

# **BlackRock®**

# **U.S. Corporate Pension Peer Study**

## **Sample FY 2024 Allocations and Reporting**

# What

is the U.S. Corporate Pension Peer Study

# Who

is included in the analysis

# Where

is the data sourced from

# How

is the analysis compiled

# When

is the data as of

## Industry thought leadership

Our annual study provides an overview of the U.S. corporate pension landscape, including the interplay of assets and liabilities with financials statements, and the resulting implications

## Coverage

Our analysis covers 500 plans ranging in size from \$100 million to \$47 billion; peer groups may be selected based on industry, AUM, funded ratio, as well as other factors

## Sourcing

Plan data is sourced from publicly available financial statements and S&P Capital IQ - additional data is used from other sources for industry trend analysis

## Capital Market Assumptions (CMAs)

High level asset class exposures are mapped to various asset classes represented by an index/proxy with an associated expected risk and return using the Aladdin® platform and our 10-year CMAs (Q4 2024)

## Latest annual reports

All data is as of fiscal year end 2024 for each underlying company

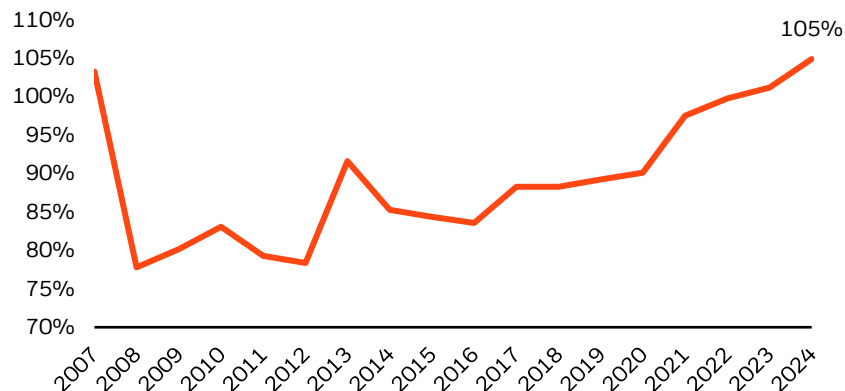
## Important Info

**Source:** BlackRock, with data provided by S&P Capital IQ as of December 31, 2024. Analytics and figures are shown for illustrative purposes only. **Past performance is not indicative of future results. Read important disclosures at the end of the presentation.**

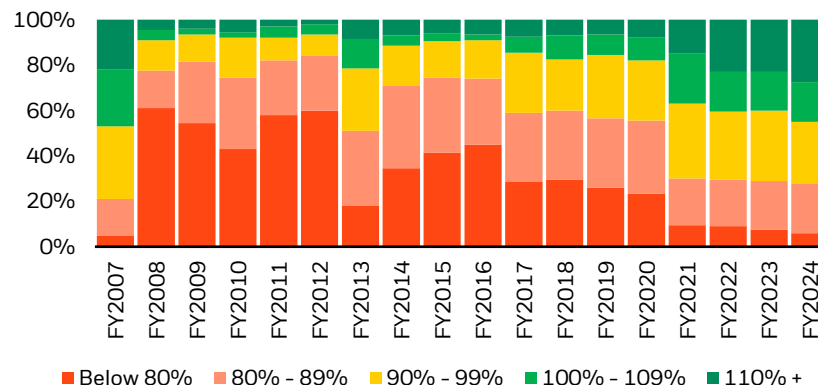
# U.S. Corporate Defined Benefit Pension Trends

Over time allocations to liability hedging assets have increased as pension plans seek to lock in funded status gains.

