



November 2025

# **The next frontier:**

A Q&A on private credit's growth, through an insurance lens

**BlackRock**

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

## Authors



**Dominique Bly**  
Macro Credit Research Strategist



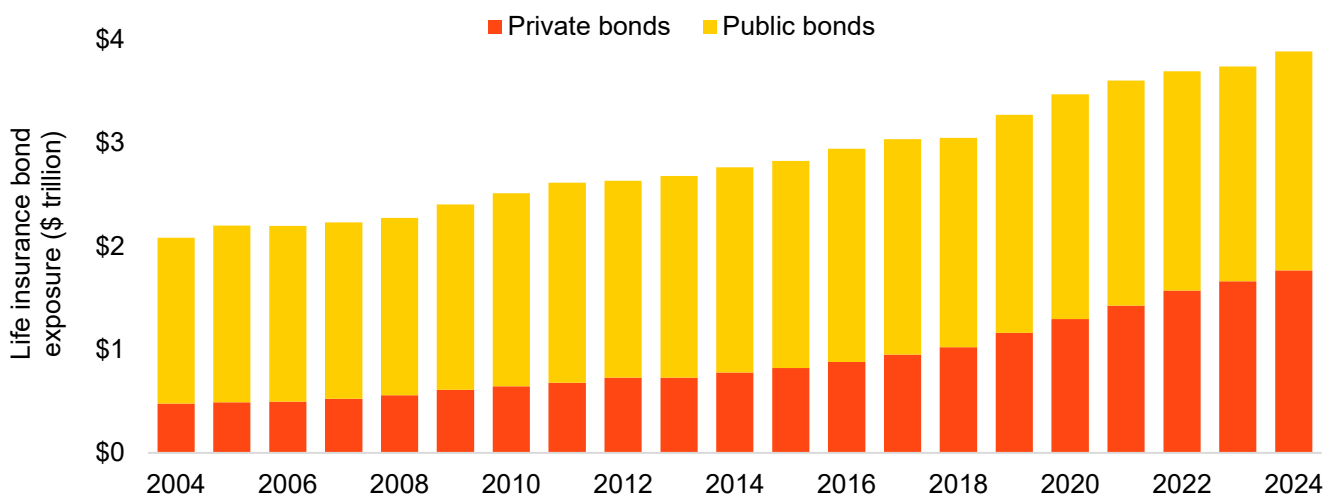
**Amanda Lynam, CPA**  
Head of Macro Credit Research

## Key takeaways

- As private credit continues to evolve into a sizable and scalable asset class, its addressable markets of investors and borrowers have also expanded. Among the most notable shifts, in our view, has been the increasing participation from the insurance investor base.
- In this Q&A, we address several of the most frequently asked questions related to the insurance industry's participation in private credit. We also explore important nuances between the Life and P&C industries' approach to private investment exposures, as well as regional differences.
- We see four primary drivers behind insurers' growing allocations to private credit: (1) matching long-term assets with long-term liabilities; (2) seeking capital-efficient yield; (3) enhancing portfolio diversification; and (4) responding to changing market and client dynamics. A combination of these elements has encouraged insurance companies – especially life insurance companies – to shift their allocations toward private credit, in our view.
- We also seek to understand the 'optimal' level of illiquidity to hold in an insurer investment portfolio. This is because, beyond managing investments to meet anticipated policyholder demands, insurers must consider the additional liquidity needs associated with catastrophes and other 'tail' events. To answer this question, we evaluate the financial resilience of the life and P&C insurance sectors over time, using a range of financial metrics to illustrate how much cushion has historically been embedded in insurers' investment exposures.
- Our takeaway is that, in aggregate, there is scope for insurers to allocate more dynamically between public and private credit, including increasing exposure to illiquid assets. That said, increasing exposure to private assets may not be well-suited for every insurer.
- Finally, we provide color on the trend of partnerships between asset managers and insurers, including the benefits provided to each party and the tactical execution behind such partnerships.

### Exhibit 1: Life insurance industry exposure to private bonds has grown over time

U.S. life insurance industry bond exposure, by bond type, in \$ trillions



Source: S&P Capital IQ, BlackRock. As of year-end 2024 (most recent available as of October 20, 2025). Private bonds are broadly defined as bonds that are privately placed, or those that are qualified for resale under SEC Rule 144A or are freely tradable under SEC Rule 144.

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

## A Q&A on private credit’s growth, through an insurance lens

As private credit continues to evolve into a sizable and scalable asset class, its addressable markets of investors and borrowers have also expanded. Among the most notable shifts, in our view, has been the increasing participation from the insurance investor base.

The BlackRock *2025 Global Insurance Report*, which surveyed 463 insurance investment professionals covering \$23 trillion in insurance AUM, found that 93% of insurers expect to increase their exposure to private markets over the next 12 months.

In this Q&A, we address several of the most frequently asked questions related to the insurance industry’s participation in private credit. We also explore important nuances between the Life and Property & Casualty (P&C) industries’ approach to private investment exposures, as well as regional differences.

We see scope for the insurance industry, in aggregate, to increase exposure to illiquid investments, while still maintaining a conservative liquidity buffer to service policyholder claims in stress scenarios.

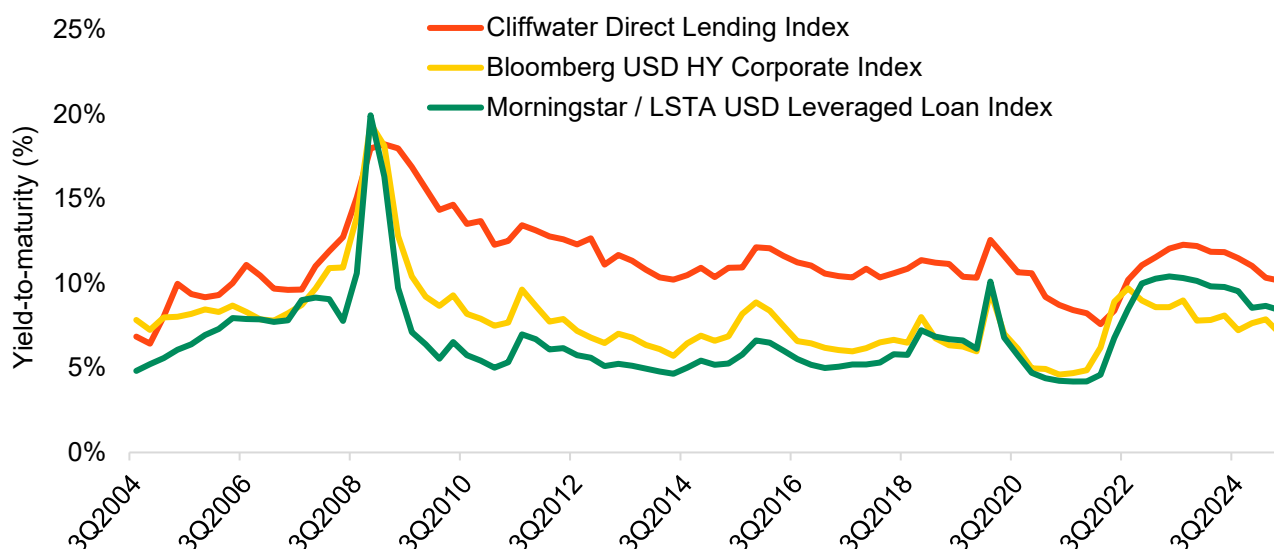
### Q: Why have insurers grown their share of private credit holdings over recent years?

Insurers have long been active in select segments of the private credit universe, including private placements. Anecdotally, these allocations have historically been grouped into a broader “alternatives” allocation. However, insurers are increasingly considering private credit as a component of a broader “fixed income” allocation. We see four primary drivers behind insurers’ growing allocations to private credit:

- 1. Matching long-term assets with long-term liabilities:** Insurance companies generally pay claims years in the future. As a result, they have the flexibility to (1) invest over a longer-term horizon, and (2) dedicate a portion of their portfolio to illiquid assets. In some cases, private investments may allow for matching of insurance investable assets and liabilities (i.e., required insurance claim payouts).
- 2. Seeking capital-efficient yield:** Some insurers turn to private credit for a higher “capital-efficient yield,” given risk-based capital limitations. The incremental yield provided by private credit reflects, in part, compensation for holding an investment over the long term, as well as other structuring considerations. Anecdotally, we find insurers especially value the consistency of excess spread. As illustrated by Exhibit 2, while the difference between private credit and syndicated market yield-to-maturity varies over time, private credit has largely maintained an excess spread vs. public markets.

### Exhibit 2: The CDLI offers a modest yield ‘pick up’ vs. broadly syndicated leveraged loans

Average index yield-to-maturity levels



Source: Cliffwater LLC, Bloomberg, Morningstar / LSTA, Pitchbook LCD, BlackRock. As of 2Q2025 (most recent for 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.

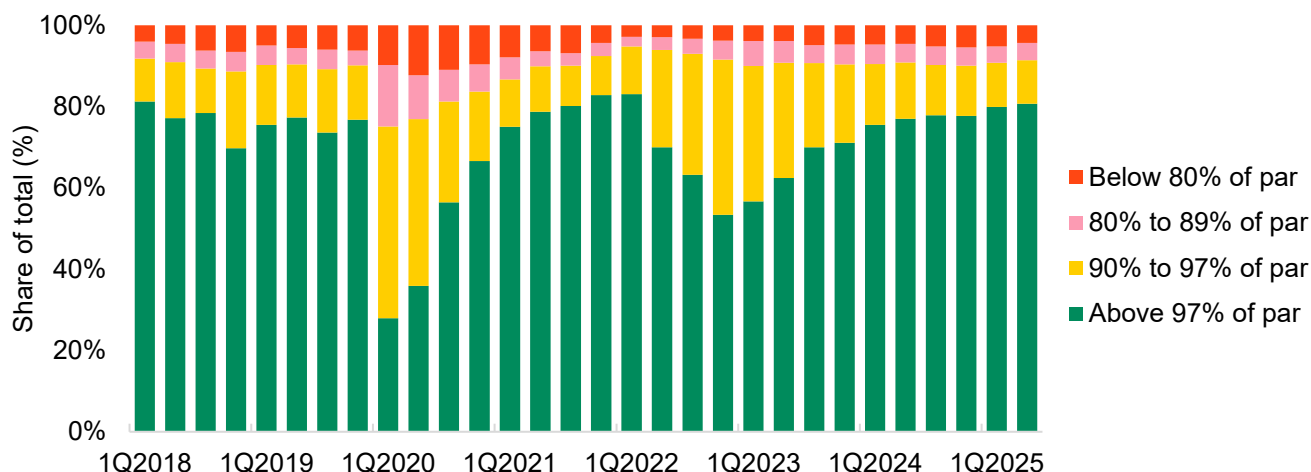
FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

3. **Enhancing portfolio diversification:** Private credit often exhibits lower realized asset volatility than public credit (because it is generally not traded or marked-to-market daily). It can also introduce portfolio diversification by: (1) allowing insurers to access borrowers or collateral that is not available in public markets, or (2) introducing structural protections and covenants, which can provide an additional layer of risk oversight and security to lenders. Exhibit 3 demonstrates how the distribution of fair value data from Lincoln International’s Proprietary Private Market Database adjusts to reflect stress on a quarterly basis.
4. **Responding to changing market and client dynamics:** Insurers’ investment strategies are shaped by both their evolving product mix and the macroeconomic backdrop. For example, an aging population and a backdrop of structurally high interest rates have broadened client interest in annuities, which offer predictable, long-term income streams to policyholders. To support competitive rates for these products, insurers seek long-duration, stable-yielding assets, making some private credit strategies an attractive match for such liabilities.

