excluding this borrower, both default and payment holiday activity remained relatively stable over the past year.

Exhibit 5 presents KBRA DLD trailing-twelve-month (TTM) default rates on both an issuer- and size-weighted basis. Importantly, the issuer-weighted default rate exceeds the size-weighted default rate, suggesting that default activity has been skewed toward smaller borrowers, broadly consistent with default trends across U.S. public and private credit markets.

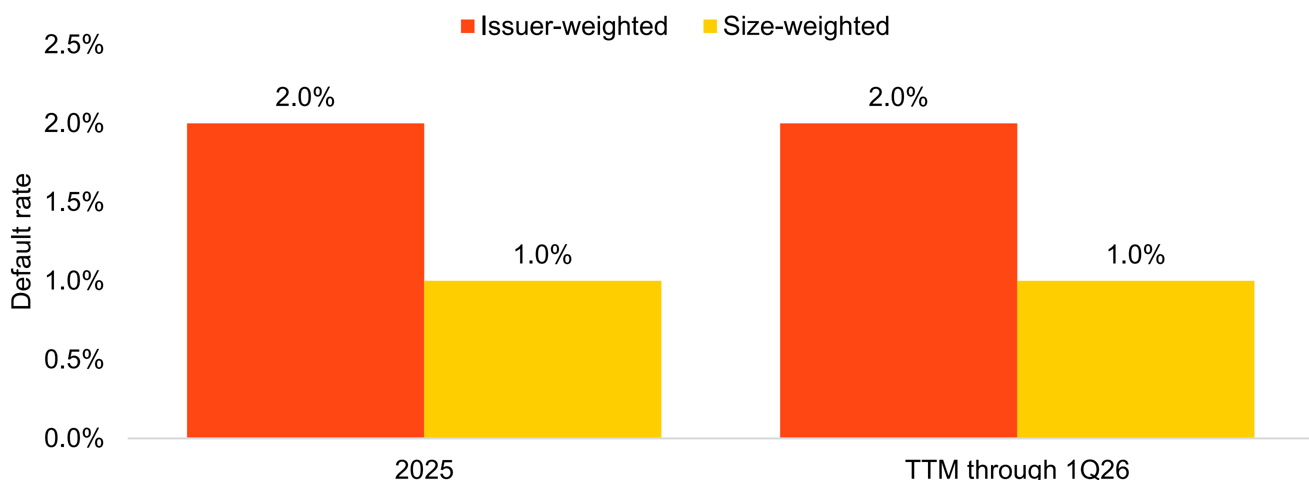
Importantly, European datasets are generally smaller than those in the U.S., reflecting the larger share of private credit assets in North America. Further, KBRA DLD notes that restructuring activity can be more challenging to observe in Europe, because disclosure requirements vary by jurisdiction. As such, reported data may not fully capture activity.

Exhibit 4: Default rates improved in 4Q2025, driven in part by one large issuer resolution
Size-weighted covenant default and holiday rate for European companies in the Lincoln VOG Proprietary Private Market database



Source: Lincoln International, BlackRock. 4Q2025 data is preliminary. *1Q-3Q2025 holiday activity is boosted materially by one large issuer, which represents a 1.3%, 1.5%, and 1.6% contribution to covenant holiday each quarter, respectively.

Exhibit 5: The count vs. volume weighting dynamic is also visible in European metrics
2025 and trailing 12-month default rate for the KBRA DLD Europe Index, issuer- and size-weighted



Source: KBRA DLD Default Research - Europe, BlackRock. Trailing 12-month as of March 31, 2026 (most recent available).

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

GPD0526-5487029-EXP0527-4/13

Default activity should be considered alongside other fundamentals

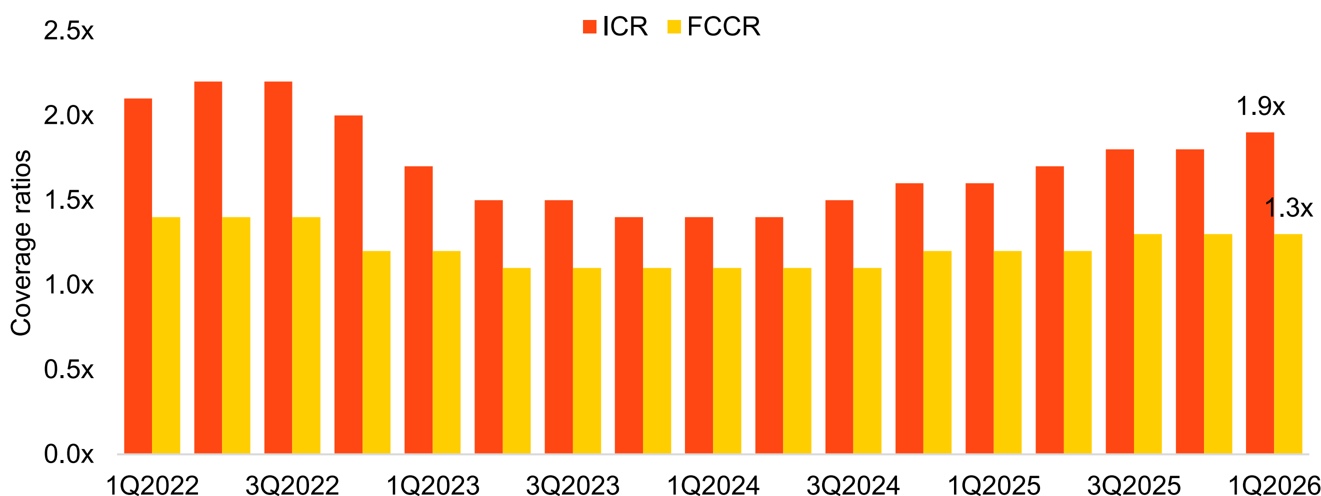
With this context, we view defaults as directionally informative, but most useful when considered with other fundamental indicators to provide a more complete view of asset class performance.