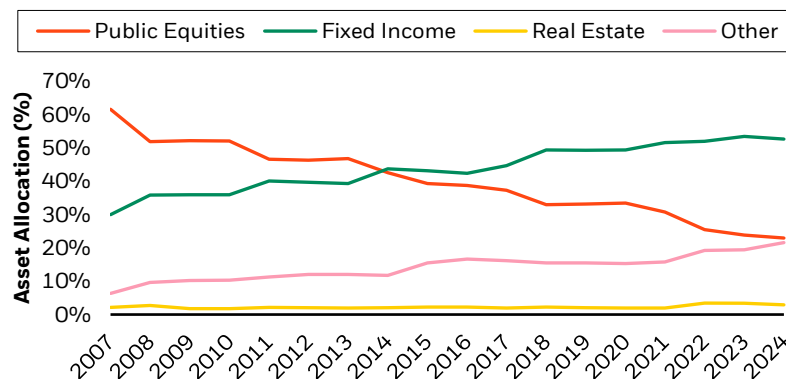
## Funded Ratios – Over 100% Funded



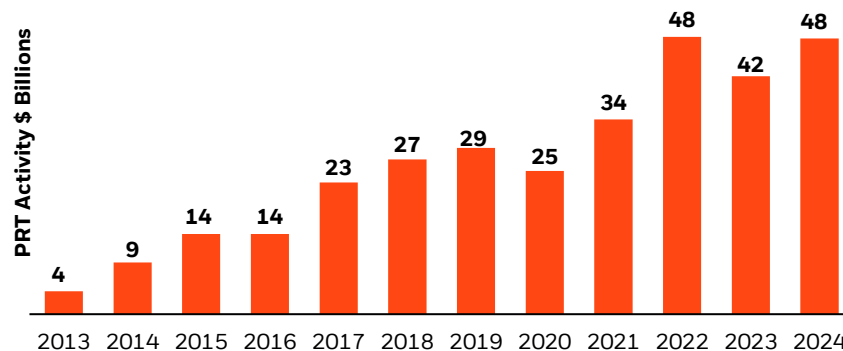
## Funded Ratio Breakdown



## Reduced Allocations to Public Equities



## Pension Risk Transfer (PRT) Activity (\$ Billions)



**Source (Top):** BlackRock LDI Market Watch. Estimated US corporate pension funded ratios 12/31/2018 – 3/31/2024.  
**Source (Bottom):** Data Source S&P Capital IQ as of December 31, 2024. Universe of data consists of top 200 DB plans from US listed companies. Assets include single- and multi-employer plans. For illustrative purposes only.

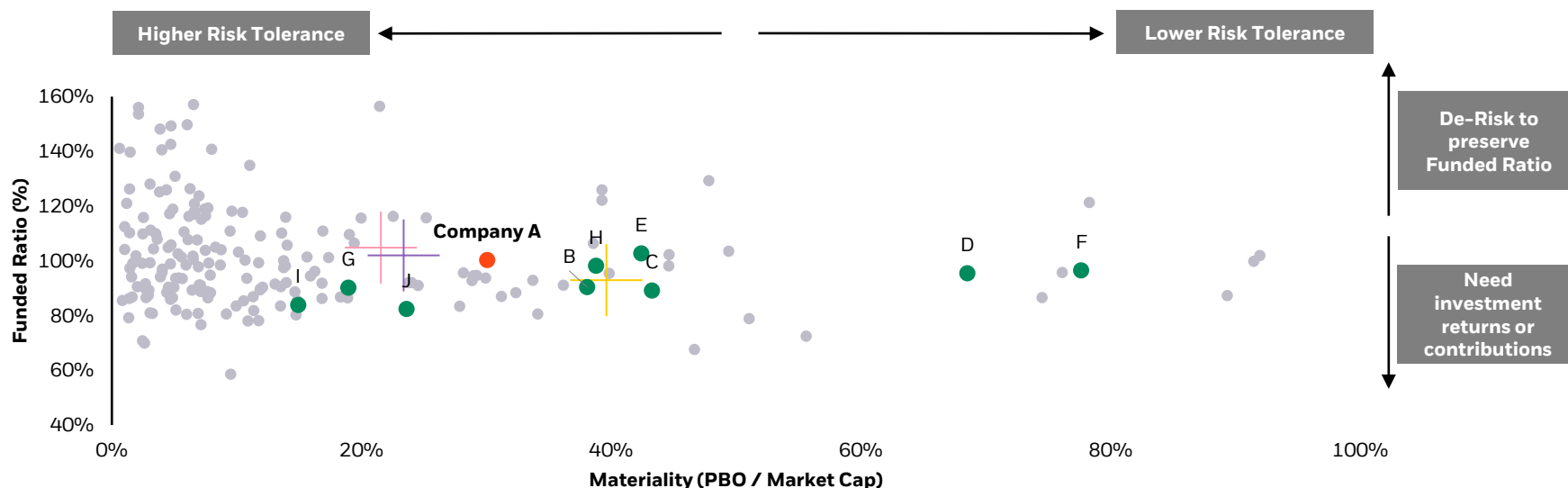
**Source (Top):** Data Source S&P Capital IQ as of December 31, 2024. Universe of data consists of top 500 DB plans from US listed companies. Assets include single- and multi-employer plans. For illustrative purposes only.  
**Source (Bottom):** LIMRA and Group Annuity Risk Transfer Survey.