A combination of these elements has encouraged insurance companies – especially life insurance companies – to shift their allocations toward private credit, in our view. Exhibits 1 and 4 demonstrate how private bond holdings by U.S. life insurance companies have increased in recent years – in absolute terms and as a share of total cash and investment holdings.

**Exhibit 3: The distribution of private credit valuations shows a response to stress**

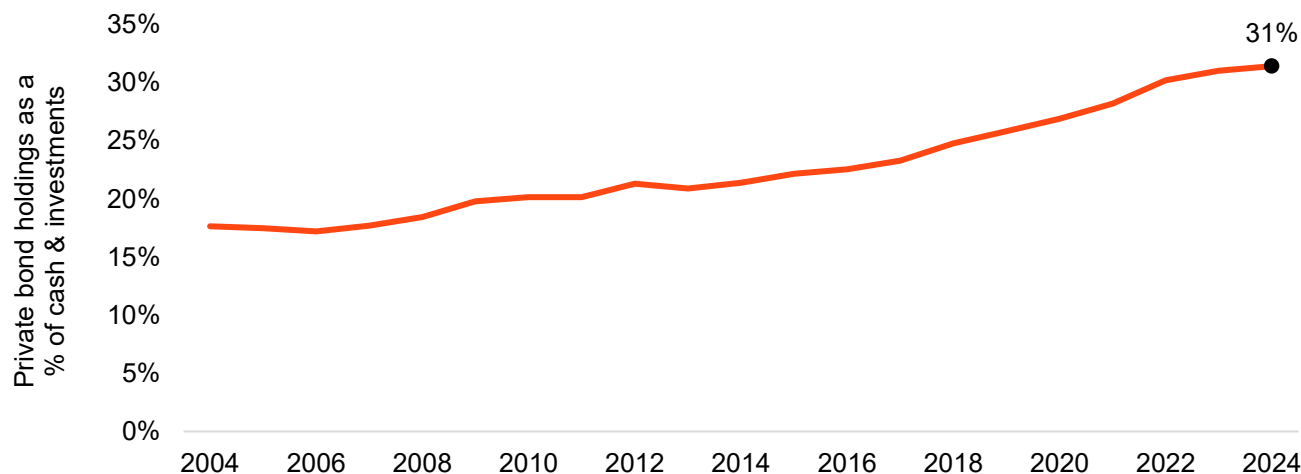
Fair value distribution of the U.S. portfolio companies (6,250+ as of June 30, 2025) tracked by Lincoln International's Proprietary Private Market Database



Source: Lincoln International Proprietary Private Market Database, BlackRock. As of June 30, 2025 (most recent available).

**Exhibit 4: Private bonds have grown as a share of life insurers’ total cash and investments**

Private bond holdings as a share of total cash and investments for U.S. life insurance companies



Source: Capital IQ, BlackRock. As of year-end 2024 (most recent available as of October 20, 2025).

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

## Q: What constitutes a “private” bond for insurers?

Private bonds are broadly defined, for National Association of Insurance Commissioners (NAIC) reporting purposes, as bonds that are privately placed, or those qualified for resale under SEC Rule 144A or freely tradable under SEC Rule 144, provided they have been assigned a CUSIP or CINS number in the NAIC *Valuations of Securities*.

For example, these may include select issuer obligations, residential and commercial mortgage-backed securities, other loan-backed and structured securities, Securities Valuation Office (SVO) identified funds, affiliated and unaffiliated bank loans, and unaffiliated certificates of deposit (CDs).

That said, a look under the surface suggests there is additional nuance to classifying private bond holdings. For example, 144A assets are often considerably ‘liquid’ relative to other private bonds, such as 4(a)(2) bonds, in part because they are tradable between Qualified Institutional Buyers (QIBs) under the SEC 144A rule.

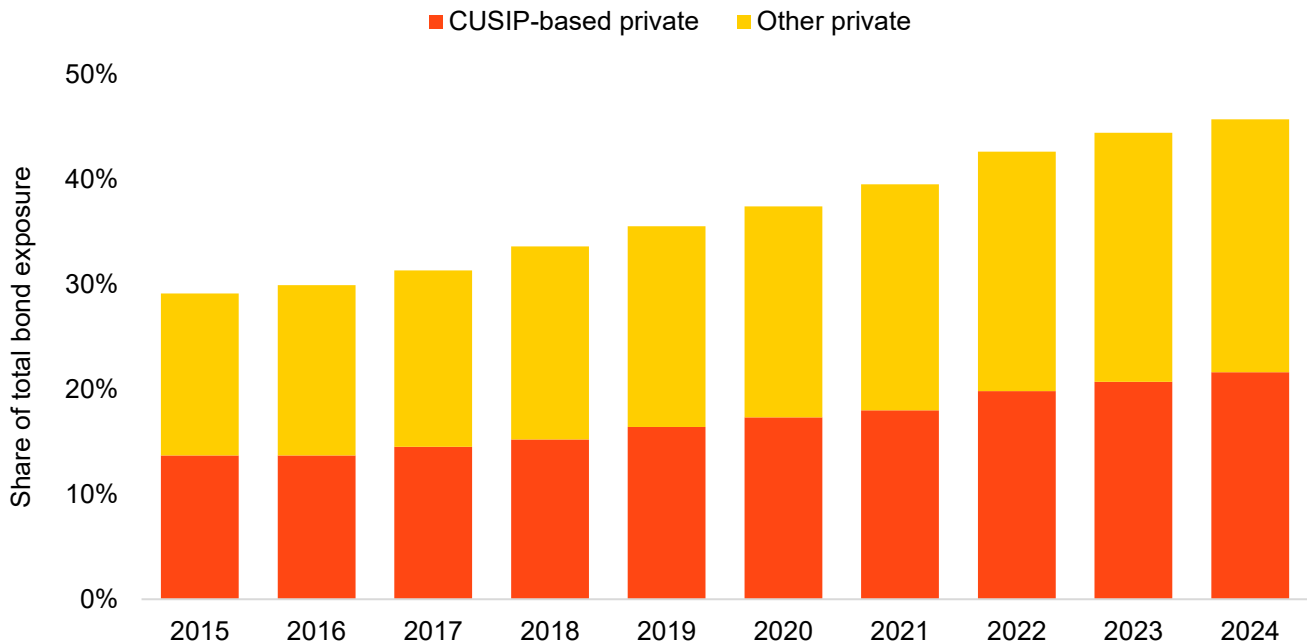
An analysis by S&P Global Market Intelligence sought to approximate the various types of private bond holdings across U.S. insurance companies to understand the amount of ‘true’ private exposure. They did so by executing a sum-of-the-parts analysis, isolating holdings containing a special character in their CUSIP identifiers as an indication of their ‘truly’ private classification. These may include non-publicly traded, bespoke, private placement securities, such as 4(a)(2) bonds, for example.

Exhibit 5 shows the estimated value of private bond exposure in U.S. life insurance general accounts over the years, including an estimated aggregate breakdown of private ‘CUSIP-based’ vs. ‘other’ private bonds.

Notably, allocations to both segments have grown in tandem, gaining as a share of total bond holdings over the years. As of 2024, ‘CUSIP-based’ private bonds represented 21.6% of total bond holdings, and ‘other’ privates represented 24.1%.

### Exhibit 5: Both segments of ‘private’ bond exposures have grown, as a share of U.S. life insurers’ total bond exposures, over the last 10 years

Estimated private bond exposure, including ‘CUSIP-based’ (as a proxy for ‘truly’ private) and ‘Other’ private bonds, as a share of total bond holdings in U.S. life industry general accounts



Source: S&P Capital IQ, BlackRock. Data compiled as of June 17, 2025.

**Q: How do private bond exposures vary between life and P&C insurance companies?**

The aforementioned analysis by S&P Global Market Intelligence also extends to P&C insurance. As expected, the P&C insurance sector has a smaller exposure to private bonds, with aggregate private bond exposure representing only 19.8% of total bond exposure, vs. 45.6% for life insurers (Exhibit 6).

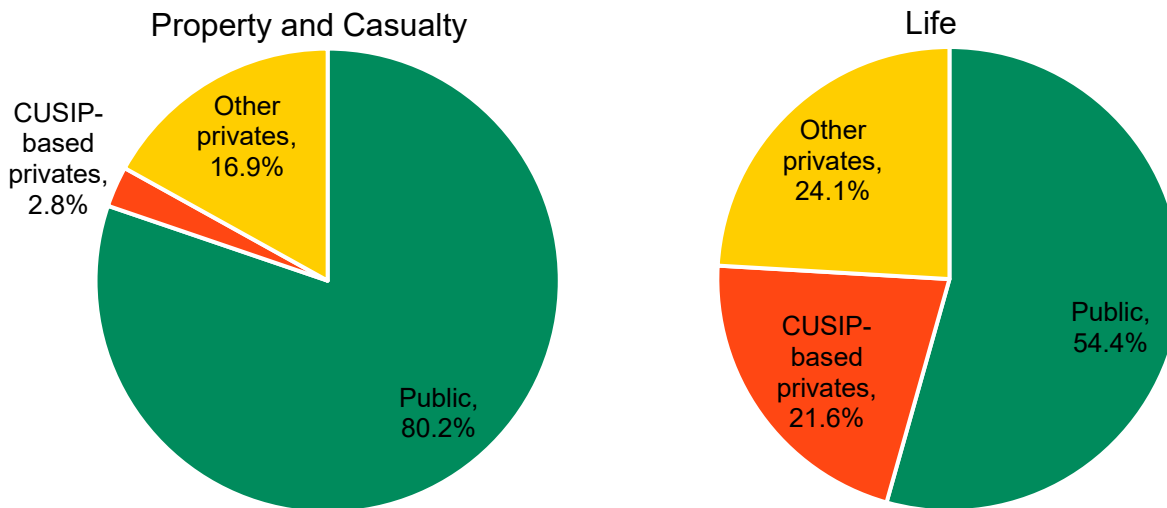
And within private bond exposures, the P&C sector is less exposed to ‘true’ private bonds, represented by ‘CUSIP-based’ privates in the exhibits below. For context, ‘CUSIP-based’ privates represent only 2.8% of total bond holdings for P&C, versus 21.6% for life insurers (again, Exhibit 6).

The differences in bond allocations between the insurer types, including aggregate exposure to privates and exposure to ‘true’ privates, are likely a reflection of their different liability profiles. Indeed, P&C insurers typically face shorter and somewhat less predictable liability timelines than life insurers.

That said, liability profiles can also vary widely across P&C insurer segments, which in turn influences their ability to take on illiquidity. For example, medical professional liability insurance may have longer-dated liabilities than homeowners’ insurance. P&C insurer segments with longer-dated liabilities, in our view, are well positioned to increase private exposures. Further, elements of a more challenging underwriting environment (e.g., rising frequency and severity of natural catastrophes, cost inflation), may encourage select P&C insurers to seek higher-yielding investments to preserve overall profitability.