Exhibit 6 highlights borrower coverage ratios for U.S. borrowers within the Lincoln International universe. Both interest and fixed charge coverage have improved considerably since lows in 2024, suggesting borrowers are better positioned to meet ongoing debt service obligations.

Further, a majority of borrowers in the Lincoln universe continue to grow. As of 1Q2026, 63% of borrowers reported year-over-year adjusted EBITDA growth, broadly in line with longer-term averages. The average growth rate was 4.6%, modestly above the 10-year average of 3%.

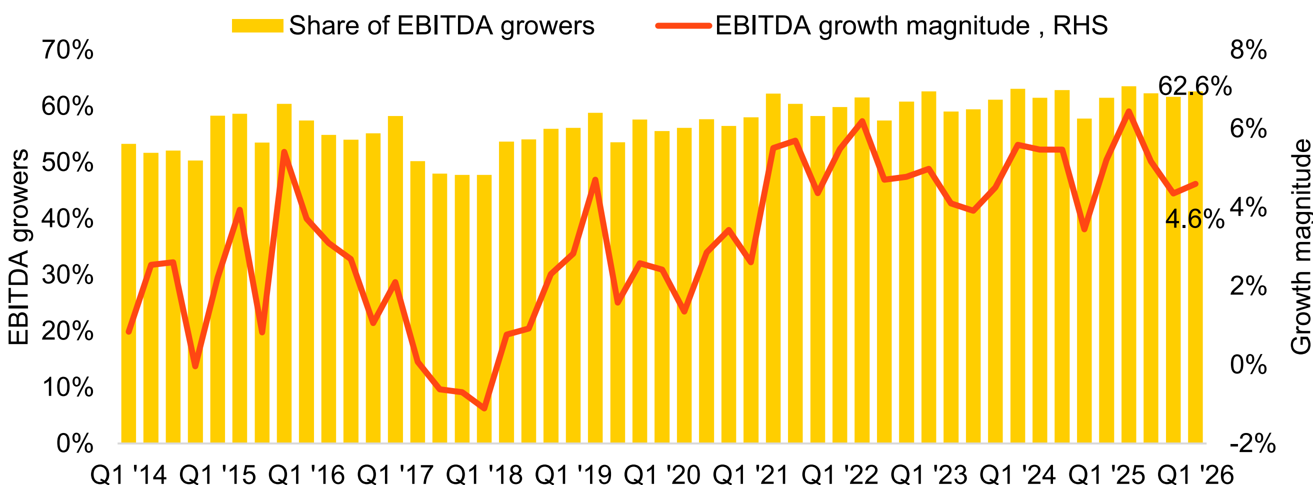
Taken together, these trends suggest that, despite a more volatile macro backdrop, aggregate operating fundamentals remain stable, with coverage metrics and continued earnings growth supporting financial flexibility.

Exhibit 6: Interest coverage has improved for private credit borrowers…
Size-weighted interest and fixed charge coverage ratios for U.S. companies valued by Lincoln International



Source: Lincoln Lens - Private Market Intelligence. Population includes first lien / unitranche loans only. As of 1Q2026. Calculation of Interest Coverage = LTM EBITDA / Interest. Calculation of fixed charge coverage ratio = (LTM EBITDA – Taxes – Capex) / (Interest Expense + (1% * Total Debt)). Capital Expenditures ("Capex") utilizes LTM capex by default. If LTM Capex is unavailable, a proxy is determined using either NFY or LFY Capex.

Exhibit 7: …and a majority of private credit borrowers continue to report EBITDA growth
Percentage of companies reporting year-over-year (YoY), last twelve month (LTM) adjusted EBITDA growth, and average YoY LTM adjusted EBITDA growth, RHS



Source: Lincoln Lens – Private Market Intelligence, BlackRock. As of 1Q2026.

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

GPD0526-5487029-EXP0527-5/13

Isolating signals of stress

While interest coverage and growth metrics point to resilience, other fundamentals help identify areas of stress within the market.

Exhibit 8 shows Cliffwater's 'stress rate,' which combines the TTM default rate and amended payment-in-kind (PIK) rate. Defaults are defined as new loan value transitioning to non-accrual status. Amended PIK, often referred to as 'bad PIK', captures loans where interest shifts from cash to PIK after origination and the loan is marked below 96, both of which typically signal borrower pressure.

While the current stress rate of 3.5% remains below its average since 4Q2014 of 4.7%, its composition has shifted in recent years, with amended PIK accounting for a larger share. This suggests that amended PIK has become a more common tool for lenders to manage borrower stress. Cliffwater notes that the 'stress rate' may overstate stress, because loans that transition to PIK may later default and be counted twice in trailing metrics. Relatedly, non-accrual rates, which capture the share of loan value no longer current on interest payments, also remain below longer-term averages (Exhibit 9).

Taken together, these indicators suggest that stress among private credit borrowers remains relatively contained, though persistent.

Exhibit 8: Cliffwater's 'stress rate' has moderated from 2024 levels...