# Peer Group Summary

Company A's funded ratio and plan materiality versus the peer universe

Peer Average  
Industrials Average  
Top 200 Average

## Funded Ratio versus Plan Materiality



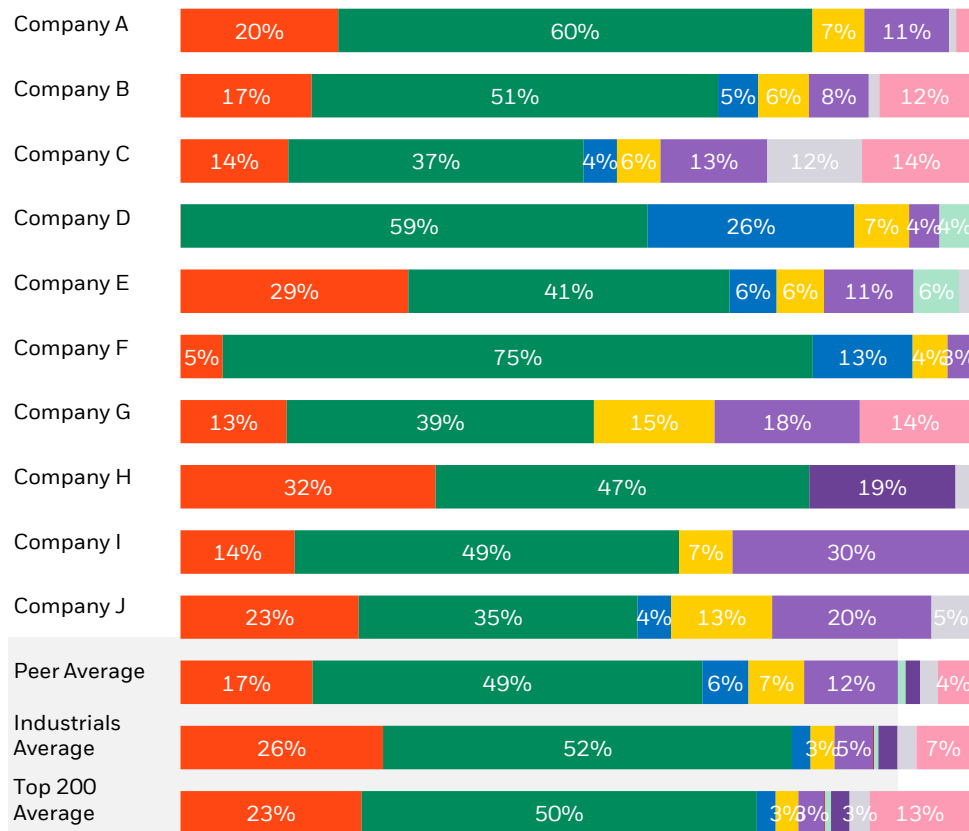
Ticker	Sector	PBO (\$MM)	Assets (\$MM)	Mkt Cap (\$MM)	Funded Ratio			Materiality		
					Funded Ratio	Sector Rank	Universe Rank	Materiality	Sector Rank	Universe Rank
Company A	Industrials	46,322	46,414	154,025	100%	55%	56%	30%	75%	68%
Company B	Industrials	50,421	45,574	132,427	90%	30%	30%	38%	78%	90%
Company C	Industrials	46,559	41,499	107,610	89%	20%	25%	43%	88%	85%
Company D	Consumer Discretionary	40,142	38,298	58,575	95%	25%	44%	69%	75%	0%
Company E	Industrials	28,992	29,769	68,373	103%	58%	62%	42%	85%	83%
Company F	Consumer Discretionary	30,555	29,502	39,345	97%	38%	47%	78%	88%	0%
Company G	Communication Services	30,944	27,919	163,381	90%	44%	28%	19%	44%	78%
Company H	Industrials	26,284	25,797	67,759	98%	50%	50%	39%	83%	0%
Company I	Industrials	26,964	22,612	180,516	84%	10%	13%	15%	58%	73%
Company J	Industrials	27,199	22,414	115,185	82%	5%	11%	24%	65%	78%

Source: S&P Capital IQ, corporate annual reporting and BlackRock as of December 31, 2024. For illustrative purposes only. Assets and PBO (projected benefit obligation) include qualified and non-qualified US plans. Ranks are in ascending order and compared against the Top 200 defined benefit plans by AUM from the US listed companies. Peers are selected based on client input.