**Exhibit 6: P&C insurers have lower allocations to private bonds, in aggregate...**

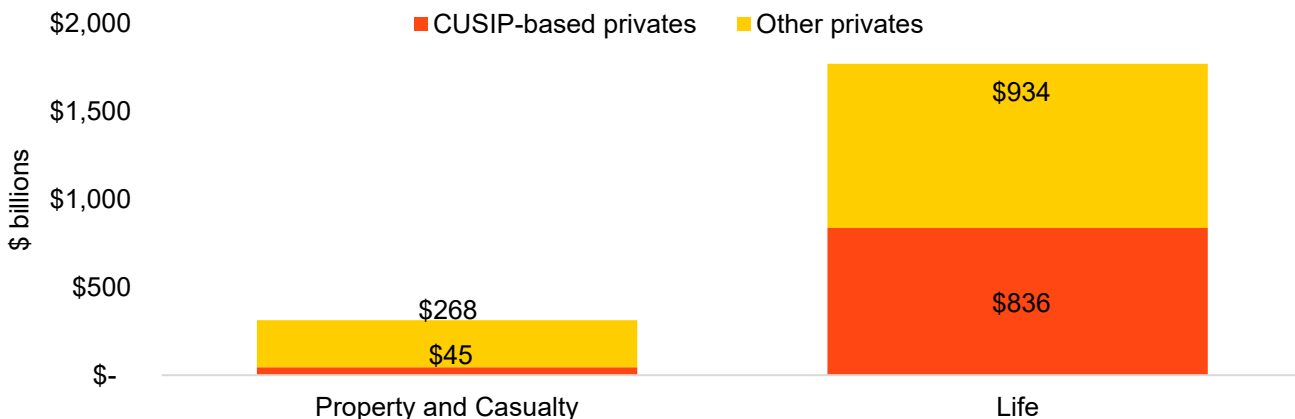
Estimated 2024 bond allocations for U.S. P&C insurance and U.S. life insurance general accounts



Source: S&P Capital IQ, BlackRock. Data compiled as of June 17, 2025.

**Exhibit 7: ...and to ‘true’ private bonds, reflecting a different liability profile than life insurers**

Estimated 2024 private bond holdings by private bond type, in \$ billions, for U.S. P&C insurance and U.S. life insurance general accounts



Source: S&P Capital IQ, BlackRock. Data compiled as of June 17, 2025.

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

## Q: What liquidity exists for ‘truly’ private holdings?

The recent growth of the private credit secondaries market suggests a potential avenue to access liquidity, even for ‘truly’ private bonds. The continued growth of private credit secondaries – which we expect, as the asset class matures – may provide insurers with additional flexibility in managing allocations between public and private credit. Anecdotally, we believe the *supply* of private credit secondaries (and not the demand) remains a key constraint for secondary volumes today.

A 2024 research series by the Federal Reserve Bank of Chicago details the movement of life insurers into privately placed debt. The report seeks to gauge the liquidity of ‘truly’ private holdings by quantifying life insurers’ sales of private and public bond holdings from 2005 to 2022.

Their analysis suggests that life insurers tend to sell public bond holdings more frequently than private. On average, life insurers sold 8.7% of their public bond holdings per year (from 2005 to 2022), vs. only 4.1% for ‘truly’ private bond holdings (Exhibit 8). This directional trend is seen across maturity categories.

One driver of this, as highlighted by the Chicago Fed, is the channels through which these sales often occur. For example, public bond sales are often executed through broker-dealers, which can offer liquidity either through holding the security on their balance sheet or finding a counterpart (or several counterparts) for the other side of the transaction. This process can make accessing liquidity generally straightforward for insurers.

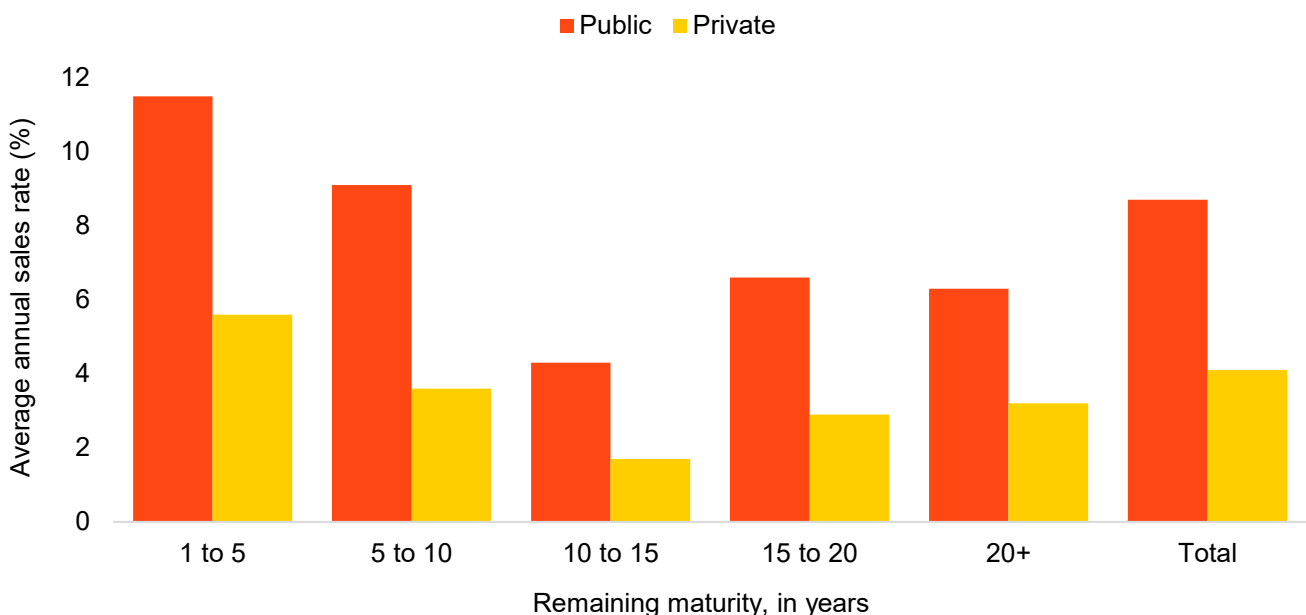
By contrast, private placement bonds are more often exchanged in direct transactions. This may entail an insurer finding another institutional investor to purchase the holding, then arranging the terms of sale. At a high level, this process may be more laborious or time-intensive for the insurer.

When considering differences between the two markets, the ability to capture liquidity during times of market stress is an important consideration. Notably, the Chicago Fed analysis showed that even during the financial crisis in 2008 and 2009, life insurers were able to sell private placement bonds, though the pace of sales was lower than for public equivalents.

While the private credit secondaries market has progressed meaningfully since then, the possibility to make large asset allocation shifts – outside of normal ‘paydown’ as loans mature – should not be the basis of a business or allocation decision.

### Exhibit 8: Life insurers have historically traded private bonds less often than public ones

Average annual sales rate for life insurers' public and private bond holdings from 2005 to 2022



Source: Federal Reserve Bank of Chicago, BlackRock. Data based on 2005 to 2022 NAIC statutory filings via S&P Global Market Intelligence. Calculations by the Chicago Federal Reserve, published in May 2024. The sales rate is estimated based on observed insurer transactions and net changes in holdings, excluding ABS. Private placement securities are identified by the presence of a “special character” (“\*,” “@,” or “#”) in the security’s CUSIP.

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

## Q: Are there geographical differences in insurance exposure to private credit?

Yes, there is considerable dispersion across regions, including due to regulations, company structures, investment strategies, and product demand.

U.S. insurance companies tend to have the most advanced allocations to private credit. This is consistent as well with trends in private credit AUM, in which North America represents over 70%, per data from Preqin and Cliffwater (Exhibit 9).

Allocations to private credit are considerably more modest in Europe. Exhibit 10 demonstrates private credit investments, in nominal terms and as a share of the total, for a selection of European insurance companies tracked by Moody's. Private credit represented an estimated 13% of total investments as of YE2024. Importantly, the European sample includes various types of insurers, whereas the aforementioned U.S. sample separates life and P&C insurers, so the two are not directly comparable.

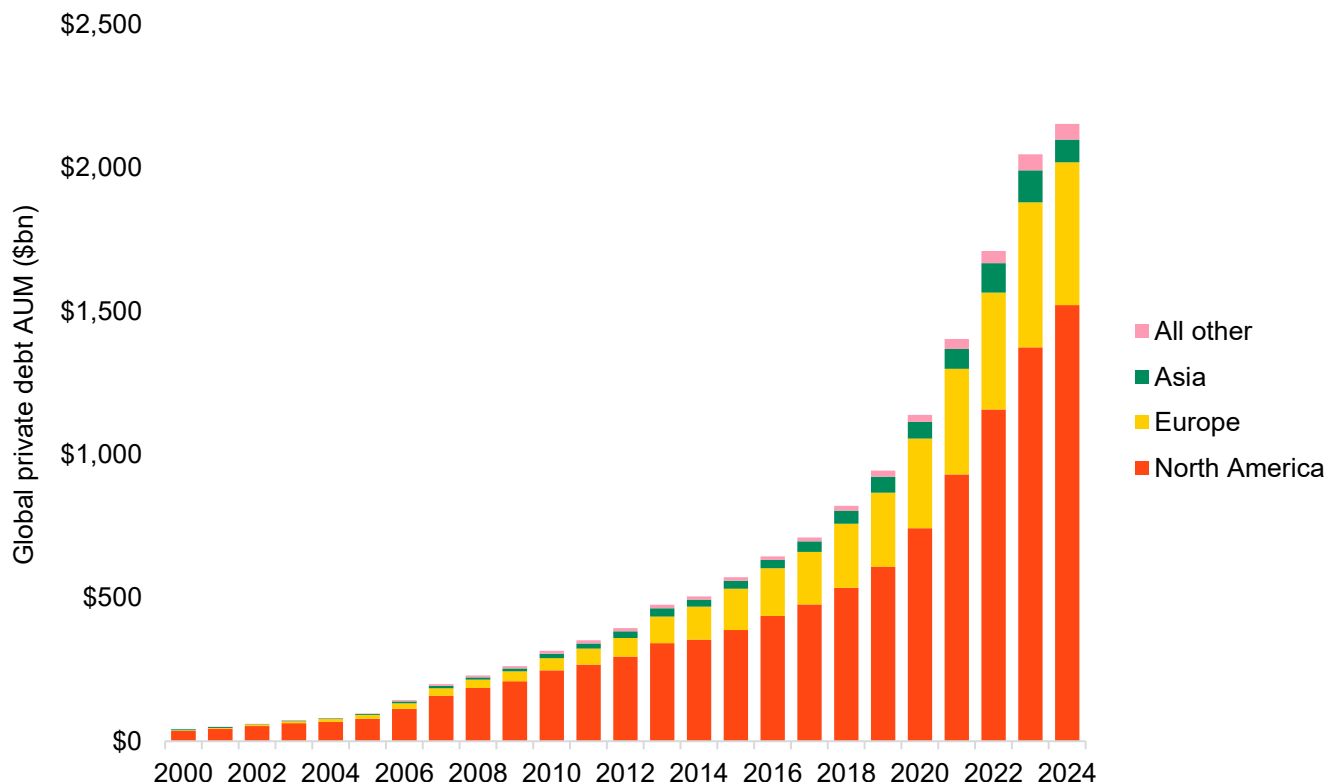
Further, data from Moody's highlights how differences in the product mix between regions can also influence private credit holdings. For example, Continental European insurers typically allocate 10% or less to private credit, reflecting a product mix skewed towards more liquid savings products, per Moody's (Exhibit 11).