Stress rate (including TTM default rate and amended PIK rate), and realized losses (gains) for the Cliffwater Direct Lending Index

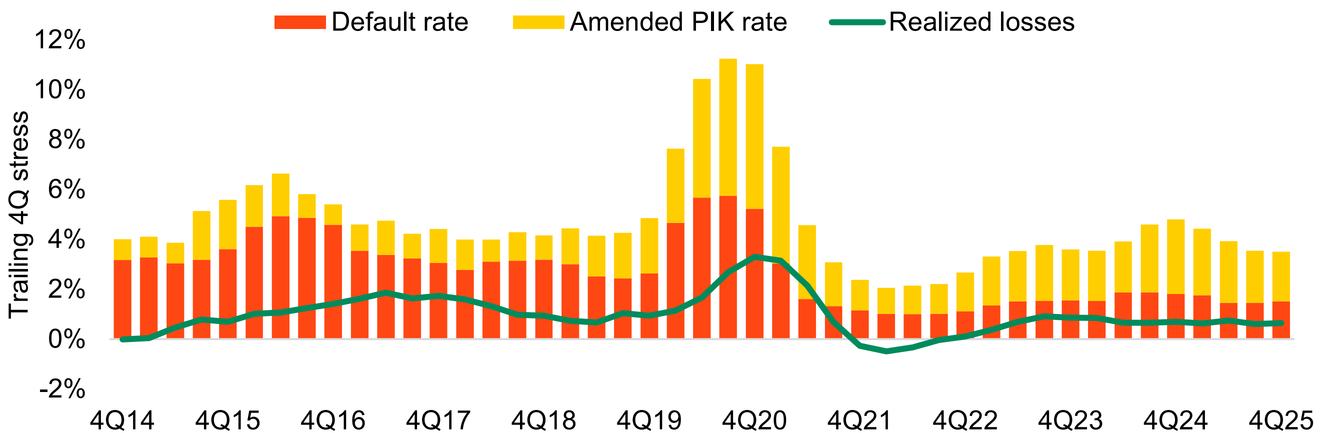
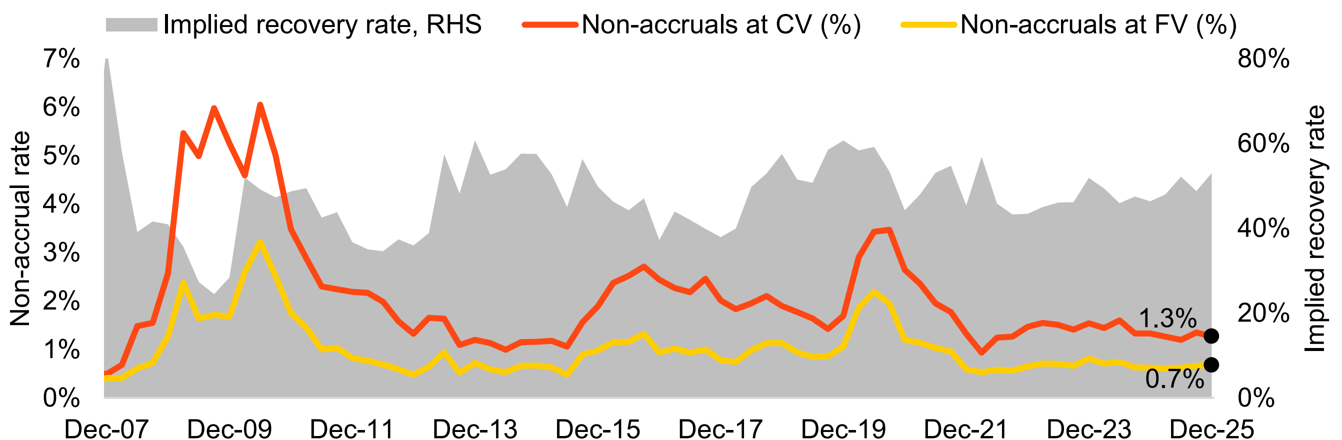


Exhibit 9: ...and non-accruals remain below historical averages

Non-accruals for the Cliffwater Direct Lending Index as a percentage of cost value (CV) and fair value (FV), and implied recovery rate, RHS



For both charts: Source: Cliffwater Direct Lending Index, BlackRock. As of 4Q2025 (most recent available). The implied recovery rate is equal to the fair value of loans on non-accrual divided by the cost (par) value of those same loans. Performance data represents past performance, which does not guarantee future results. Unlike the default rate, which captures new loans transitioning to non-accrual over a trailing period, non-accrual rates reflect the cumulative level of existing stressed loans at a point in time.

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

How default activity shapes total returns in private credit

Default activity can also inform investor outcomes, though the relationship is nuanced.

Many private credit strategies, including direct lending, are income-oriented, with investors primarily compensated through contractual interest income rather than asset appreciation. Exhibit 1 illustrates this using the CDLI, which captures a broad universe of direct lending portfolios, including more than 21,000 loan holdings and $549 billion in total assets as of 4Q2025.

Default activity can influence performance through reduced cash interest and realized losses. Following stress, lenders will often seek to maximize recovery values, meaning the ultimate performance impact depends not only on defaults, but also on recovery outcomes.