# Asset Allocation and Risk

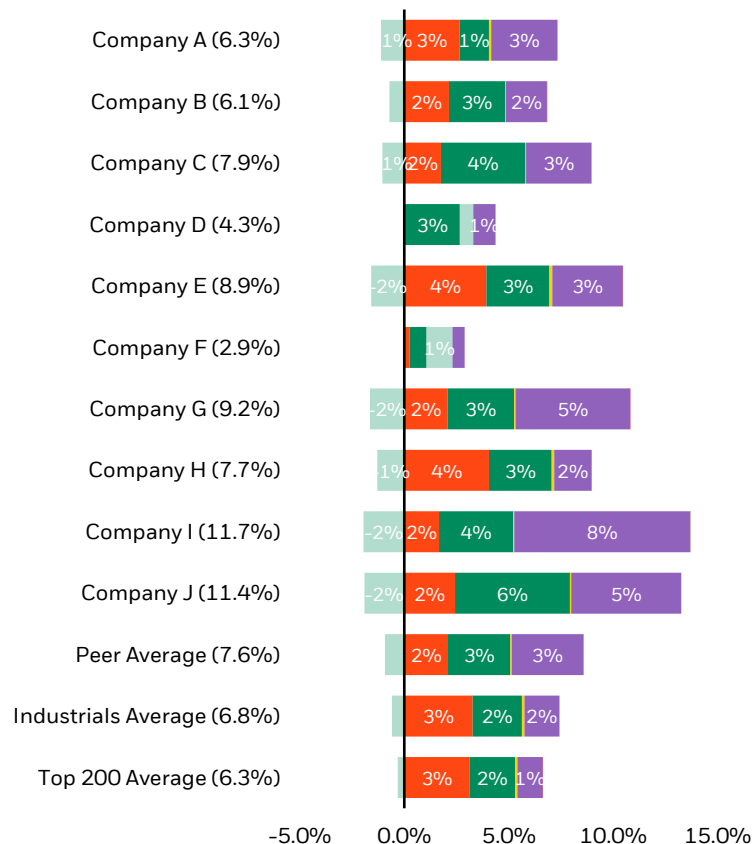
## Asset Allocation

Public Equity Fixed Income Real Estate Hedge Funds Pvt Equity Pvt Credit  
Other Pvt Mkts Other Cash



## Surplus Risk

Ticker (Total Risk) Equity Rates Spreads FX Alternative



**Source:** BlackRock, as of December 2024. Expected risk is calculated using the asset classes shown on the prior slide. **For information on how these asset classes are proxied, see the "Asset Class Mapping" slide at the end of the presentation.** Expected risk is defined as annual expected volatility and is calculated using data derived from portfolio asset class mappings, using the Aladdin portfolio risk model. This proprietary multi-factor model can be applied across multiple asset classes to analyze the impact of different characteristics of securities on their behaviors in the marketplace. In analyzing risk factors, the Aladdin portfolio risk model attempts to capture and monitor these attributes that can influence the risk/return behavior of a particular security/asset. Risk: Monthly Constant Weighted (MTC model) with 279 monthly observations; 1 standard deviation; 1yr horizon. There is no guarantee that the risk model results will be achieved, and actual results may be significantly higher or lower than shown. Hypothetical risk results shown are for illustrative purposes only and no representation is being made that any account, product or strategy is likely to achieve the risk shown. Benchmark information is shown informational purposes. Benchmark indexes are unmanaged; direct investment is not possible. **Read the Risk Factor Glossary and other disclosures at the end of the presentation.**