By contrast, private credit represented an average of 20% of total investments for UK insurers, owing to the higher share of (illiquid) annuity liabilities that UK-based insurers have. These allocations also reflect differences in holistic allocation strategies.

With this in mind, we see scope for further growth in private credit ownership within the European insurer segment.

### Exhibit 9: North America represents more than 70% of private credit AUM

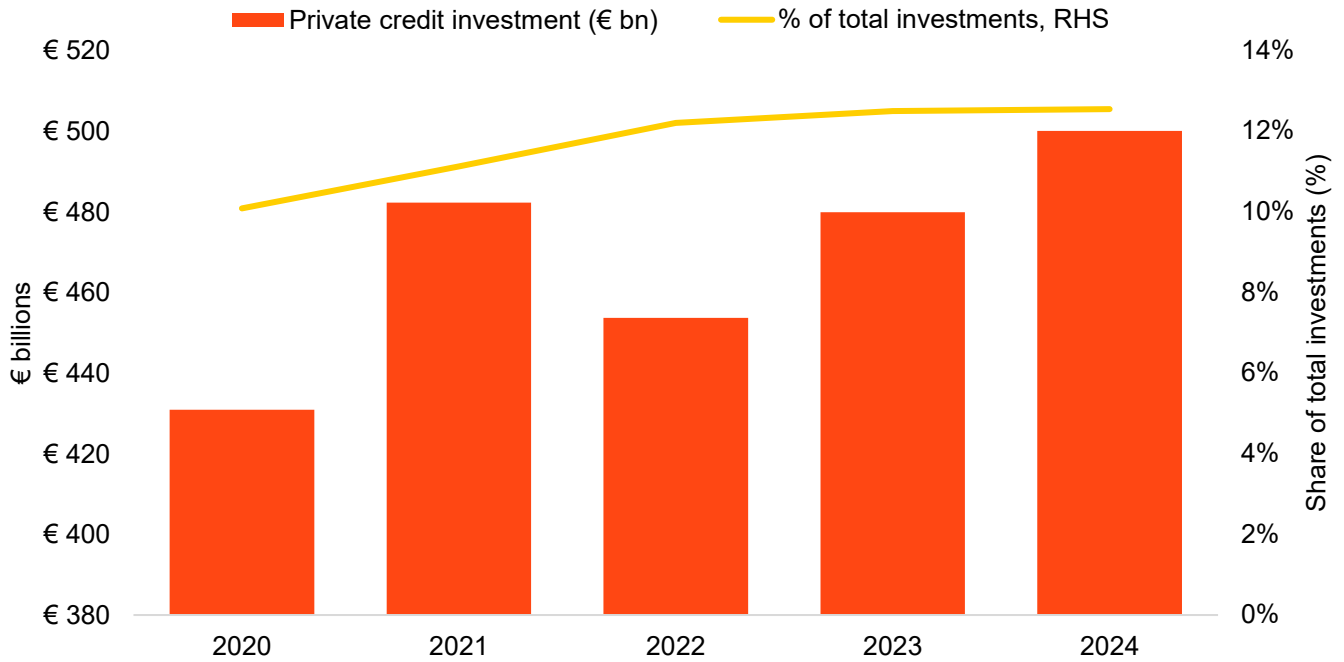
Global private credit AUM in \$ billions, by region



Source: Preqin, Cliffwater, BlackRock. North America includes BDC AUM. As of December 2024 (most recent available for Preqin). All other includes Latin America / Caribbean, Africa, Australia / New Zealand, Middle East & Israel, and Diversified / Multi-Regional.

**Exhibit 10: European insurers' private credit exposure has grown over time, but remains modest**

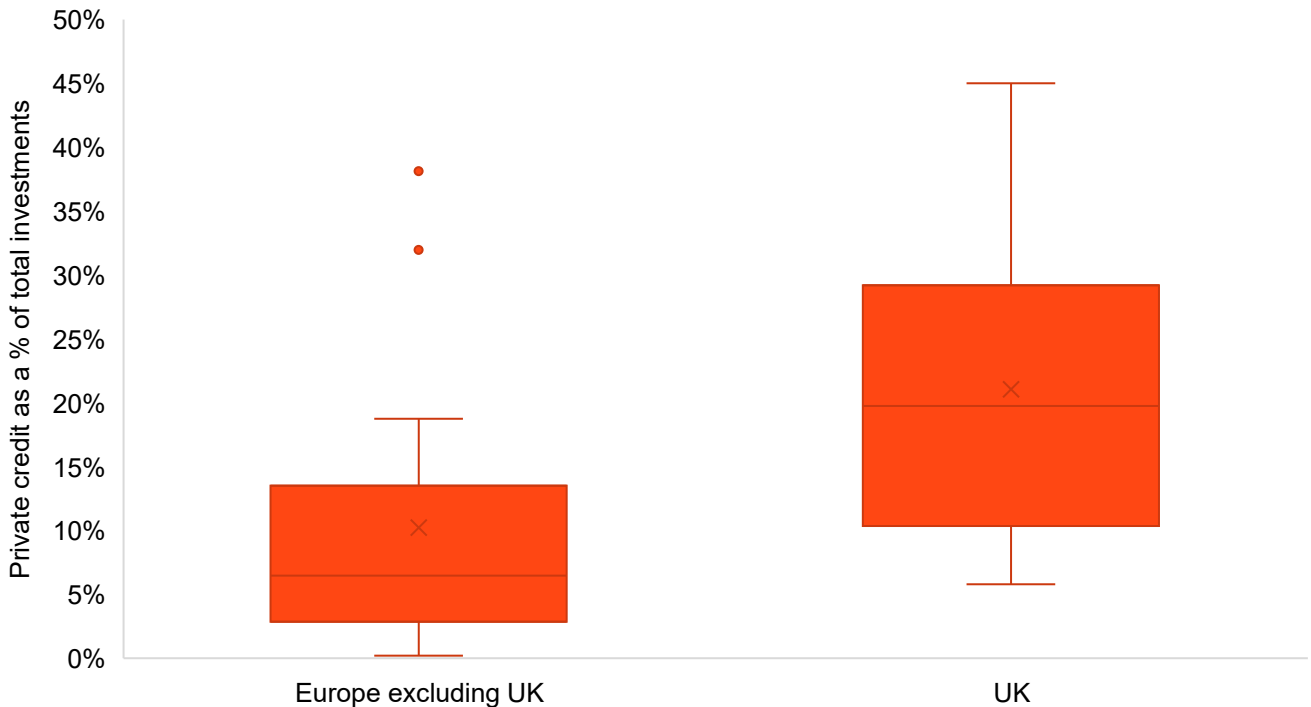
Private credit investments for a selection of European insurers, in € billions and as a share of total investments, RHS



Source: Moody's Ratings, BlackRock. Data as of year-end 2024.

**Exhibit 11: Allocations vary by region, including based on product mix**

Share of total investments in private credit for insurers in continental Europe and the UK



Source: Moody's, BlackRock. Europe includes 14 insurers, and the UK includes 9.

## Q: What is the proper balance of liquid vs. illiquid exposure in an insurer portfolio?

One common question from insurance industry participants is related to the ‘optimal’ level of illiquidity to hold in an investment portfolio. This is because, beyond managing investments to meet anticipated policyholder demands, insurers must also consider the additional liquidity needs associated with catastrophes and other ‘tail’ events. To answer this question, we evaluate the financial resilience of the life and P&C insurance sectors over time, using a range of financial metrics to illustrate how much cushion has historically been embedded in insurers’ investment exposures.

Our takeaway is that, in aggregate, insurers have scope to allocate more dynamically between public and private credit, including increasing exposure to illiquid assets. However, the ability to increase illiquid allocations must be evaluated at the individual operating company level.

In the context of this analysis, we assume substitutes are ‘ratings neutral’, which would allow the insurers to keep their existing NAIC ratings framework. Notably, we exclude 144A assets from the definition of private assets because of their somewhat more ‘liquid’ profile.

Some insurers may enhance capacity to invest in illiquid assets through alternative financing sources such as off-balance sheet arrangements, while others may already be constrained by operational or financial stress. Anecdotally, most insurers have demonstrated resilience in managing their exposure to catastrophic or ‘tail’ events, though such shocks can amplify pre-existing fragilities. This, in our view, underscores the importance of making investment decisions in the context of the broader business profile, including the structure of liabilities, existing investment mix, and overall financial strength.

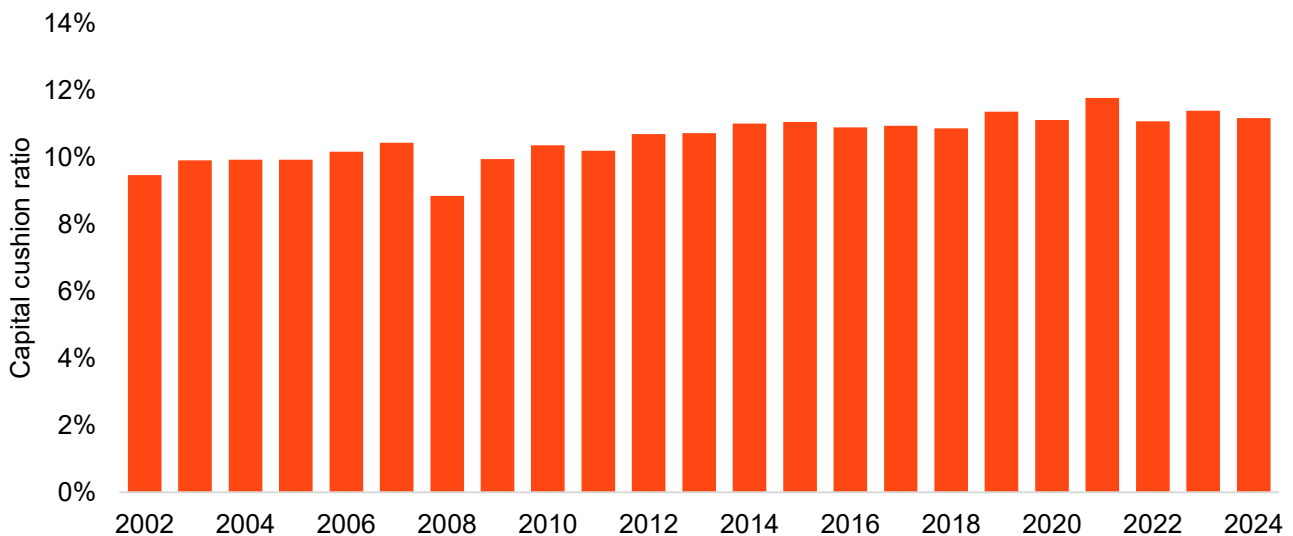
### Understanding life insurance exposures

For life insurers, we review four statutory financial metrics, detailed within, which provide perspective on the sector’s capacity to increase allocations to illiquid assets. While these metrics can offer directional, industry-level insight, they do not capture company-specific nuances. We view these metrics as tools to complement other inputs, such as rating agency liquidity assessments. Together, these inputs can build a comprehensive view of an individual insurer’s flexibility to allocate towards less liquid asset classes.