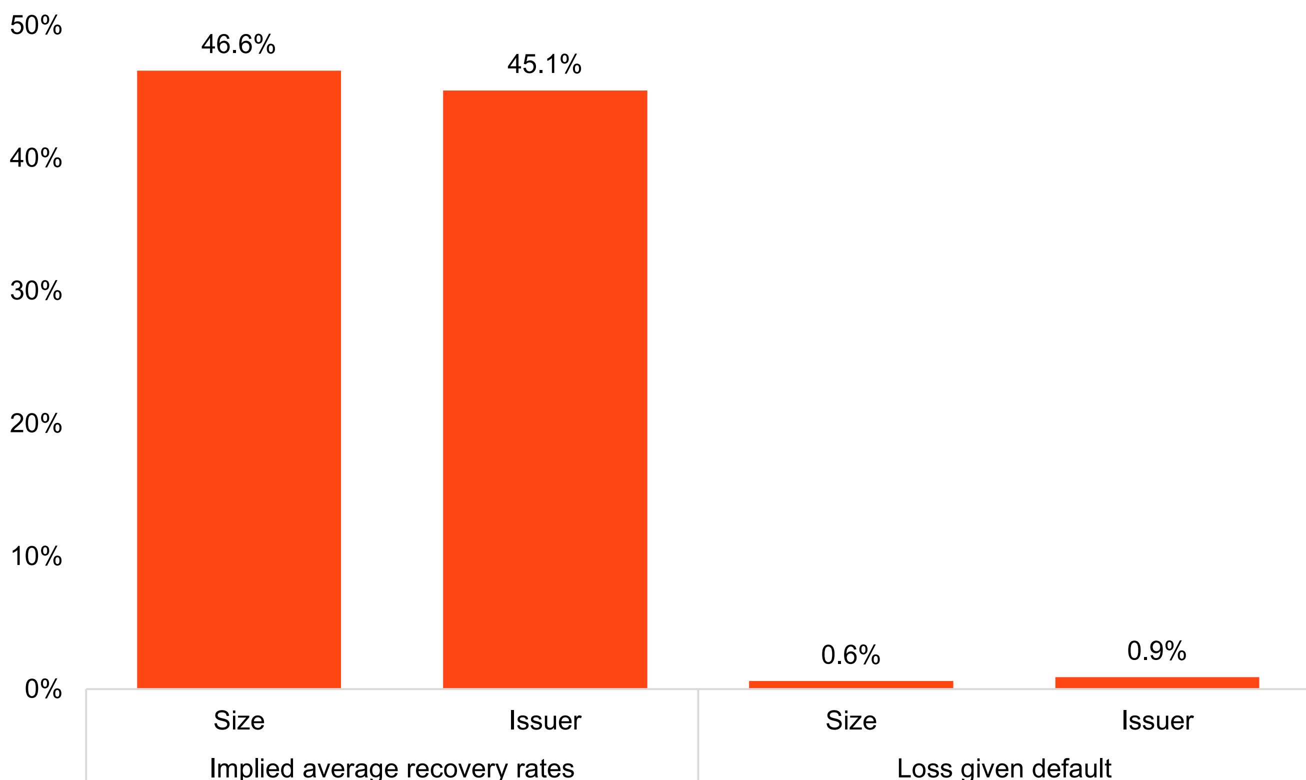
Exhibit 9 (previous page) uses data from the CDLI to demonstrate how implied recovery rates fluctuate over time. As of 4Q2025, implied recovery rates were approximately 53%, modestly above the longer-term average of 48%. Exhibit 10 provides additional context using KBRA DLD implied recovery and loss given default[1] data.

Importantly, realized losses have historically remained modest relative to interest income generated by the asset class. As of 4Q2025, realized losses were 0.64% for the trailing four quarters, below the longer-term average of approximately 1.0%, compared with a 10.37% interest income over the same period (Exhibit 11).

We see scope for increased differentiation across borrowers and managers ahead. In this environment, manager selection remains critical. Indeed, origination capabilities, underwriting discipline, portfolio construction, and workout expertise will likely play an increasingly important role in shaping recoveries, realized losses, and ultimately investor outcomes.

Exhibit 10: Recoveries are critical to investor outcomes

Trailing twelve-month implied average recovery rate and loss given default rate[1], size- and issuer-weighted, for the KBRA DLD U.S. Direct Lending Index

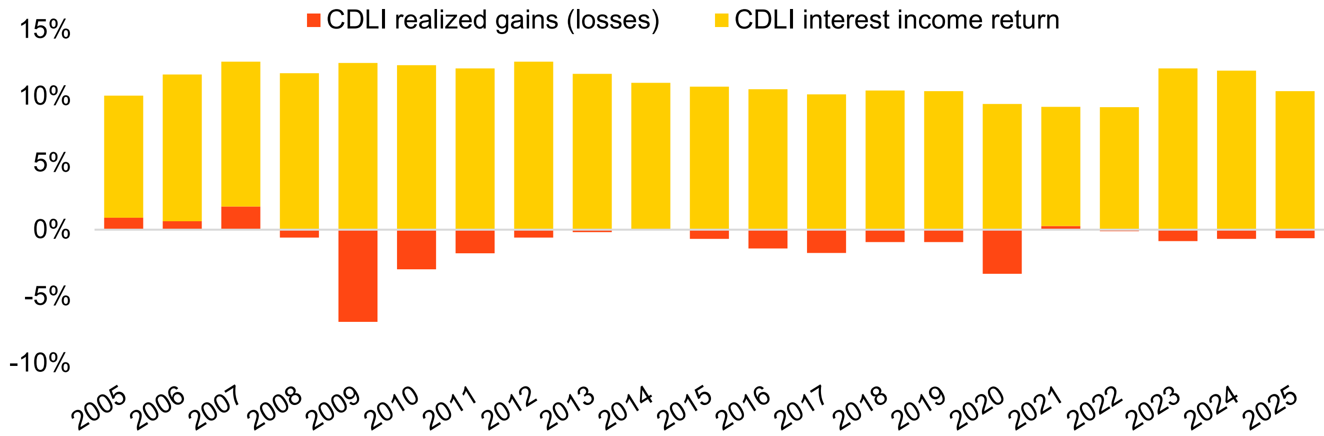


Source: KBRA DLD U.S. Default Research. As of April 28, 2026. Implied recovery is based on value at default date.
[1]Loss given default rate calculated as default rate * (1-implied recovery rate).