# How can BlackRock's Client Solutions Group help you?

## Find efficiencies

Reallocation

Strategic asset allocation

Simulations

Stress testing

Capital market assumptions

Historical comparisons

Asset-liability projections

Surplus stress testing

Hurdle rate analysis

Enterprise insights

After-tax considerations

Style factor tilts

## Calibrate liquidity

Balancing liquidity

Private market pacing

## Enhance income

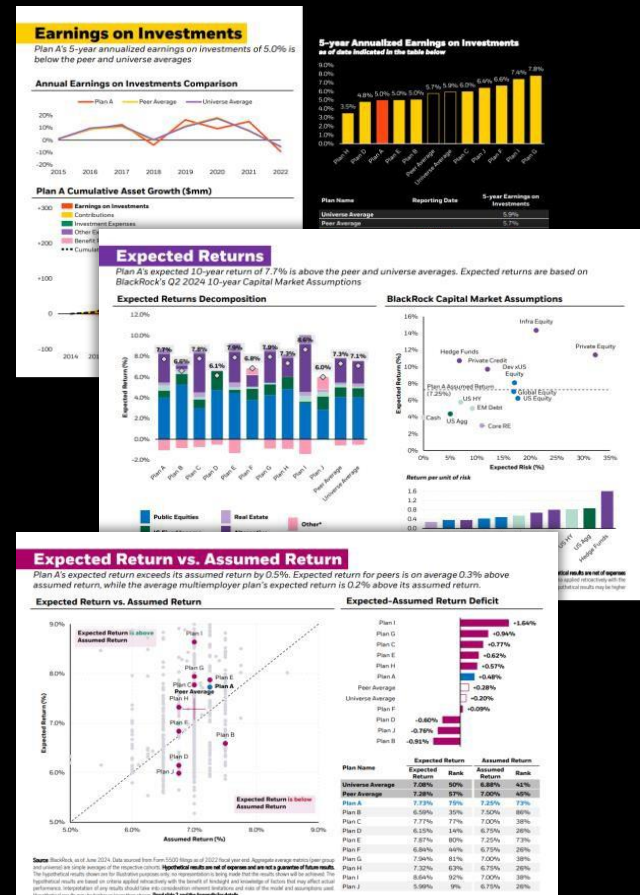
Fixed income risks

Operating assets

## Peer benchmarking

Visualize and understand positioning within broader industry context

> **Schedule a meeting**



For illustrative purpose only

# Appendix

# Risk Factor Glossary

Risk Factors	Description
Alternatives	Contribution to portfolio risk arising from a portfolio's exposure to alternative assets and strategies.
Commodities	Contribution to portfolio risk arising from a portfolio's exposure to commodity prices.
Emerging Market Spread	Contribution to portfolio risk arising from a portfolio's exposure to emerging market bond credit spreads over benchmark interest rates.
Equity – Country	Contribution to portfolio risk arising from a portfolio's exposure to returns of country specific equities adjusting for market, sector and style effects.
Equity – Dividend Yield	Contribution to portfolio risk arising from a portfolio's exposure to companies with different dividend yield levels.
Equity – Growth	Contribution to portfolio risk arising from a portfolio's exposure to companies with different historical growth.
Equity – Idiosyncratic	Contribution to portfolio risk arising from a portfolio's exposure to stock specific idiosyncratic risk not captured by the common risk factors.
Equity – Market	Contribution to portfolio risk arising from a portfolio's exposure to returns across the equity market. This factor captures the risk associate with general equity market movements.
Equity – Momentum	Contribution to portfolio risk arising from a portfolio's exposure to companies with recent price momentum.
Equity – Sector	Contribution to portfolio risk arising from a portfolio's exposure to the returns of sector specific equities adjusting for market, country, and style effects.
Equity – Size	Contribution to portfolio risk arising from a portfolio's exposure to companies of different market capitalization.
Equity – Style	Contribution to portfolio risk arising from a portfolio's exposure to the returns of factors such as value, growth, size and momentum. Style factors are constructed from company fundamentals, analyst estimate data and historical market data.
Equity – Value	Contribution to Portfolio Risk arising from a portfolio's exposure to companies of different valuations.
Equity -- Volatility	Contribution to portfolio risk arising from a portfolio's exposure to companies with different historical volatility.
Foreign Currency (FX)	Contribution to portfolio risk arising from a portfolio's exposure to risk associated with changes in foreign exchange rates.
Interest Rates	Contribution to portfolio risk arising from a portfolio's exposure to risk associated with changes in yield curves.
Inflation	Contribution to portfolio risk arising from a portfolio's exposure to risk associated with changes in inflation.
Other	Contribution to portfolio risk arising from a portfolio's exposure to remaining risk factors not shown.
Spreads – Credit	Contribution to portfolio risk arising from a portfolio's exposure to credit spreads. Credit spreads capture risk associated with investment grade, high yield, and distressed debt credit spreads over benchmark interest rates.
Spread – High Yield	Contribution to portfolio risk arising from a portfolio's exposure to high yield credit spreads over benchmark interest rates.
Spread – Investment Grade	Contribution to portfolio risk arising from a portfolio's exposure to investment grade credit spreads over benchmark interest rates.
Spreads – Muni	Contribution to portfolio risk arising from a portfolio's exposure to municipal bond credit spreads over benchmark interest rates.
Spreads – Securitized	Contribution to portfolio risk arising from a portfolio's exposure to securitized credit spreads over benchmark interest rates.

Source: BlackRock



# Asset Class Mapping

Asset Description	Index	Public Equities	Fixed Income	Hedge Funds	Real Estate	Private Equity	Infra Equity	Private Credit	Other Private Markets	Cash	Other
Global Equity	MSCI All Country World Index	21%	-	-	-	-	-	-	-	-	6%
US Equity	MSCI Developed USA Index	50%	-	-	-	-	-	-	-	-	15%
Dev Ex-US Equity	MSCI World Ex-US Index	29%	-	-	-	-	-	-	-	-	9%
Long Government	BBG Long Government Index	-	40%	-	-	-	-	-	-	-	28%
Long Credit	BBG Barc Long Credit Index	-	60%	-	-	-	-	-	-	-	42%
Private Equity	BlackRock Proxy: US Buyout Private Equity - eFront Insights Research	-	-	-	-	100%	-	-	35%	-	-
Infrastructure Equity	BlackRock Proxy: Global Diversified Infrastructure - eFront Insights Research Global Infrastructure	-	-	-	-	-	100%	-	-	-	-
Real Estate	BlackRock Proxy: US Core Real Estate - NCREIF ODCE Index	-	-	-	100%	-	-	-	-	-	-
Hedge Funds	BlackRock Proxy: HFRI Global Fund Weighted Index (Hedged)	-	-	100%	-	-	-	-	50%	-	-
Private Credit	BlackRock Proxy: Direct Lending - Lincoln Senior Debt Index	-	-	-	-	-	-	100%	15%	-	-
Cash	USD Cash Benchmark	-	-	-	-	-	-	-	-	100%	-

**Source:** BlackRock as of December 2024. Neither asset allocation nor diversification can guarantee profit or prevent loss. Indexes are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index.