To start, Exhibit 12 illustrates the statutory capital cushion for U.S. life insurers, relative to general account risk-bearing assets, highlighting the sector’s capacity to absorb investment and underwriting losses. At the industry level, this ratio stands at 11.2%, indicating a strong capital position. This suggests that life insurers may have the capacity to strategically expand allocations to private investments without materially eroding their statutory financial cushion.

### Exhibit 12: The U.S. life insurance sector has maintained a healthy capital cushion

Ratio of capital and surplus, and asset valuation reserve (AVR), to total assets excluding separate account assets and affiliated investments, as a proxy for statutory capital cushion, for the U.S. life insurance sector



Source: S&P Capital IQ, BlackRock. As of year-end 2024.

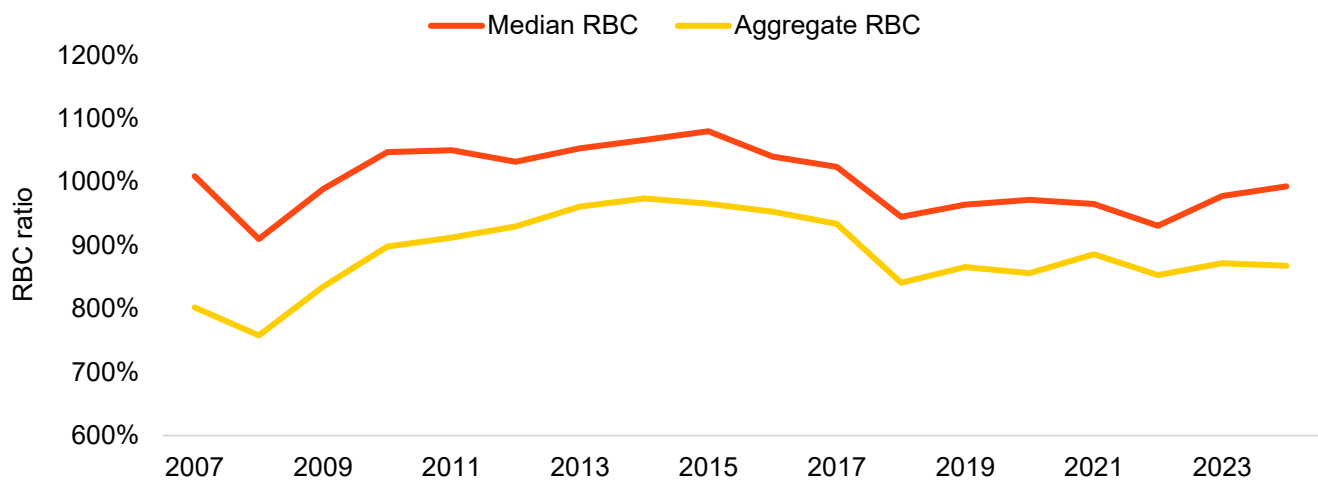
FOR QUALIFIED, PROFESSIONAL, INSTITUTIONAL AND WHOLESALE INVESTORS/ PROFESSIONAL CLIENTS ONLY | NOT FOR PUBLIC DISTRIBUTION

The risk-based capital (RBC) ratio, as defined by the NAIC’s risk-based capital framework, provides a view of an insurer’s capital adequacy, relative to its risk profile. This measure demonstrates the degree to which an insurer’s capital position exceeds regulatory minimums, relative to the risks inherent in its assets, underwriting, and operating profile. Per the NAIC, if the ratio is at or above 300%, no regulatory intervention is needed.

Exhibit 13 presents the median and aggregate RBC ratios, over time, for the U.S. life insurance industry. Exhibit 14 illustrates the distribution of U.S. life insurers across RBC ratio bands. Notably, the majority are within the ‘500% to 1,000%’ and ‘1,000% to 10,000%’ ranges. The RBC ratios have, in aggregate, improved over time: in 2021, 88% of U.S. life insurers reported RBC ratios above 500%. This rose to 91% in 2024. The persistence and gradual strengthening of these ratios underscore the resilience of U.S. life insurers’ capital positions, in aggregate. However, the dispersion across firms reinforces the importance of insurer-specific analysis when assessing credit quality and investment opportunities.

**Exhibit 13: The median RBC ratio in the U.S. life insurance industry was 993% in 2024**

Median and aggregate risk-based capital (RBC) ratios for U.S. life insurers, with the RBC ratio defined as total adjusted capital divided by Authorized Control Level RBC



Source: NAIC Financial Data Repository, S&P Capital IQ, BlackRock. Captures data through year-end 2024 (most recent as of October 2025).

**Exhibit 14: 91% of U.S. life insurance companies had an RBC ratio in excess of 500% as of year-end 2024**

Number of U.S. life insurance companies with RBC ratios in the following buckets, per NAIC data



Source: NAIC Financial Data Repository, S&P Capital IQ, BlackRock. Captures data through year-end 2024 (most recent as of October 2025). Note: the NAIC changed its category classifications beginning with the 2021 figures. As a result, we do not show granular detail for prior years.

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

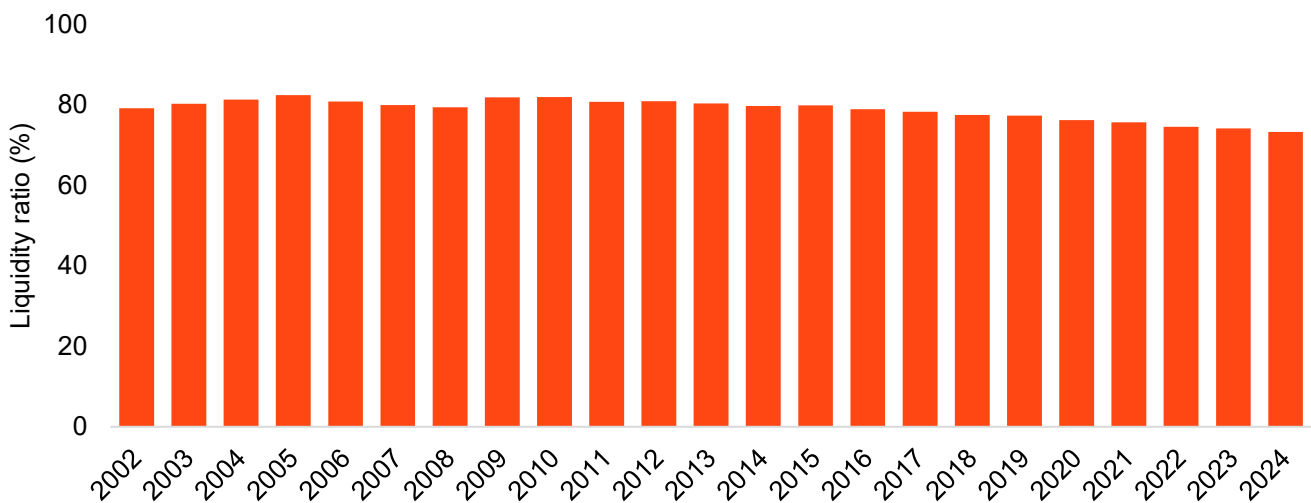
Exhibit 15 highlights the ‘depth’ of liquidity for the U.S. life insurance sector, showing the extent to which liabilities are covered by ‘liquid’ investments (defined as cash, common stock, and liquid bonds). The ratio suggests that roughly 75% of liabilities are backed by liquid investments at an industry level. This coverage has remained robust over the years, even as payout activity (including benefits and surrenders) has fluctuated.

And finally, Exhibit 16 illustrates the benefit ratio, or benefits paid as a share of premium income, for the U.S. life insurance sector. As of 2Q2025, benefits paid represented roughly 42% of premium income. The stability of this ratio suggests, in our view, that incoming premiums have consistently covered a substantial portion of benefit outflows over the years, further helping to limit liquidity strain.

Taken together, these statutory metrics suggest that, in aggregate, the U.S. life insurance sector has the capacity to prudently expand allocations to less liquid asset classes, including private credit. That said, as we have underscored, capital and liquidity positions ultimately vary by company, and the decision for an individual insurer to increase allocations to an illiquid asset class must be made in the context of more insurer-specific information.

**Exhibit 15: Liquidity for the U.S. life insurance sector has remained resilient over time**

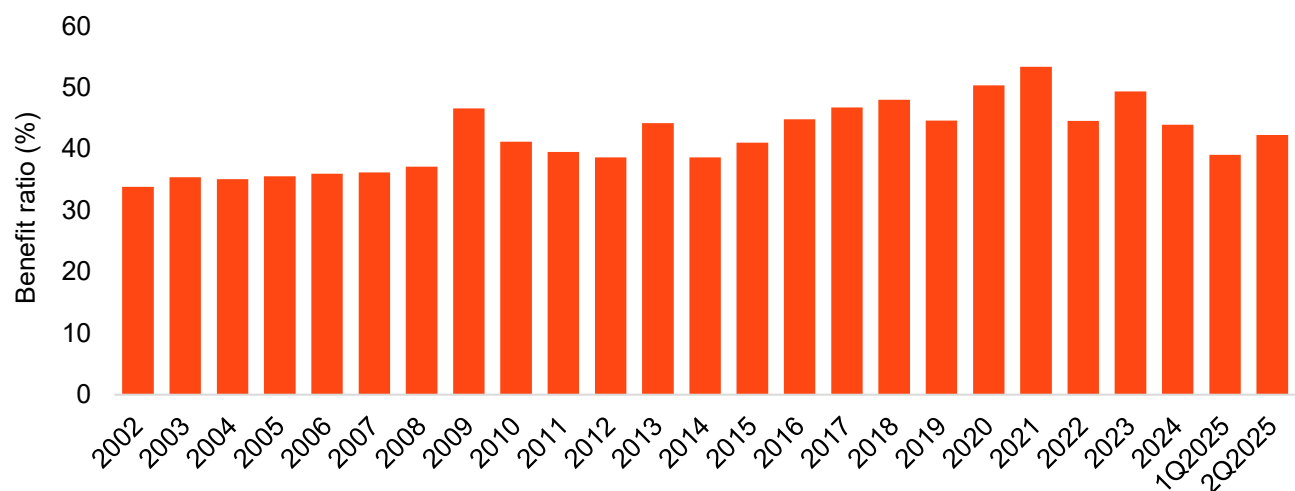
Statutory liquidity ratio for the U.S. life insurance sector, calculated as liquid investments / liabilities



Source: S&P Capital IQ, BlackRock. Liquid investments include cash, common equity, and liquid bonds. As of year-end 2024.

**Exhibit 16: The aggregate benefit ratio suggests premium inflows generally cover a substantial portion of benefit outflows**

Benefit ratio for the U.S. life insurance sector, calculated as policyholder benefits paid / premium income



Source: S&P Capital IQ, BlackRock. As of 2Q2025.