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

Exhibit 11: Realized losses are modest in the context of interest income

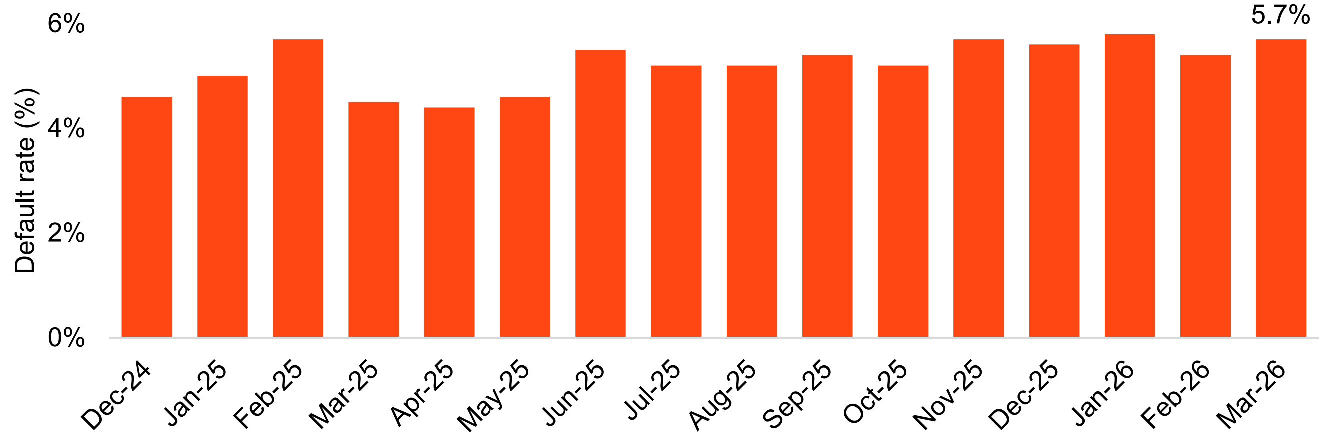
Trailing 12-month income return and realized gains (losses) for the Cliffwater Direct Lending Index



Source: Cliffwater Direct Lending Index, BlackRock. As of December 31, 2025. Realized gains can be driven by equity stubs, warrants, and gains on exited investments. These were more common in 2005-2007, when second lien and mezzanine loans were a greater portion of the CDLI. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. We exclude unrealized gains and losses in this chart. Long-term unrealized gains (losses) are approximately zero, as they either convert to net realized losses upon a credit default, or are reversed when principal is fully repaid.

Exhibit 12: Fitch Ratings uses a considerably broad definition of private credit default

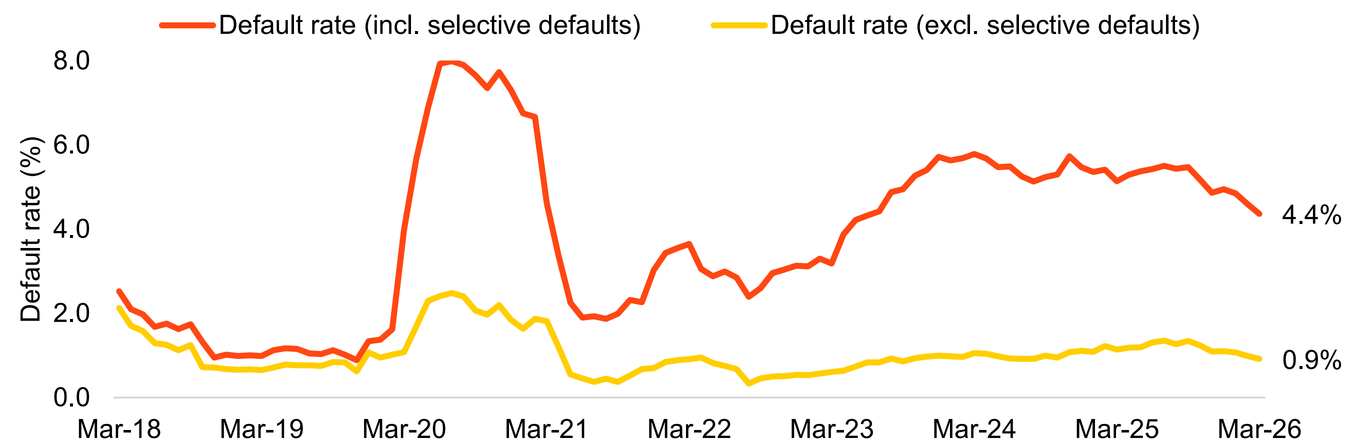
Fitch Ratings' trailing 12-month Private Credit Default Rate (PCDR)



Source: Fitch Ratings, BlackRock. As of March 31, 2026.

Exhibit 13: S&P default data demonstrates a definition-based divergence

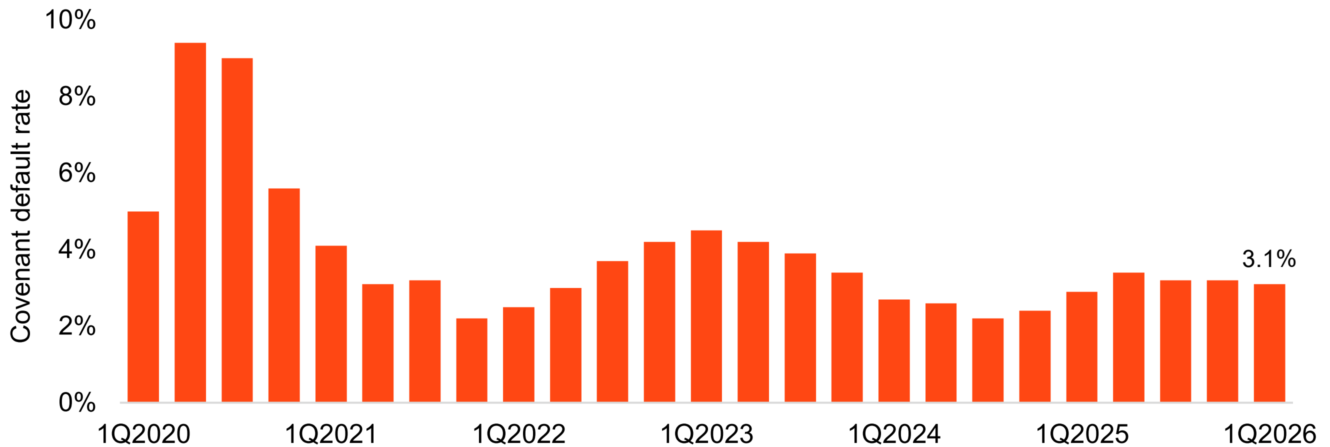
Trailing 12-month S&P Global Ratings credit estimate default rate



Source: S&P Global Ratings, BlackRock. As of March 31, 2026. S&P Global Ratings notes that it continues to receive selective-default notices from managers and incorporate them into its dataset.