# Capital Market and Modeling Assumptions

Asset Description	BlackRock CMA Proxy	Alpha	Fee Deducted	Expected Risk	Expected Return
US Equity	MSCI US Index	-	0.1%	18.0%	5.4%
World ex US	MSCI World ex US Index	-	0.2%	17.2%	8.4%
US Small Cap	MSCI US Small Cap Index	-	0.2%	21.0%	4.3%
MSCI ACWI	MSCI All Country World Index	-	0.2%	17.3%	6.5%
World Equity	MSCI World Index	-	0.2%	17.3%	6.2%
US Tsy 1-5yr	BBG Barc Treasury 1-5 Yr Index	-	0.1%	2.3%	4.2%
US Corp 1-5yr	BBG Barc US Corporate 1-5 years Index	-	0.1%	2.5%	4.6%
Int Corp	Bloomberg US Intermediate Corporate Index	-	0.1%	4.1%	4.7%
Int Gov	Bloomberg Intermediate Government Index	-	0.1%	3.3%	4.2%
CMBS	BBG CMBS Investment Grade Index	-	0.5%	5.1%	4.4%
ABS	BBG Barc ABS Index	-	0.5%	3.0%	3.8%
Long Corp	Bloomberg US Long Corporate Index	-	0.2%	11.6%	3.7%
Long Gov	Bloomberg Long Government Index	-	0.2%	12.7%	3.9%
Long Credit	Bloomberg US Long Credit Index	-	0.2%	11.4%	3.9%
US Agg	Bloomberg U.S. Aggregate Index	-	0.1%	5.0%	4.4%
Strips 20+ yr	BBG Barc Strips 20+ Years Index	-	0.2%	20.8%	3.2%
US Tsy 10+ yr	BBG Barc Treasury 10+ Yr Index	-	0.2%	12.7%	3.9%
High Yield	Bloomberg US Corp High Yield 2% Issuer Capped Index	-	0.4%	6.5%	5.6%
Banks loans	BlackRock - Bank Loans unhedged	-	0.5%	8.0%	5.3%
EM Debt	JP Morgan CEMBI Broad Diversified Index	-	0.5%	5.9%	5.6%
MBS	Bloomberg MBS Index	-	0.1%	5.3%	4.7%
Pvt Credit	BlackRock - Direct lending proxy	2.2%	3.0%	12.0%	9.0%
RE Debt	BlackRock - Real estate mezzanine debt unhedged	2.2%	1.2%	9.6%	7.8%
Infra Debt	BlackRock - Global infrastructure debt unhedged	0.9%	0.3%	7.1%	5.9%
US Core RE	BlackRock - US Core Real Estate	0.8%	0.9%	10.9%	2.8%
Pvt Equity	BlackRock - US Buyout Private equity	5.7%	4.7%	32.1%	11.7%
Hedge Funds	BlackRock - Hedge funds (global fund weighted) hedged	3.3%	2.2%	6.8%	9.4%
Infra Equity	BlackRock - INF Diversified Global	5.5%	1.5%	21.0%	14.9%

**Source:** BlackRock as of December 2024. Expected asset class returns shown are net of asset class fees and expenses and reflect the reinvestment of dividends and capital gains, but do not reflect the impact of taxes. Had those expenses been included, returns would be lower. Expected returns are net of fees but include an alpha assumption for certain asset classes listed in the alpha assumption column. The representative indices listed above may differ from those that are publicly available, but the underlying methodology and assumptions are consistent. Portfolio level expected returns shown in the presentation also include the deduction of an advisory fee of 0.10%, which represents the highest advisory fee for the institutional client type. BlackRock expected return information is based on BlackRock's long-term capital market assumptions as of December 2024 which are subject to change. Capital market assumptions contain forward-looking information that is not purely historical in nature. They should not be construed as guarantees of future returns. The projections in the chart above are based on BlackRock's proprietary long-term capital markets assumptions (10+ years) for risk and geometric return (above) and correlations between major asset classes. These asset class assumptions are passive only and do not consider the impact of active management. The assumptions are presented for illustrative purposes only and should not be used, or relied upon, to make investment decisions. The assumptions are not meant to be a representation of, nor should they be interpreted as BlackRock's investment recommendations. Allocations, assumptions, and expected returns are not meant to represent BlackRock performance. Long-term capital markets assumptions are subject to high levels of uncertainty regarding future economic and market factors that may affect actual future performance. Ultimately, the value of these assumptions is not in their accuracy as estimates of future returns, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences. Please note all information shown is based on assumptions, therefore, exclusive reliance on these assumptions is incomplete and not advised. The individual asset class assumptions are not a promise of future performance. Indexes are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index.

# BlackRock Capital Market Assumptions Methodology and Limitations

## BlackRock Capital Market Assumptions

This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise of future performance. Note that these asset class assumptions are passive, and do not consider the impact of active management. All estimates in this document are in U.S. dollar terms unless noted otherwise. Given the complex risk-reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations to all the asset classes and strategies.

References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Assumptions, opinions and estimates are provided for illustrative purposes only. They should not be relied upon as recommendations to buy or sell securities. Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material has been prepared for information purposes only and is not intended to provide, and should not be relied on for, accounting, legal, or tax advice.

The outputs of the assumptions are provided for illustration purposes only and are subject to significant limitations. “Expected” return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. Because of the inherent limitations of all models, potential investors should not rely exclusively on the model when making an investment decision. The model cannot account for the impact that economic, market, and other factors may have on the implementation and ongoing management of an actual investment portfolio. Unlike actual portfolio outcomes, the model outcomes do not reflect actual trading, liquidity constraints, fees, expenses, taxes and other factors that could impact future returns.