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

## Understanding property and casualty exposures

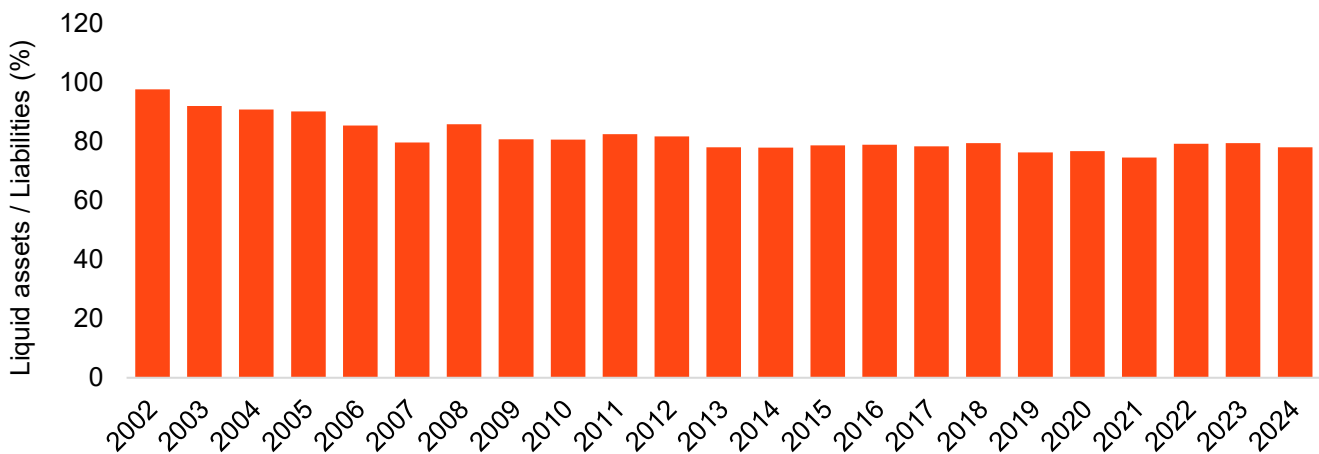
P&C insurers are, on balance, more exposed to shorter-tailed and somewhat less predictable liabilities than life insurers, especially given their sensitivity to natural disasters. This has historically led to P&C insurers maintaining greater allocations to more liquid assets, while somewhat limiting allocations to illiquid assets like private credit. Even so, a more challenging underwriting environment (e.g., rising frequency of severe convective storms, cost inflation), may encourage select insurers to pursue a lower volatility, more income-focused investing approach. There is also considerable nuance between the various P&C types, with factors such as liability timelines heavily influencing an insurer’s ability to allocate to illiquid instruments.

Exhibit 17 demonstrates that P&C insurers have maintained ample liquid assets, relative to liabilities over time, while Exhibit 18 highlights stable loss ratios, with premiums (i.e., inflows) consistently covering claims (i.e., outflows). Taken together, these measures indicate that the sector has managed risk effectively and is well-positioned to absorb future claim volatility, in aggregate.

This, in our view, reinforces our earlier takeaway: we see scope for P&C insurers, in aggregate, to increase their allocations to illiquid asset classes, including private credit. That said, the decision to do so must be made in the context of an individual firm’s characteristics, including its financial position and liability exposure.

### Exhibit 17: P&C liquidity has been resilient, in aggregate...

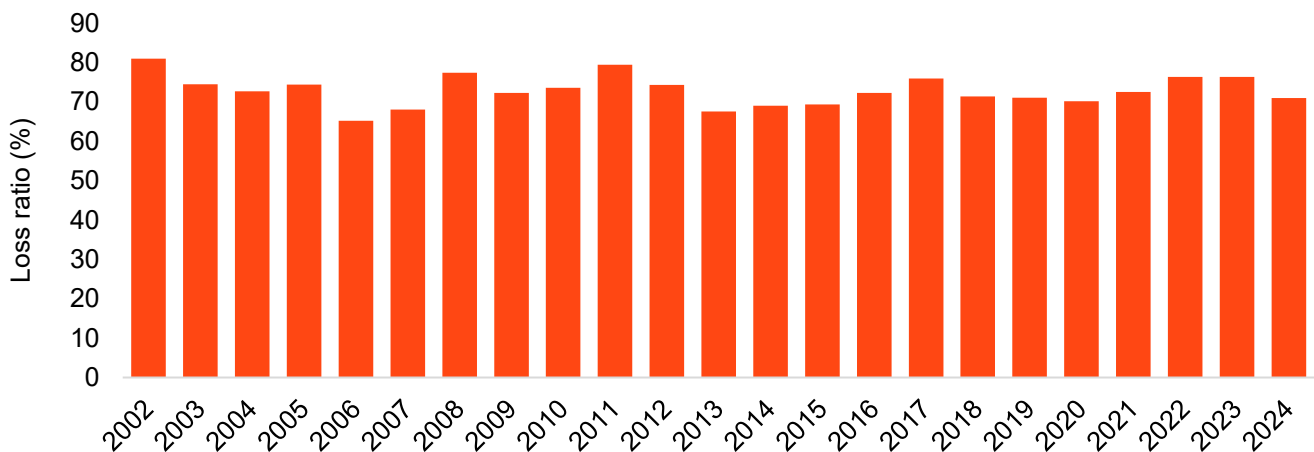
Statutory liquidity ratio for the U.S. P&C insurance sector, calculated as liquid assets / total adjusted liabilities (i.e., Insurance Regulatory Information System (IRIS) ratio 9)



Source: S&P Capital IQ, BlackRock. As of YE2024.

### Exhibit 18: ...and loss ratios have been stable

Statutory loss ratio for the U.S. P&C insurance sector, calculated as net losses and loss adjustment expenses / net premiums earned



Source: S&P Capital IQ, BlackRock. As of YE2024.

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

## Q: How has insurance demand expanded the addressable market for private credit?

Insurance capital is often subject to rating-related constraints, as the risk-based capital (RBC) framework assigns a more onerous capital charge for lower-rated investments. For private credit, rating agencies can assign private letter ratings (PLRs), which the NAIC defines as credit opinions assigned to privately rated securities. The NAIC can then use these PLRs to help determine the investment's RBC charge.

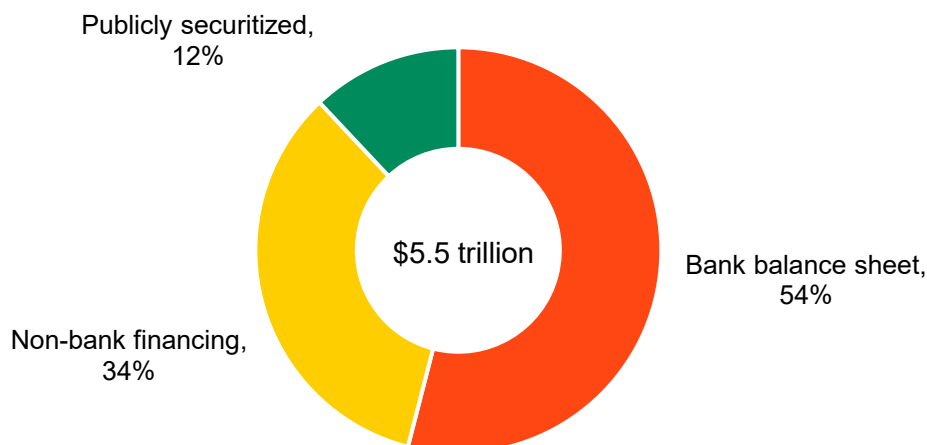
As a result, the insurance industry has historically focused on investment grade-rated private credit exposures in lower-risk strategies and often targets a lower yield hurdle relative to other 'higher octane' strategies. As such, the private credit addressable market for insurers includes opportunities in growing areas such as private asset-based financing (ABF) and private investment grade (IG) corporate credit:

**Private ABF** refers to lending secured by pools of assets, where the contractual cash flows from those assets are applied to debt service, often through amortizing structures. This stands in contrast to corporate lending, which instead relies on an individual borrower's ability and willingness to service its debt via regular coupon payments, until a large maturity at the end of the loan. Private ABF encompasses lending related to consumer debt, hard assets, commercial financing, and intellectual property, and is estimated to be a \$5.5 trillion addressable market in the U.S., per an April 2024 Oliver Wyman analysis. Further, Oliver Wyman estimates that \$200-\$300 billion of the 'non-bank financing' segment is funded by the private credit universe, which leaves its overall market share currently below 5%, per the analysis (Exhibit 19).

**Private IG** corporate credit represents a somewhat overlapping borrower set with private ABF and is often targeted at flexible funding solutions for IG-rated corporate borrowers. While the USD IG debt capital markets are very large and liquid, privately structured financing can nonetheless be valuable for a corporate in need of customization and/or certainty of execution. Examples could include firms embarking on large, multi-year investment projects or borrowers with limited financial flexibility (within the construct of an IG rating) at the holding company level. Survey responses from BlackRock's 2025 Global Insurance Report also demonstrate enthusiasm for IG-rated private credit. Indeed, when asked about which private credit strategies will provide attractive opportunities over the next 12 months, 52% highlighted private placements and 42% highlighted asset-backed.

### Exhibit 19: Oliver Wyman estimates private credit represents \$200-\$300 billion of the \$1.9 trillion U.S. specialty finance "non-bank financing" market

U.S. specialty finance market by estimated source of financing, per Oliver Wyman analysis



Source: "Private Credit's Next Act," April 2024 by Huw van Steenis and colleagues, Oliver Wyman, BlackRock. The Oliver Wyman analysis and estimates were aggregated from a range of sources including, but not limited to: Federal Reserve Board (Z1 tables, G19, G20 and H8); Federal Reserve Bank of New York; Federal Reserve Bank of Dallas; Bureau of Transportation Statistics (BTS); Dealogic; Conning, Inc., Conning Esoteric ABS Strategy Fact Sheet — used with permission; Finsight.com; Structured Finance Association; Boeing (Commercial Aircraft Finance Market Outlook); Secured Finance Network; Equipment Leasing and Finance Association; Morgan Stanley Research; CACIB Research; company reports and disclosures. Note: Non-bank financing includes fee-paying private credit AUM, captive financing (e.g. manufacturer-funded finance) and direct investments by insurers and other asset managers.

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

## Q: How prevalent is private equity ownership of insurers?

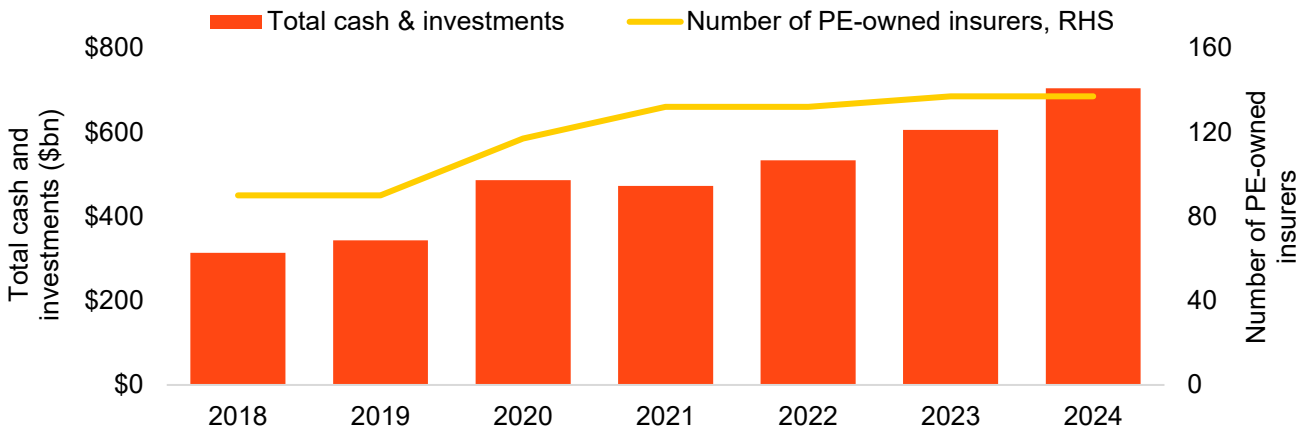
In the U.S., private equity (PE) ownership of insurance companies has increased over the years. The NAIC has identified 139 U.S. insurance companies that are “private equity (PE)-owned,” as of July 2025 – a category that includes any reported percentage of ownership.