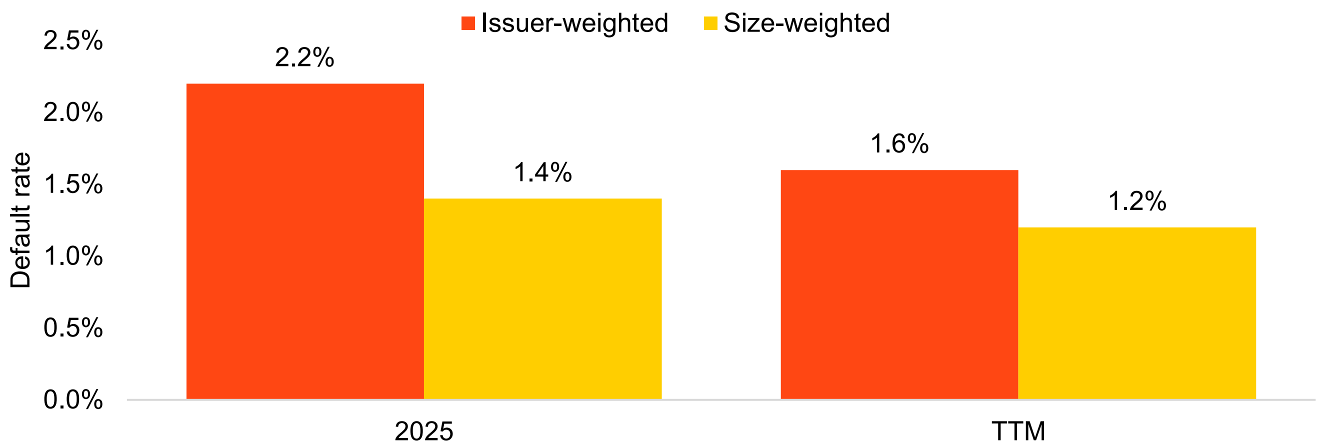
FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

Exhibit 14: The Lincoln covenant default rate has moderated from pandemic-era highs
Aggregate size-weighted covenant default rate for the U.S. portfolio companies included in the Lincoln International Proprietary Private Market Database



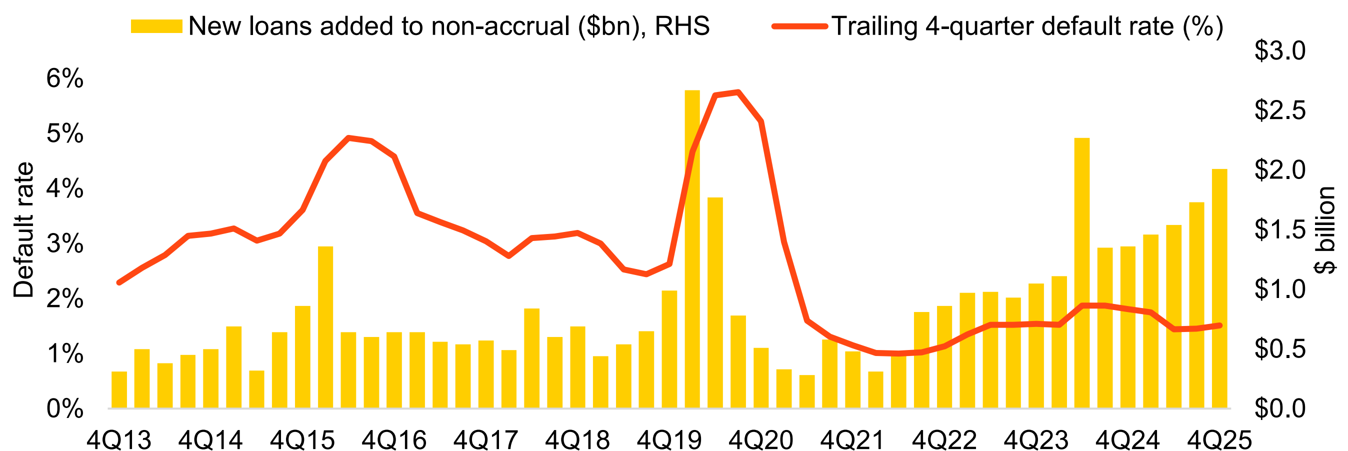
Source: Lincoln Lens – Private Market Intelligence, BlackRock. As of 1Q2026. A default is defined by Lincoln as a covenant default (not necessarily a monetary default). The calculation is size-weighted and considers the total net debt balance for each of the portfolio companies that had a defaulting security in the respective quarter.

Exhibit 15: KBRA DLD default rates differ by issuer- versus size-weighting
2025 and trailing 12-month default rate for U.S. borrowers in the KBRA DLD Direct Lending Index, issuer- and size-weighted



Source: KBRA DLD Default Research, BlackRock. TTM as of April 28, 2026.

Exhibit 16: Cliffwater's default rate has remained modest since 2021
Trailing four-quarter default rate, and new loans added to non-accrual, in $ billions (RHS), for the Cliffwater Direct Lending Index



Source: Cliffwater Direct Lending Index, BlackRock. As of 4Q2025.

FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

Unless otherwise stated, all reference to $ are in USD.

Risk Warnings:

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. You 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.