## BlackRock asset return and long-term volatility assumptions

BlackRock’s annualized return assumptions are in geometric terms. Return assumptions are total nominal returns. Return assumptions for all asset classes are shown in unhedged terms. We use long-term volatility assumptions. We break down each asset class into factor exposures and analyze those factors’ historical volatilities and correlations over the past 15+ years. We combine the historical volatilities with the current factor makeup of each asset class to arrive at our forward-looking assumptions. This approach takes into account how asset classes evolve over time. Example: Some fixed income indices are of shorter or longer duration than they were in the past. Our forward-looking assumptions reflect these changes, whereas a volatility calculation based only on historical monthly index returns would fail to capture the shifts. We have created BlackRock proxies to represent asset classes where historical data is either lacking or of poor quality. Expected return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. The geometric return, sometimes called the time-weighted rate of return, takes into account the effects of compounding over the investment period. The arithmetic return can be thought of as a simple average calculated by taking the individual annual returns divided by the number of years in the investment period.

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

This material is prepared by BlackRock and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by BlackRock, its officers, employees or agents. This material may contain “forward-looking” information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

The information provided here is neither tax nor legal advice. Investors should speak to their tax professional for specific information regarding their tax situation. 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.

FOR MORE INFORMATION: [www.BlackRock.com](http://www.BlackRock.com)

# Alternative Risk Proxy Descriptions

Asset Class	Risk Proxy Description
Private Equity	The private equity risk proxy estimates the economic risks of a private equity fund, within the context of a multi-asset portfolio, using the Aladdin Private Equity Risk Model. The proxy uses average observed fund exposures spanning vintages 2000 to present day (or the latest available). These averaged exposures consider capital deployed along with geographic, industry and size dimensions. The risk proxy also uses a leverage adjustment based on average observed deal equity contributions and the leveraged loan market. Data inputs to this proxy's construction include Bloomberg, MSCI, Refinitiv, S&P and BlackRock proprietary data.
Real Estate	The real estate risk proxy estimates the economic risks of a real estate private equity fund, within the context of a multi-asset portfolio, using the Aladdin Real Estate Risk Model. The proxy uses average observed fund exposures and real estate transactions. These exposures consider both geographies and property types while, depending on investment strategy, adjusting for average Loan-to-Value ratios. Data inputs to this proxy's construction include Asian Association for Investors in Non-Listed Real Estate Vehicles (ANREV), Investors in Non-Listed Real Estate Vehicles (INREV), National Council of Real Estate Investment Fiduciaries (NCREIF), Real Capital Analytics, S&P SNL and BlackRock proprietary data.
Infrastructure	The infrastructure risk proxy estimates the economic risks of an infrastructure private equity fund, within the context of a multi-asset portfolio, using the Aladdin Private Infrastructure Risk Model. The proxy uses average observed fund exposures as well as transactions from Insight Research Infrastructure transactions. These averaged exposures consider capital deployed along with geographic and industry dimensions. Data inputs to this proxy's construction include eFront Insight Research, BlackRock Proprietary data and BFRE factors.
Hedge Funds	The hedge fund risk proxies estimate the economic risks of a given hedge fund strategy, within the context of a multi-asset portfolio, using the Aladdin Hedge Fund Risk Model. The proxy uses a regression-based analysis to identify key risk factor exposures for each hedge fund strategy cohort. This analysis considers equity, fixed income, commodity and strategy-specific effects. Data inputs to the construction of these proxies include Hedge Fund Research, Lipper TASS and BlackRock proprietary data.
Direct Lending	The direct lending capital market assumption risk proxy is a blend of Business Development Company (BDC) equity and bank loan exposure to estimate the risk level of a direct lending investment.

Source: BlackRock as of December 2024.

# Important Information

**Risks associated with Private Markets:** Investments in private markets are typically illiquid and investors seeking to redeem their holdings can experience significant delays and fluctuations in value. Direct co-investing can involve risks, including but not limited to individual company risk, availability of investments, risk of loss, illiquidity, no near-term cash flow, lack of diversification, key personnel risk, leverage risk, asset valuation risks, political and market risks, tax risks and currency risks.

**Risks Associated with Private Equity:** Private equity investments are speculative and involve a high degree of risk. An investor could lose all or a substantial amount of his or her investment. Interests in private equity investments are illiquid and there is no secondary market nor is one expected to develop for interests in such investments or any fund offered or sponsored; there are also significant restrictions on transferring private equity investments. Private equity investments experience volatile performance and private equity funds are often concentrated and lack diversification and regulatory oversight. Private equity funds have high fees and expenses (including "carried interest") that will reduce such investments' returns and a private equity investment or a fund offered or sponsored may invest in other funds which themselves charge management fees and carried interest (typically, 20% of the net profits generated by the fund and paid to the manager). A private equity investor has an ongoing financial commitment to make contributions to such funds, is subject to severe consequences in cases of default and may have to recontribute distributions to private equity investments. Investors in certain jurisdictions and in private equity funds generally may be subject to pass-through tax treatment on their investment. This may result in an investor incurring tax liabilities during a year in which the investor does not receive a distribution of any cash from the fund.