PE-ownership of insurers can offer mutual benefits. For the PE firm, it can provide access to more ‘permanent’, long-term insurance capital, boosting recurring management fees and supporting the expansion of strategic capabilities, such as an origination pipeline, for example. For insurers, partnering with private equity may grant access to the manager’s investment expertise and may offer lower fees than with non-owned firms. This mutually beneficial relationship is detailed further on [page 17](#) of this report.

Exhibit 20 illustrates how the number of PE-owned insurers – and their total investments – have evolved over the years. As of year-end 2024, PE-owned insurers’ total cash and invested assets of \$704.3 billion represented 7.8% of the nearly \$9 trillion cash and invested assets of the U.S. insurance industry – a relatively modest figure in aggregate (Exhibit 21). The vast majority of PE-owned U.S. insurance assets (96%) are concentrated within the life insurance sector, per NAIC data. P&C accounted for 4% of total PE-owned cash and invested assets.

### Exhibit 20: PE-owned U.S. insurers' total investments 2018-2024

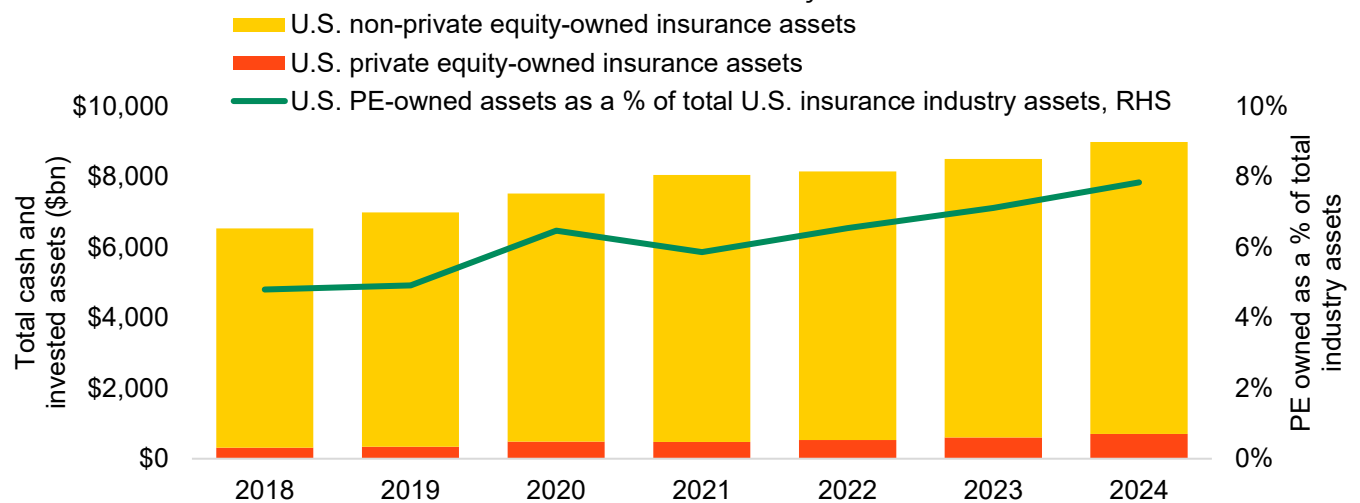
PE-owned U.S. insurers' total cash and investments, and the number of PE-owned U.S. insurers, RHS



Source: National Association of Insurance Commissioners (NAIC) Capital Markets Bureau, BlackRock. Captures data through year-end 2024, the most recent available for invested assets. The number of PE-owned insurers as of July 2025 is 139. Total cash and investments are based on the book/adjusted carrying value (BACV).

### Exhibit 21: PE-owned insurance assets represent 7.8% of total U.S. insurance industry assets

Total cash and invested assets of U.S. insurers at each calendar year-end



Source: National Association of Insurance Commissioners (NAIC) Capital Markets Bureau, BlackRock. Captures data through year-end 2024 (most recent).

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

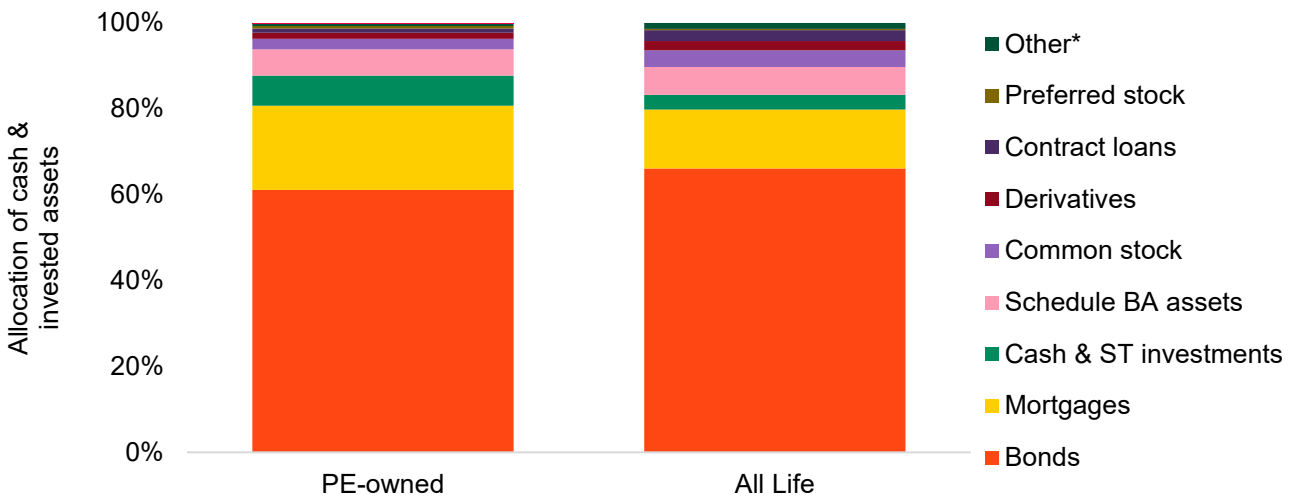
**Q: Do private equity-owned insurers have different investment profiles than non-private equity-owned insurers?**

Exhibits 22 and 23 illustrate how the asset allocation patterns among PE-owned U.S. insurers compare to the broader universe of U.S. life insurers. In aggregate, PE-owned U.S. insurers have a larger allocation to mortgages and a smaller allocation to bonds and common stocks. And within the bond allocation, PE-owned insurers have a smaller weight towards corporates and a larger weight towards asset-backed and other structured securities.

However, despite the tendency to allocate to more complex financing opportunities, PE-owned insurers aren't compromising on credit quality. Indeed, the NAIC notes that bonds with high credit quality (designated by an NAIC 1 or 2 rating) comprised 96% of total bond allocations for the subset of PE-owned insurers at year-end 2024.

**Exhibit 22: PE-owned insurer portfolio allocations differ somewhat from the broader U.S. life industry**

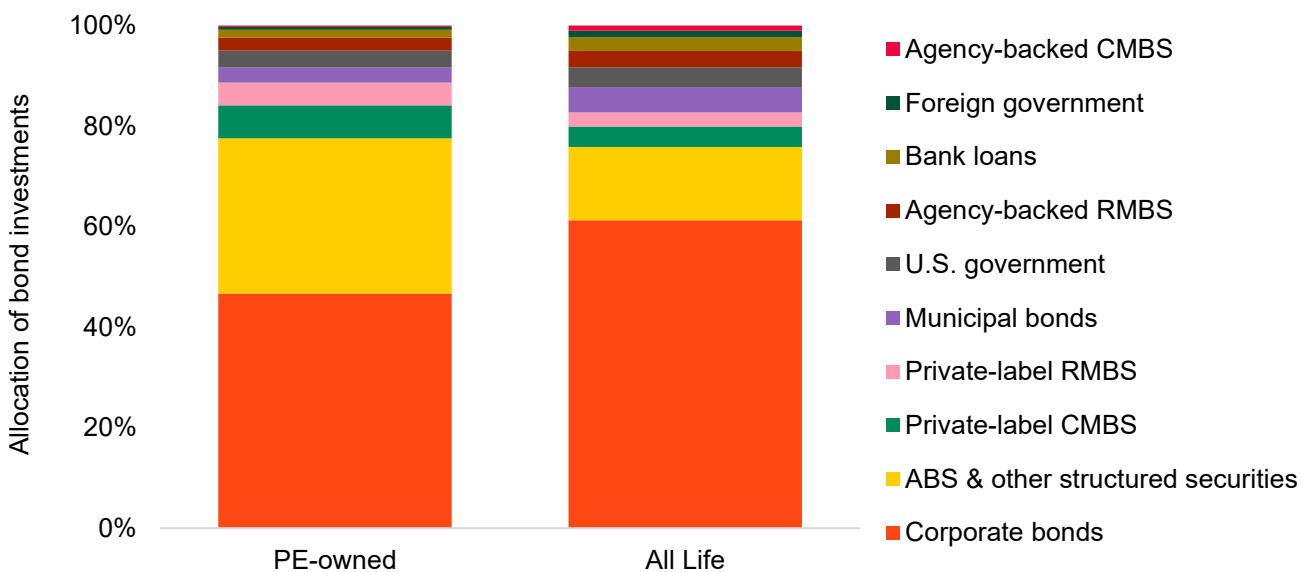
Allocation of cash and invested assets for U.S. insurers (PE-owned and aggregate life industry)



Source: National Association of Insurance Commissioners (NAIC) Capital Markets Bureau, BlackRock. As of year-end 2024 (most recent). \*Other includes aggregate write-ins, receivables for securities, securities lending, and real estate.

**Exhibit 23: PE-owned insurers had lower allocations to corporate bonds, relative to the broader U.S. life industry, at year-end 2024**

Allocation of bond investments for U.S. insurers (PE-owned and aggregate life industry)



Source: National Association of Insurance Commissioners (NAIC) Capital Markets Bureau, BlackRock. As of year-end 2024 (most recent).

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

## Q: What does collaboration between an insurer and private credit manager typically look like?

Partnerships between insurance companies and asset managers (including private credit lenders) may help fill gaps which might exist in each's respective business model.

Origination capabilities have been an important driver of partnerships between insurers and asset managers in recent years. Many asset managers have built robust origination platforms to maximize opportunities and enable selective deployment. Partnerships allow the insurer to gain direct access to the manager's asset origination platform, sometimes even at a discounted rate (allowing for a higher yield). This broadens the insurers' sourcing funnel, even if they already have some origination capabilities in-house. (We highlighted a similar trend in [March](#), whereby originations were a key driver behind private credit and bank partnerships). A [report](#) from Moody's notes that since 2018, the number of third-party asset managers collaborating with Moody's-rated life insurers has grown by over 70%.