Cliffwater Direct Lending Index (CDLI) is an index that assists investors to better understand private credit as an asset class. The CDLI seeks to measure the unlevered, gross of fees performance of U.S. middle market corporate loans, as represented by the underlying assets of Business Development Companies ("BDCs"), including both exchange-traded and unlisted BDCs, subject to certain eligibility criteria. The CDLI is an asset-weighted index that is calculated on a quarterly basis using financial statements and other information contained in the U.S. Securities and Exchange Commission ("SEC") filings of all eligible BDCs. Eligibility is set as all assets held by BDCs that (1) are regulated by the SEC as a BDC under the Investment Company Act of 1940; (2) have a substantial majority (approximately 75%) of reported total assets represented by direct loans made to corporate borrowers, as categorized by each BDC and subject to Cliffwater's discretion, and (3) file SEC form 10-Q (or 10-K, as applicable) within 75 (or 90) calendar days following the current Valuation Date. If a BDC meets the eligibility criteria, but has not filed its report on Form 10-K or 10-Q with the SEC at the time the index is reconstituted, asset information from its report will be included in the index at the time of the next reconstitution. This information is derived from sources that are considered reliable, but BlackRock does not guarantee the veracity, currency, completeness or accuracy of this information.

Important Information:

In the U.S., this material is for institutional use only – not for public distribution.

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

In **China,** this material may not be distributed to individuals resident in the People's Republic of China ("PRC", for such purposes, not applicable to Hong Kong, Macau and Taiwan) or entities registered in the PRC unless such parties have received all the required PRC government approvals to participate in any investment or receive any investment advisory or investment management services.

In **Hong Kong**, this material is issued by BlackRock Asset Management North Asia Limited and has not been reviewed by the Securities and Futures Commission of Hong Kong. This material is for distribution to "Professional Investors" (as defined in the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong) and any rules made under that ordinance.) and should not be relied upon by any other persons or redistributed to retail clients in Hong Kong.

In **Japan**, this is issued by BlackRock Japan. Co., Ltd. (Financial Instruments Business Operator: The Kanto Regional Financial Bureau. License No375, Association Memberships: Japan Investment Advisers Association, The Investment Trusts Association, Japan, Japan Securities Dealers Association, Type II Financial Instruments Firms Association) for Institutional Investors only. All strategies or products BLK Japan offer through the discretionary investment contracts or through investment trust funds do not guarantee the principal amount invested. The risks and costs of each strategy or product we offer cannot be indicated here because the financial instruments in which they are invested vary each strategy or product. Therefore, before deciding to receive our strategies or products, please refer to the document provided prior to the execution of agreement, prospectus, terms and conditions of investment trust and the explanatory document, etc. that will be delivered to you in accordance with each offering model and confirm the contents thereof.

In **South Korea**, this information is issued by BlackRock Investment (Korea) Limited. This material is for distribution to the Qualified Professional Investors (as defined in the Financial Investment Services and Capital Market Act and its sub-regulations) and for information or educational purposes only and does not constitute investment advice or an offer or solicitation to purchase or sells in any securities or any investment strategies.

In Singapore, this is issued by BlackRock (Singapore) Limited (Co. registration no. 200010143N) for use only with **accredited/institutional** investors as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

For Southeast Asia: This document is issued by BlackRock and is intended for the exclusive use of any recipient who warrants, by receipt of this material, that such recipient is an institutional investors or professional/sophisticated/qualified/accredited/expert investor as such term may apply under the relevant legislations in Southeast Asia (**for such purposes, includes only Malaysia, the Philippines, Thailand, Brunei and Indonesia**). BlackRock does not hold any regulatory licenses or registrations in Southeast Asia countries listed above, 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 Southeast Asia, nor does BlackRock purport to carry on, any regulated activity in any country in Southeast Asia. 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.

GPD0526-5487029-EXP0527-10/13

For Other Countries in APAC: This material is provided for your informational purposes only and must not be distributed to any other persons or redistributed. This material is issued for Institutional Investors only (or professional/sophisticated/qualified investors as such term may apply in local jurisdictions) and does not constitute investment advice or an offer or solicitation to purchase or sell in any securities, BlackRock funds or any investment strategy nor shall any securities be offered or sold to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction.

The information provided here is not intended to constitute financial, tax, legal or accounting advice. You should consult your own advisers on such matters. BlackRock does not guarantee the suitability or potential value of any particular investment. Investment involves risk including possible loss of principal. International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation, and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are often heightened for investments in emerging/developing markets or smaller capital markets.

THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.

In **Australia & New Zealand**, issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (BIMAL) for the exclusive use of the recipient, who warrants by receipt of this material that they are a wholesale client as defined under the Australian Corporations Act 2001 (Cth) and the New Zealand Financial Advisers Act 2008 respectively. BIMAL is not licensed by a New Zealand regulator to provide 'Financial Advice Service' 'Investment manager under an FMC offer' or 'Keeping, investing, administering, or managing money, securities, or investment portfolios on behalf of other persons'. BIMAL's registration on the New Zealand register of financial service providers does not mean that BIMAL is subject to active regulation or oversight by a New Zealand regulator. This material provides general advice only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should therefore assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. Refer to BIMAL's Financial Services Guide on its website for more information. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. BIMAL is a part of the global BlackRock Group which comprises of financial product issuers and investment managers around the world. BIMAL is the issuer of financial products and acts as an investment manager in Australia. BIMAL does not offer financial products to persons in New Zealand who are retail investors (as that term is defined in the Financial Markets Conduct Act 2013 (FMCA)). This material does not constitute or relate to such an offer. To the extent that this material does constitute or relate to such an offer of financial products, the offer is only made to, and capable of acceptance by, persons in New Zealand who are wholesale investors (as that term is defined in the FMCA). BIMAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by BIMAL, its officers, employees or agents. Except where contrary to law, BIMAL excludes all liability for this information.

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. This is an individual and private offer which is made in Costa Rica 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 his request and instructions, and on a private placement basis. For Guatemala Investors, 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.