## **Additional Private Equity Risks:**

**Limited Regulatory Oversight:** Since private equity funds are typically private investments, they do not face the same oversight and scrutiny from financial regulatory entities such as the Securities and Exchange Commission ("SEC") and are not subject to the same regulatory requirements as regulated investment companies, (i.e., open-end or closed-end mutual funds) including requirements for such entities to provide certain periodic pricing and valuation information to investors. Private equity offering documents are not reviewed or approved by the SEC or any US state securities administrator or any other regulatory body. Also, managers may not be required by law or regulation to supply investors with their portfolio holdings, pricing, or valuation information. **Strategy Risk:** Many private equity funds employ a single investment strategy. Thus, a private equity fund may be subject to strategy risk, associated with the failure or deterioration of an entire strategy. **Use of Leverage and Other Speculative Investment Practices:** Since many private equity fund managers use leverage and speculative investment strategies such as options, investors should be aware of the potential risks. When used prudently and for the purpose of risk reduction, these instruments can add value to a portfolio. However, when leverage is used excessively and the market goes down, a portfolio can suffer tremendously. When options are used to speculate (i.e., buy calls, short puts), a portfolio's returns can suffer and the risk of the portfolio can increase. **Valuations:** Further there have been a number of high-profile instances where private equity fund managers have mispriced portfolios, either as an act of fraud or negligence. **Limited Liquidity:** Investors in private equity funds have limited rights to transfer their investments. In addition, since private equity funds are not listed on any exchange, it is not expected that there will be a secondary market for them. Repurchases may be available, but only on a limited basis. A private equity fund's manager may deny a request to transfer.

## **Risks Associated with Private Credit**

Risks associated with an investment in a private credit strategy (the Strategy) include, but are not limited to, the following: (i) the Strategy is speculative and its investments are subject to a risk of total loss, (ii) the performance of the Strategy may be volatile, (iii) the general partner of the Strategy will retain ultimate authority over the Strategy's assets and investment decisions, (iv) there are restrictions on the ability of investors to withdraw capital and on the transferability of investor ownership interests in the Strategy, (v) the fees and expenses of the Strategy may offset any profits of the Strategy, (vi) investing the Strategy may involve complex tax structures and delays in distributing important tax information, (vii) the Strategy is not subject to the same regulatory requirements as mutual funds. Investors should also be aware that as a global provider of investment management, risk management and advisory services to institutional and retail clients, BlackRock engages in a broad spectrum of activities. Although the relationships and activities of BlackRock may help offer attractive opportunities and service to the Strategy, such relationships and activities create certain inherent conflicts of interest between BlackRock and the Strategy and/or the Strategy's investors. Further risks associated with the Strategy include, but are not limited to, the following: i.) Credit & Interest Rate risk ii.) Risks associated with high-yield, non-investment-grade debt securities ("high-yield bonds" or "junk bonds"); iii) Derivatives; iv) Foreign/International Markets; and v) Emerging market risk.

## **Risks Associated with Infrastructure**

Infrastructure Funds invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments, linked to infrastructure assets. Therefore, the performance of an Infrastructure Fund may be materially and adversely affected by risks associated with the related infrastructure assets including: construction and operator risks; environmental risks; legal and regulatory risks; political or social instability; governmental and regional political risks; sector specific risks; interest rate changes; currency risks; and other risks and factors which may or will impact infrastructure and as a result may substantially affect aggregate returns. Investments in Infrastructure assets are typically illiquid and investors seeking to redeem their holdings in an Infrastructure Fund can experience significant delays and fluctuations in value.

## **Risk Associated with Hedge Funds**

An investment in a hedge fund is speculative and includes a high degree of risk, including the risk of a total loss of capital. A hedge fund is illiquid, subject to significant restrictions on transfer and investors should be aware that they may be required to bear the risks associated with holding such investment for an indefinite period of time. Investors should carefully review the confidential private placement memorandum and other offering documents for the hedge fund strategy prior to making an investment decision. Any investment decision with respect to a hedge fund should be made solely on the definitive and final version of the private placement memorandum, the governing agreements, subscription agreements and other ancillary documents.

## **Risks Associated with Real Estate**

Funds that invest in real estate or property invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments. Therefore, in addition to risks associated with investment in such equity or debt instrument, the performance of the real estate fund may be material and adversely affected by risks associated with the related real estate assets. Past performance of funds investing in real estate are not indicative of the performance of the real estate market as a whole and the value of real property will generally be a matter of a valuer's opinion rather than fact. The value of any real estate investment may be significantly diminished in the event of a downturn in the real estate market. Real estate investments are subject to many factors including adverse changes in economic conditions, adverse local market conditions and risks associated with the acquisition, financing, ownership, operation, and disposal of real estate.

# Important Information

All investing is subject to risk, including possible loss of money invested. **Past Performance is not a guarantee of future results.** Neither asset allocation nor diversification can guarantee profit or prevent loss.

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