Furthermore, credit underwriting expertise can be a constraint for some insurance companies. Insurance industry management commentary has suggested that partnership with private credit managers enables insurance teams to better understand how to underwrite more complex and esoteric credit positions when they may not have those capabilities in-house.

Insurance companies also bring something critical to the table: permanent capital. Access to more permanent capital enables asset managers to take advantage of their origination pipeline, knowing that sufficient capital will be available for desired investments.

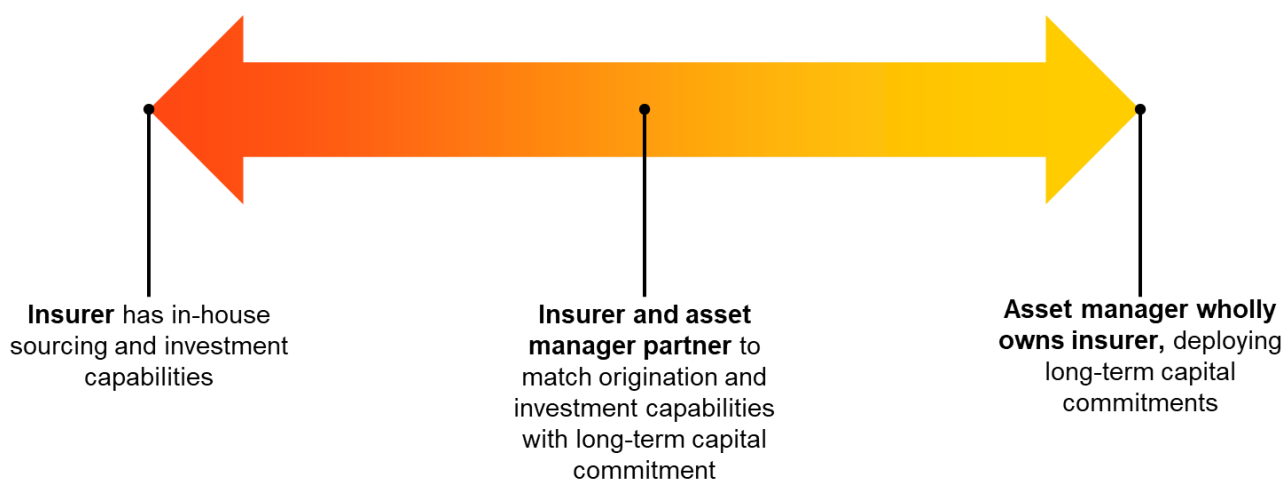
Tactically speaking, partnerships between insurance companies and asset managers/private credit managers exist on a spectrum (Exhibit 24). And survey responses from the BlackRock [2025 Global Insurance Report](#) suggest that insurers are staying flexible in order to navigate the evolving investing backdrop. Indeed, 87% of insurers surveyed plan to change their asset management operating model approach.

### Insurers' in-house investing arm

In some cases, insurers are vertically integrated and maintain their sourcing, underwriting, and investing capabilities in-house (i.e., within the same holding company). Such insurers have evolved over time to expand their private credit origination and underwriting capabilities, as it has become increasingly attractive. A review of recent insurance earnings calls reveals that private credit remains an area of focus for insurers, and many are focused on advancing their internal capabilities. Some insurers have acquired smaller asset managers to enhance their capabilities in this area.

### Exhibit 24: A range of possibilities for collaboration

Illustrative spectrum of collaboration between insurers and asset managers



Source: BlackRock. For illustrative purposes only, and not exhaustive. As of October 21, 2025.

## Asset manager acquisitions

On the other end of the spectrum, some asset managers have acquired insurance companies (via partial or controlling stakes). Through this, the asset manager may gain access to a stable, enduring pipeline of investable capital and fee-paying assets under management. These collaborations are especially common with life insurance companies, which are subject to longer-term liabilities.

## Outsourcing and partnerships

And finally, there are a variety of outsourcing or partnership agreements which allow asset managers to invest on behalf of insurers. For example, an insurance company may be one of many limited partners in a closed-end fund, or the sole investor in a fund-of-one in which the manager invests capital on behalf of only that insurer.

Data from the NAIC provides additional detail on the prevalence of these partnerships, specifically, the share of U.S. insurance companies that outsource some amount of investment management to unaffiliated managers (i.e., managers without shared ownership).

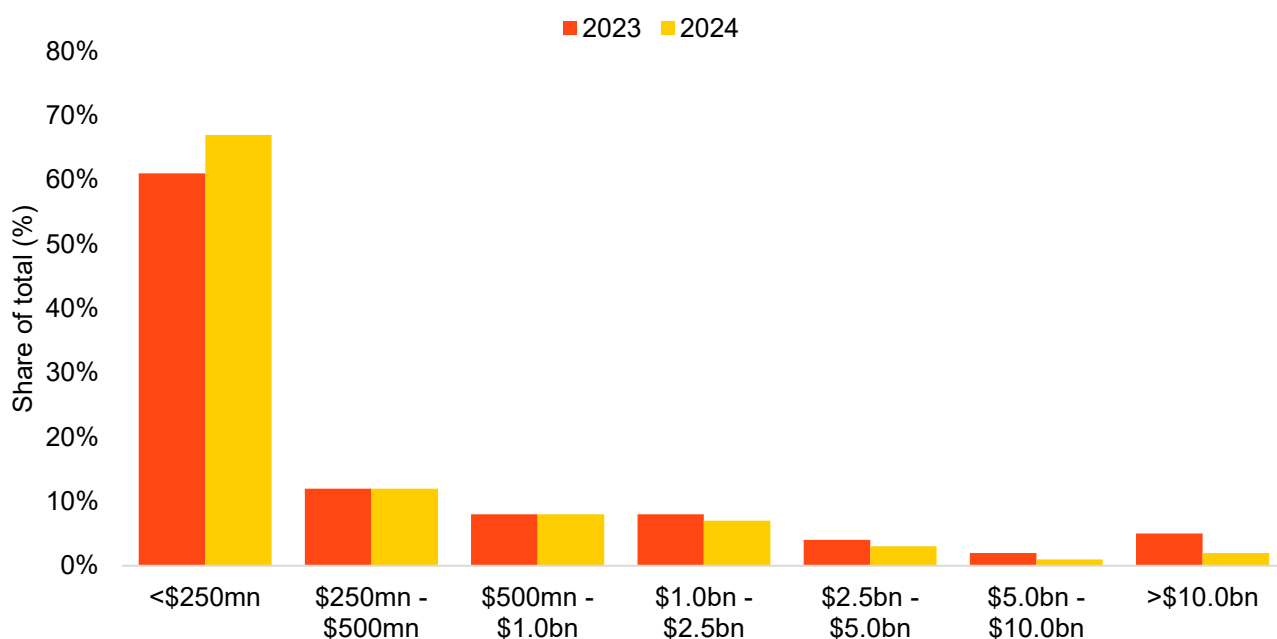
As of YE2024, 53% of U.S. insurance companies that filed statements with the NAIC outsource some amount of investing activity to unaffiliated managers. The share of insurers working with unaffiliated managers has risen over time, especially as interest in higher-yielding alternative investments has grown.

As demonstrated by Exhibit 25, small insurers represent the largest, and growing, segment of insurers that outsource to unaffiliated asset managers at 67% of total insurers in 2024, up from 61% in 2023. It can often be more cost-effective for small insurers to outsource some amount of investing, rather than developing those capabilities in-house.

By contrast, the largest insurers, those with more than \$10 billion in AUM, represent only 2% of ‘outsourcing’ insurers, down from 5% in 2023. In our view, this reflects two dynamics. First, large insurers are more likely to have in-house expertise, as the scale of their business can make this more cost-effective. Second, the YoY decline likely reflects the increasing affiliations between large insurers, especially life insurers, and asset managers.

### Exhibit 25: Outsourcing to unaffiliated investment managers is most common among the smallest insurer size segments

U.S. insurers outsourcing to unaffiliated investment managers by AUM, as of YE2023 and YE2024



Source: NAIC, BlackRock. Analysis as of April 2025, data as of YE2023 and YE2024.

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 Singapore:** this document is provided by BlackRock (Singapore) Limited (company registration number:200010143N) for use only with 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.

**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 Brunei:** BlackRock does not hold a Capital Markets Services License and is therefore not licensed for conducting business in any regulated activity under the Securities Market Order, 2013. This document has been issued by BlackRock and is intended for the exclusive use of the recipient. The distribution of the information contained herein may be restricted by law and persons who access it are required to comply with any such restrictions. The information provided herein information is directed solely at persons who would be regarded as "Accredited Investors", "Expert Investors" or "Institutional Investors" in accordance with the Securities Market Order 2013.

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.

For investors in **Central America**, these securities have not been registered before the Securities Superintendence of the Republic of Panama, nor did the offer, sale or their trading procedures. The registration exemption has made according to numeral 3 of Article 129 of the Consolidated Text containing of the Decree-Law No. 1 of July 8, 1999 (institutional investors). Consequently, the tax treatment set forth in Articles 334 to 336 of the Unified Text containing Decree-Law No. 1 of July 8, 1999, does not apply to them. These securities are not under the supervision of the Securities Superintendence of the Republic of Panama. The information contained herein does not describe any product that is supervised or regulated by the National Banking and Insurance Commission (CNBS) in Honduras. Therefore any investment described herein is done at the investor's own risk. In Costa Rica, any securities or services mentioned herein constitute an individual and private offer made through reverse solicitation upon reliance on an exemption from registration before the General Superintendence of Securities ("SUGEVAL"), pursuant to articles 7 and 8 of the Regulations on the Public Offering of Securities ("Reglamento sobre Oferta Pública de Valores"). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica. The product being offered is not intended for the Costa Rican public or market and neither is registered or will be registered before the SUGEVAL, nor can be traded in the secondary market. If any recipient of this documentation receives this document in El Salvador, such recipient acknowledges that the same has been delivered upon their request and instructions, and on a private placement basis. In Guatemala, this communication and any accompanying information (the "Materials") are intended solely for informational purposes and do not constitute (and should not be interpreted to constitute) the offering, selling, or conducting of business with respect to such securities, products or services in the jurisdiction of the addressee (this "Jurisdiction"), or the conducting of any brokerage, banking or other similarly regulated activities ("Financial Activities") in the Jurisdiction. Neither BlackRock, nor the securities, products and services described herein, are registered (or intended to be registered) in the Jurisdiction. Furthermore, neither BlackRock, nor the securities, products, services or activities described herein, are regulated or supervised by any governmental or similar authority in the Jurisdiction.

The Materials are private, confidential and are sent by BlackRock only for the exclusive use of the addressee. The Materials must not be publicly distributed and any use of the Materials by anyone other than the addressee is not authorized. The addressee is required to comply with all applicable laws in the Jurisdiction, including, without limitation, tax laws and exchange control regulations, if any.

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 be registered with the securities regulators of Argentina, Brazil, Chile, Colombia, Mexico, Panama, Peru, Uruguay or any other securities regulator in any Latin American country and thus, may not be publicly offered in any such countries. The securities regulators of any country within Latin America have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America. The contents of this material are strictly confidential and must not be passed to any third party.

In **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.

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](http://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](http://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](http://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.

**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](http://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.

**In the ADGM:** The information contained in this document is intended strictly for Professional Investors only, and may not be relied upon or distributed to Retail Clients

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' (FSRA 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.

© 2025 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.