The information provided within this document is for education purposes only in **Bermuda**. This information is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be unlawful under the securities laws of such jurisdiction or country.

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 are strictly confidential and must not be passed to any third party.

In **Colombia**, the promotion of each product discussed herein is carried out through the Representative Office of BlackRock Fund Advisors, authorized by the Colombian Financial Superintendence. The transmission of this information does not constitute a securities public offering in Colombia. The products discussed herein 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.

GPD0526-5487029-EXP0527-11/13

In **Chile**, The securities if any described in this document are foreign securities, therefore: i) their rights and obligations will be subject to the legal framework of the issuer's country of origin, and therefore, investors must inform themselves regarding the form and means through which they may exercise their rights; and that ii) the supervision of the Commission for the Financial Market (Comisión para el Mercado Financiero or "CMF") will be concentrated exclusively on compliance with the information obligations established in General Standard No. 352 of the CMF and that, therefore, the supervision of the security and its issuer will be mainly made by the foreign regulator; In the case of a 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 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.

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. Reference to specific company names, asset classes and financial markets are for illustrative purposes only and should not be construed as investment advice or investment recommendations. 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 publication date and are subject to change without notice. Reliance upon information in this material is at the sole discretion of the reader. Investing involves risks.

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

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

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

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

In the DIFC: This document is intended strictly for Professional Clients as defined under the Dubai Financial Services Authority ("DFSA") Conduct of Business (COB) Rules. Blackrock Advisors (UK) Limited -Dubai Branch is a DIFC Foreign Recognised Company registered with the DIFC Registrar of Companies (DIFC Registered Number 546), with its office at Unit L15 - 01A, ICD Brookfield Place, Dubai International Financial Centre, PO Box 506661, Dubai, UAE, and is regulated by the DFSA to engage in the regulated activities of 'Advising on Financial Products' and 'Arranging Deals in Investments' in or from the DIFC, both of which are limited to units in a collective investment fund (DFSA Reference Number F000738).

In **Saudi Arabia**, This document is intended for Institutional and Qualified Clients (as defined by the Capital Market Authority) only and should not be relied upon by any other persons. BlackRock Saudi Arabia, authorised and regulated by the Capital Market Authority (License Number 18- 192-30). Registered office: 7976 Salim Ibn Abi Bakr Shaikan St, 2223 West Umm Al Hamam District Riyadh, 12329 Riyadh, Kingdom of Saudi Arabia, Tel: +966 11 838 3600. CR No, 1010479419. For your protection telephone calls are usually recorded. Please refer to the Capital Market Authority website for a list of authorised activities conducted by BlackRock Saudi Arabia.

In Bahrain: The information contained in this document is intended strictly for sophisticated institutions

In the United Arab Emirates (UAE) (excluding the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM)): The information contained in this document is intended to Professional Investors.

Abu Dhabi Global Markets

This communication is sent strictly within the context of, and constitutes, an Exempt Communication under the Financial Services and Markets Regulations 2015 (as amended).

BlackRock Advisors (UK) Limited - ADGM Branch is a Branch of a Foreign Company registered with the Abu Dhabi Global Market Registration Authority (Registered number 21523), with its office at Floor 25, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE, and is regulated by the ADGM Financial Services Regulatory Authority ("FSRA") to engage in the regulated activities of 'Arranging Deals in Investments'; 'Advising on Investments or Credit' 'Managing Assets'; and 'Managing in a Collective Investment Fund' (FRSA Reference 240099.

In the **State of Qatar and the Qatar Financial Centre (QFC):** This document is intended strictly for sophisticated institutions.

In **Kuwait:** 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 Investment Management (UK). 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. 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. Any opinions, forecasts represent an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research, investment advice or a recommendation. 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. If you are an intermediary or third-party distributor, you must only disseminate this material to other Professional Investors as permitted in the above-specified jurisdictions and in accordance with applicable laws and regulations. Certain information contained herein has been obtained from published sources and from third parties, including without limitation, market forecasts, internal and external surveys, market research, publicly available information and industry publications. In addition, certain information contained herein may have been obtained from companies in which investments have been made by entities affiliated with BlackRock. Although such information is believed to be reliable for the purposes used herein, neither the Fund nor BlackRock assumes any responsibility for the accuracy or completeness of such information. Reliance upon information in this material is at the sole discretion of the reader. Certain information contained herein represents or is based upon forward-looking statements or information. BlackRock and its affiliates believe that such statements and information are based upon reasonable estimates and assumptions. However, forward-looking statements are inherently uncertain, and factors may cause events or results to differ from those projected. Therefore, undue reliance should not be placed on such forward-looking statements and information.

© 2026 BlackRock, Inc. or its affiliates. All Rights Reserved. BLACKROCK,BLACKROCK SOLUTIONS, iSHARES, BUILD ON BLACKROCK and SO WHAT DO I DO WITH MY MONEY are trademarks of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners.

In EMEA, 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 Kingdom of Bahrain, to Central Bank of Bahrain (CBB) Category 1 or Category 2 licensed investment firms, CBB licensed banks or those who would meet the description of an Expert Investor or Accredited Investors as defined in the CBB Rulebook. **In Albania, Azerbaijan, Botswana, Egypt, Georgia, Ghana, Jordan, Kazakhstan, Kenya, Lebanon, Mauritius, Morocco, Namibia, Nigeria, North Macedonia, Serbia, Uganda, Tanzania, Turkey, Zimbabwe, Zambia** this information contained in this document is intended strictly for Central Banks and Sovereign Investors only.

No part of this material may be reproduced, stored in retrieval system or transmitted in any form or by any means, electronic, mechanical, recording or distributed without the prior written consent of BlackRock.

©2026 BlackRock, Inc. or its affiliates. All Rights Reserved. BLACKROCK is a trademark of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners