



**BlackRock**

# A durable foundation

How bond ETFs are powering a portfolio evolution and fixed income revolution

# Key takeaways

**Today's yield environment offers investors a generational opportunity just as the portfolio demands on fixed income broaden.** With yields meaningfully higher across global fixed income markets, bonds are positioned to potentially deliver attractive income and total return. At the same time, portfolios increasingly rely on fixed income to help manage volatility and liquidity and support disciplined rebalancing, making this moment uniquely important for strategic allocation decisions.

**Bond ETFs are no longer just beta building blocks.**

They have become the essential infrastructure of modern portfolio construction, providing structural benefits that extends beyond what single securities can provide. As the bond market has become more digitized and indexable, ETFs have evolved into scalable, transparent and liquid tools that unify indexed, active, systematic and outcome-oriented strategies within a single ecosystem.

**As portfolios expand into private markets, digital assets, and thematic exposures, fixed income allocations become even more important for today's portfolios.**

This portfolio evolution introduces different liquidity and volatility characteristics, placing greater structural demands on the core of the portfolio. Fixed income is no longer just a diversifier; it is a liquidity engine, an income anchor and a stabilizing force that helps allow innovation elsewhere in the portfolio to function without compromising resilience.

## Authors



**Stephen Laipply**

Global Co-Head of iShares Fixed Income ETFs, BlackRock



**Karen Veraa-Perry**

U.S. Head of iShares Fixed Income Product Strategy, BlackRock



**Vasiliki Pachatouridi**

EMEA Head of iShares Fixed Income Product Strategy, BlackRock



**Hui Sien Koay**

APAC ex-Japan Head of iShares Fixed Income Product Strategy, BlackRock

# Report contents

---

**Foreword**

---

**Introduction**

---

**The rise of bond ETFs**

**Portfolio trends supporting bond ETF growth:**

---

**Rising cash**

---

**Active ETFs**

---

**Private markets**

---

**Digital assets**

---

**Conclusion**



## Alex Claringbull

Senior Managing Director  
Global Head of Index Investments

# Fixed income has been undergoing a quiet but profound revolution.

What began in the early 2000s with the introduction of bond ETFs has steadily transformed into something far more consequential. Over the past two decades, the fixed income market itself has modernized — becoming more digitized, more transparent, more indexable and more scalable. Electronic trading has expanded, data quality has improved, and portfolio construction tools have advanced. This structural progress has not always made headlines, but it has fundamentally reshaped how investors access and use bonds.

Today, that progress may be reaching an inflection point.

The yield environment has meaningfully reshaped the opportunity set. Across many segments of global markets, income levels are at multi-year highs, restoring fixed income's capacity to serve not only as a source of resilience, but also as a driver of both income and total return.

Bond ETFs may be the clearest expression of this revolution. Once viewed primarily as tactical liquidity tools, they have matured into core portfolio building blocks. They connect the depth and diversity of global bond markets with the efficiency, transparency and tradability that modern portfolio management demands. While adoption has accelerated significantly, indexed strategies still represent less than 5% of global bonds outstanding<sup>1</sup> — highlighting the potential for further structural growth.

Importantly, bond ETFs are no longer simply vehicles for accessing fixed income; they can serve as central tools that help enable the rest of the portfolio to function. As investors expand into private markets, digital assets and less liquid exposures, the need for reliable income, daily liquidity, disciplined rebalancing and scalable risk management becomes more acute. Bond ETFs sit at the center of that framework.

Innovation across asset classes will continue. Portfolios will likely grow more complex. But the quiet evolution of fixed income — and the continued advancement of bond ETFs — can be what provides the structural foundation that allows portfolios to endure.

While headlines often focus on what is new, portfolios ultimately depend on a durable foundation.

---

# Portfolio transformation demands fixed income discipline

## The expanding portfolio landscape

Portfolios are undergoing a structural transformation. Never before have investors had such broad, efficient access to new asset classes — from private markets to digital assets — reshaping the opportunity set and expanding portfolio complexity.

The modern allocation framework is no longer a simple balance between equities and bonds; it is a multi-dimensional architecture spanning public and private exposures, liquid and illiquid strategies, traditional and alternative potential return streams.

Yet amid this expansion, a critical question emerges: what helps hold the portfolio together? Fixed income can no longer be sized merely as a counterweight to equity risk. Its role has evolved. Today, fixed income can simultaneously support liquidity needs, anchor potential income generation, help enable disciplined

rebalancing, and offer a means to manage portfolio volatility across shifting market regimes.

Importantly, an expanded role coincides with a materially improved starting point. As of February 2026, approximately **60% of global fixed income assets yield above 4%**, compared to less than 20% in 2019<sup>2</sup>, meaning income has re-emerged as a significant contributor to potential total return and portfolio stability.

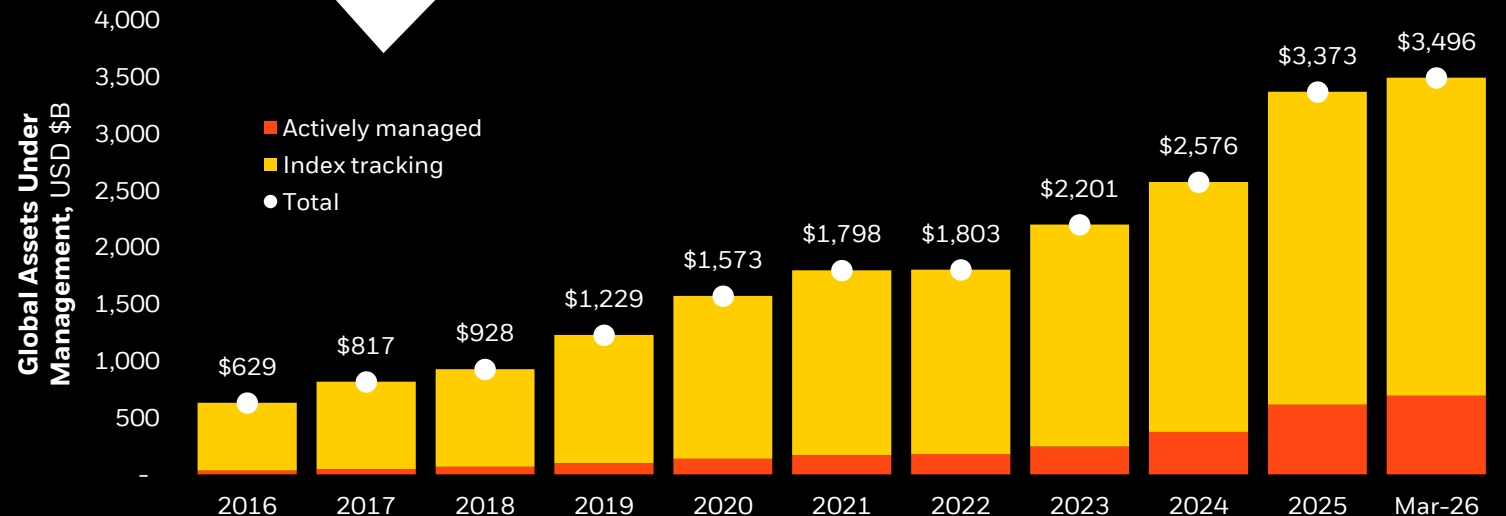
### Modern Fixed Income, Delivered Through ETFs

This evolution in portfolio construction comes alongside a transformation in fixed income markets themselves. Once considered opaque, dealer-driven and operationally cumbersome, the bond market is now increasingly digitized, transparent

and indexable. Electronic trading has expanded significantly, data quality has improved, and indexing has transformed millions of individual bonds into coherent, investable building blocks.

At the center of this modernization stands bond ETFs. Now representing more than **\$3 trillion in assets globally**, with \$669 billion in flows in 2025 alone, exceeding the combined total of 2022 and 2023, and as of March end in 2026, flows are nearly 30% higher than they were in the first quarter of 2025<sup>3</sup>. Bond ETFs have translated the scale and breadth of the bond market into tradable, transparent and operationally efficient exposures. What began as a tactical liquidity tool has matured into a strategic allocation vehicle used by institutions, advisers and wealth investors worldwide.

**Global bond ETF assets have more than doubled since 2020, to over \$3 trillion today**



Source: BlackRock Global Business Intelligence as of March 31, 2026. All \$ in USD unless otherwise stated.

Bond ETFs sit at the intersection of two defining transformations: the expansion of portfolio complexity and the modernization of fixed income market structure. On one side, portfolios are incorporating more illiquid, volatile and differentiated return streams. On the other, fixed income markets have become more transparent, indexable and technologically enabled. Bond ETFs connect these shifts — providing the scalable liquidity, income precision and implementation efficiency that can support increasingly sophisticated portfolios.

**As a result, bond ETFs may be uniquely positioned to serve the expanded role that fixed income can play within modern portfolios.**

## The ongoing journey in fixed income indexing

Fixed income indexing has evolved steadily alongside the modernization of bond markets. Early bond indices emerged in the 1970s, tracking narrow sets of government and corporate securities. The launch of the U.S. Aggregate Index in 1986 marked a major inflection point, broadening benchmark exposure to encompass the core investment grade market, including securitized assets.

Subsequent expansions, such as the U.S. Universal Index in 1999 and, more recently, the U.S. Total Bond Market Index in 2025, have continued to widen the opportunity set, reflecting a more complete and investable view of global bond markets that now spans nearly \$40 trillion across government, corporate, securitized, inflation linked, and floating rate segments.<sup>4</sup>

Bond ETFs have been instrumental in translating this growing index breadth into practical portfolio building blocks, offering investors efficient, transparent, and scalable access to diversified fixed income exposures that would be difficult to assemble and maintain through individual securities alone.

The rest of this paper examines several defining trends shaping investor behavior today. Across each theme, a consistent conclusion emerges: as portfolios evolve, fixed income can be foundational, and bond ETFs have become more integral to how it is accessed, implemented and managed.

## **1. Elevated cash balances**

## **2. The demand for income helping drive the rise of active and systematic fixed income ETF strategies**

## **3. Expanding private market allocations**

## **4. Accelerating digital asset exposure**



---

# Cash has been rising – but so has opportunity cost

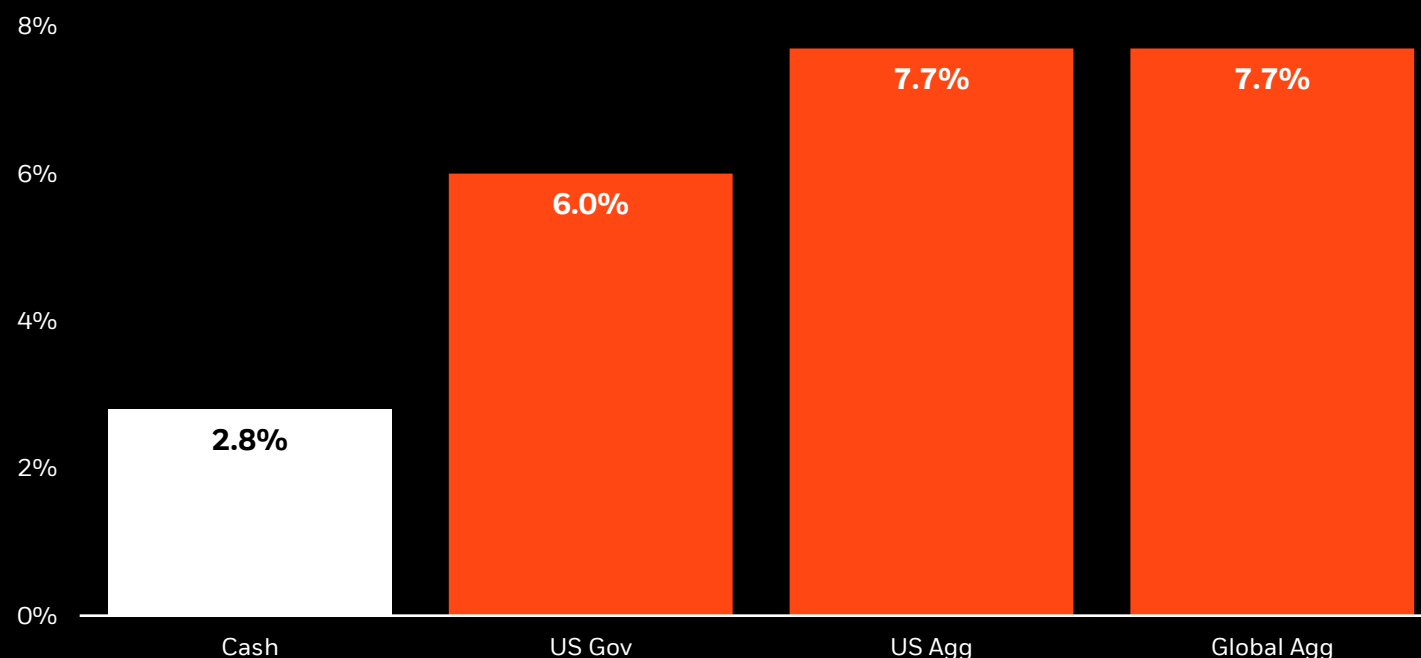
Global cash allocations have reached historic highs. By year-end 2025, global money market balances climbed to nearly **\$12 trillion**, adding more net new assets than any other asset class in the past 3 years, and growing more than 2X in the last decade.<sup>5</sup>

While elevated policy rates and macro volatility have incentivized defensive positioning, the rise in cash appears to be more than cyclical. As capital markets deepen and expand, structural liquidity pools will likely grow alongside them, suggesting that elevated cash balances may persist even as conditions normalize.

The key question for investors is not whether holding liquidity has been prudent—but whether it remains optimal as the rate cycle evolves. History can provide some perspective. As depicted in the chart, in prior rate-cutting cycles, the one-year average return on cash after cuts began after a pause of 3 months or longer was approximately **2.8%**, reflecting the rapid repricing of short-term yields. By contrast, bonds have historically delivered **6–8%** over the same period<sup>6</sup>, benefiting from both higher income and price appreciation as yields declined. The asymmetry is notable: cash yields reset downward almost immediately, while fixed income captured duration-driven upside.

### Historical performance after the Fed resumes cutting interest rates

1-year average return after rate cuts resumed following a pause of 3 months or longer, 1/1/1990 – 1/31/2026



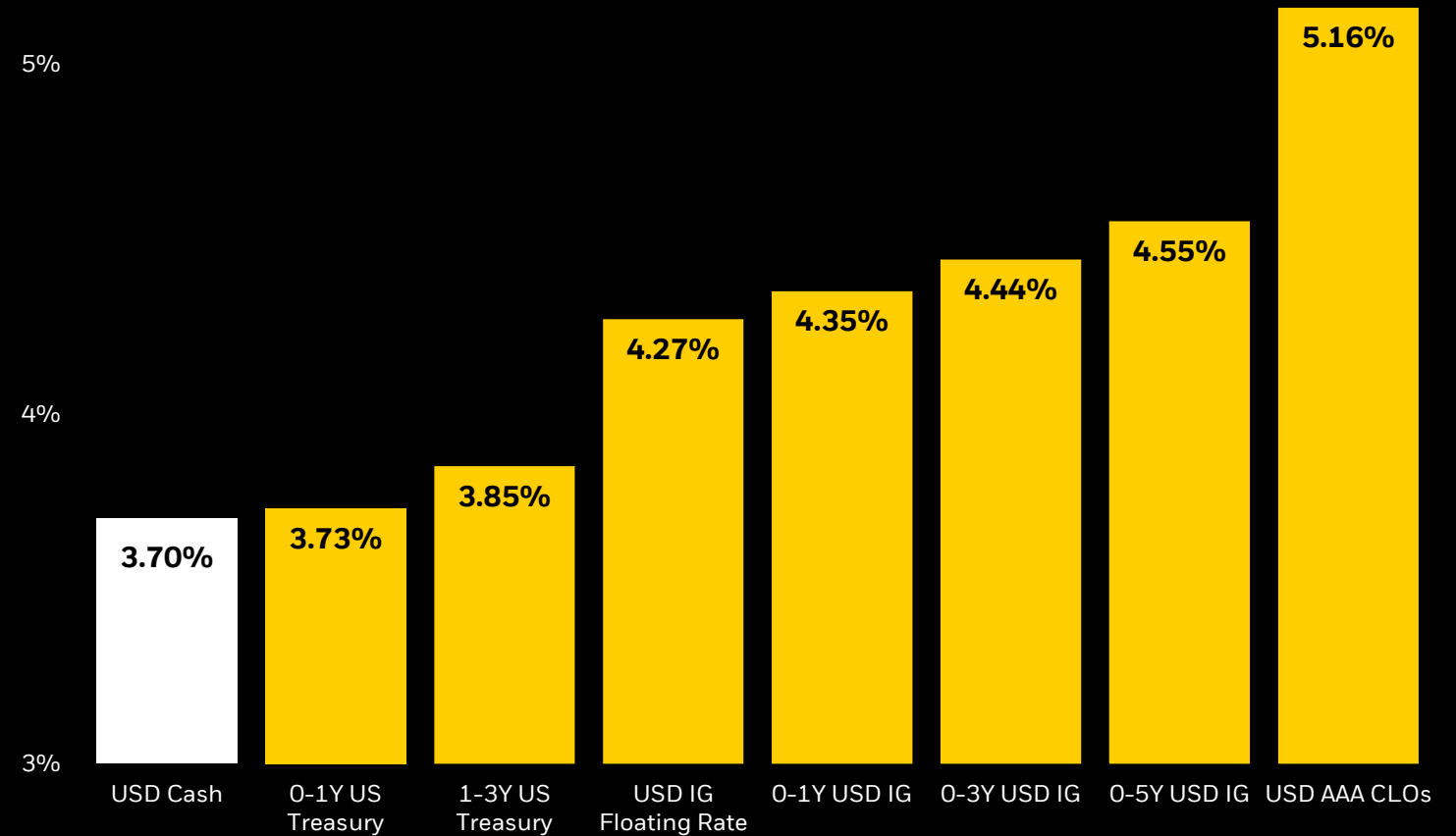
Source: BlackRock, Bloomberg. Cash represented by Bloomberg US T-Bills 1-3 Month Index; USD Govt represented by Bloomberg US Treasury Index; USD Agg represented by Bloomberg USD Aggregate Index; Global Agg represented by Bloomberg Global Aggregate Bond Index (USD Hedged). Average 1yr total returns for the post-rate hike periods: 30/10/1990-30/10/1991, 10/04/1992-10/04/1993, 20/12/1995 – 19/12/1996, 26/06/2003 – 25/06/2004, 19/10/2008 – 19/10/2009, 04/03/2020 – 04/03/2021. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

For investors seeking to redeploy excess liquidity while managing risk, bond ETFs, particularly short-duration or term-maturity strategies, such as iBonds® ETFs, may offer a scalable bridge. These vehicles can provide incremental yield pickup and the ability to seek today's still-elevated rates, while maintaining daily liquidity and flexibility.

In an environment where cash has grown both tactically and structurally, the opportunity cost of remaining sidelined has been rising. For some investors, bond ETFs may offer an efficient path from idle liquidity toward more durable total return potential.

### Short duration bond ETFs to help manage excess cash allocations

Yield to Maturity across select Fixed Income Indices, %



Source: BlackRock, Bloomberg as of 31 March 2026. USD Cash based on ICE 0-3 Month US Treasury Bill Index, 0-1Y US Treasury based on ICE Short US Treasury Securities Index, 1-3Y US Treasury based on ICE US Treasury 1-3 Year Bond Index, USD IG Floating Rate based on Bloomberg US Floating Rate Note <5 Years Index, 0-1Y USD IG based on Markit iBoxx USD Liquid Investment Grade Ultrashort Index, 0-3Y USD IG based on Bloomberg MSCI US Corporate 0-3 ESG SRI Index, 0-5Y USD IG based on Markit iBoxx USD Liquid Investment Grade 0-5 Index, USD AAA CLOs based on JP Morgan CLOIE AAA Index.

**Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Performance data represents past performance and does not guarantee future results.**

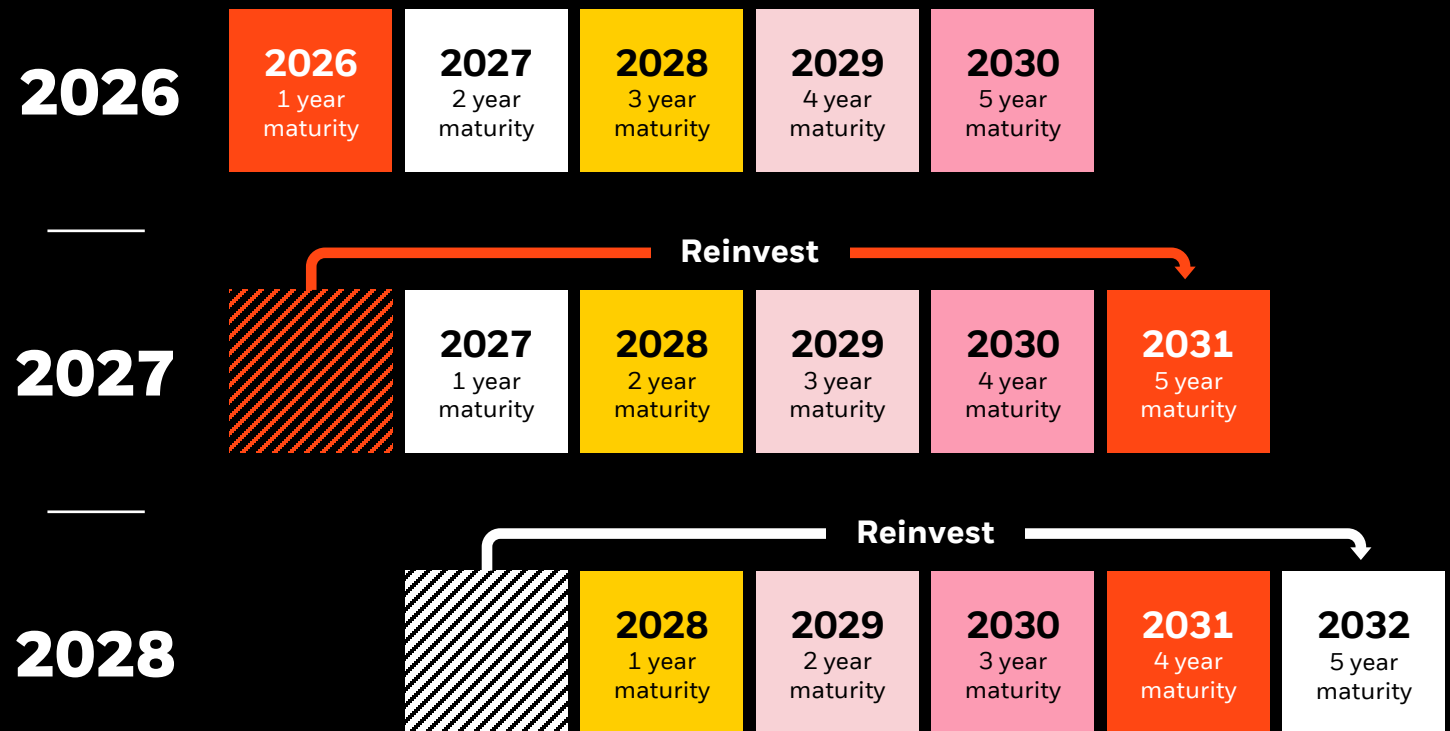
## Term maturity bond ETFs

Term Maturity bond ETFs such as iShares iBonds ETFs allow investors to seek today's yields with a stated, defined maturity, similar economically to term deposits but with the ability to trade out of the exposure before maturity.

By holding a diversified portfolio of bonds that mature in a specific calendar year, iBonds ETFs seek to provide regular income distributions along the way and return proceeds at maturity – similar to individual bonds, but with the efficiency and liquidity of an ETF. iBonds ETFs can be particularly attractive for investors sitting in cash instruments who want to increase yield potential and move beyond rollover/ reinvestment risk in T-Bills or money market funds, while still having certainty around the timing of maturing proceeds. iBonds ETFs can help investors put cash to work, seek yields for a known time horizon, and plan for future liquidity needs.

## 5-year corporate bond ladder

Made easy with iBonds ETFs



Source: BlackRock, as of 31 March 2026. For illustrative purposes only.



—

# Beyond traditional beta – seeking income through an expanded fixed income ETF toolkit

## Leveraging active and systematic bond ETFs to expand the income opportunity set

The iShares platform illustrates how the income toolkit has evolved:

### Alpha-seeking strategies

These strategies provide access to diversified potential income sources and sectors that had previously been more difficult to access efficiently within an ETF structure. By doing so, managers can dynamically allocate across credit tiers, securitized markets and duration profiles.

### Systematic strategies

These approaches apply rules-based methodologies to refine credit exposure, manage duration or seek incremental yield — offering alternatives to traditional market-cap-weighted exposures.

### Outcome-oriented strategies

BuyWrite strategies aim to boost portfolio income by pairing bonds with a disciplined covered-call strategy that seeks to generate additional cash flow, while hedged strategies seek to insulate credit returns from interest rate and or inflation risk.

In a market where inflation uncertainty, episodic volatility, and shifting rate paths can quickly reprice both duration and credit, investor demand has coalesced around a simple goal: **income that is reliable, resilient, and repeatable**. The challenge is that “more income” is often pursued in the least resilient ways, by extending duration into rate-shock risk or by drifting down the credit spectrum into spread-widening risk.

Bond ETFs can help solve this problem not just through low-cost market exposures, but through a broader toolkit of implementation. Active fixed income ETFs remain a minority of ETF fixed-income assets (**20% globally**)<sup>7</sup>, yet momentum is accelerating rapidly. Active fixed income ETFs grew \$215B in 2025, capturing **32% of global fixed income ETF flows**<sup>7</sup>, signaling that investors likely want portfolio-manager discretion delivered in an ETF wrapper.

As portfolios become more sophisticated, bond ETFs are no longer just broad market exposure vehicles, they can also be tools for core exposure, systematic tilts, and outcome-oriented income.

Employed together, indexed, outcome-oriented, systematic and active bond ETFs create a cohesive ecosystem within a portfolio.

Investors can:

- Maintain a core allocation
- Add targeted tilts
- Access differentiated potential income streams
- Adjust risk exposures without leaving the ETF structure

With the income toolkit available today, a diversified, 6% yielding portfolio can be built by blending a combination of ETFs, without having to go too far down the credit quality spectrum or taking on excessive duration.

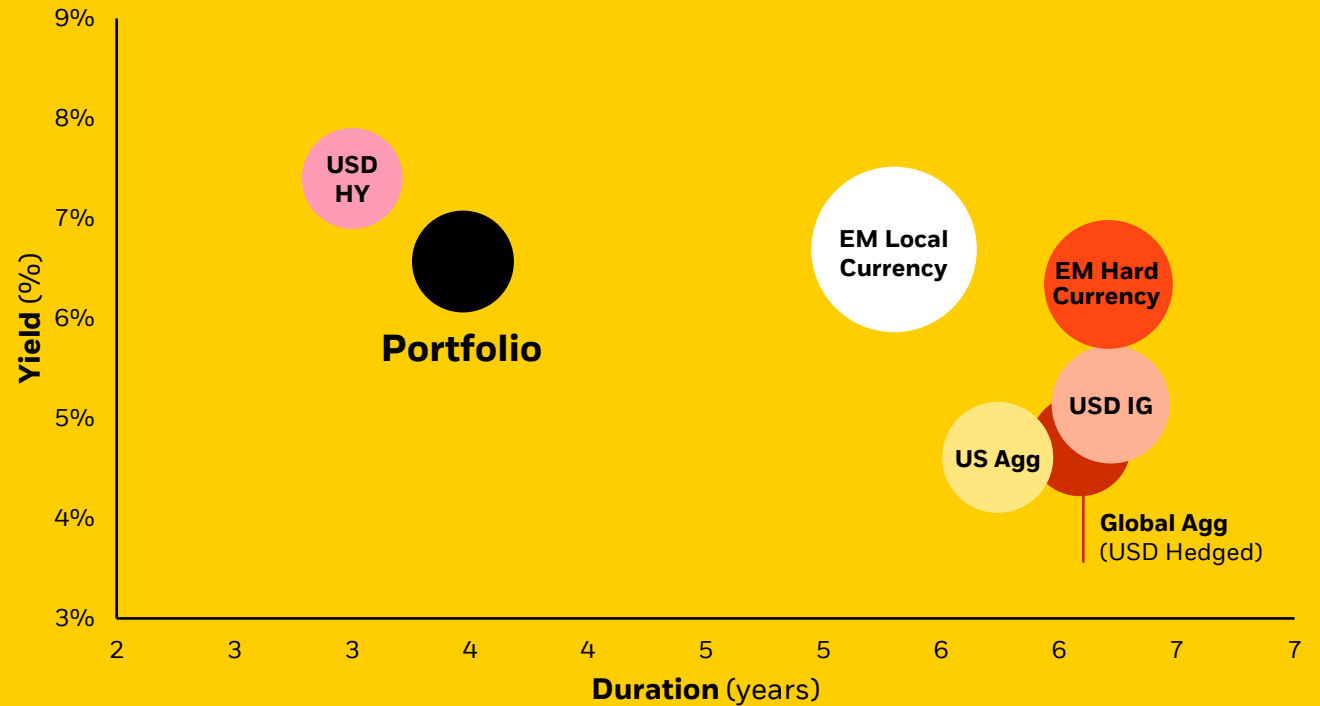
### Building a 6% Yield Portfolio

An ETF building block portfolio approach

Exposure	Sector	Yield (USD Hedged)	Duration	Weight
Treasuries	US Treasury 3-7Y	4.0%	4.3Y	4%
	EUR Govies	5.0%	6.9Y	4%
Securitised	US MBS	5.0%	5.5Y	12%
Investment Grade	USD IG	5.2%	6.2Y	5%
	EUR IG	5.3%	4.3Y	5%
High Yield	US HY	7.5%	3.0Y	10%
	EUR HY	7.4%	3.0Y	10%
	Asia HY	7.7%	2.7Y	5%
Loans	US Bank Loans	6.3% **	0.2Y	5%
AAA CLOs	US CLOs	5.1%	0.1Y	10%
	EUR CLOs	5.1%	0.1Y	5%
AT1	Global AT1s	7.1%	3.5Y	5%
BuyWrites	High Yield BuyWrite	10.8% **	3.0Y	5%
	EMD Hard Currency	6.5%	6.7Y	3%
	EMD Corporates	6.1%	4.3Y	3%
	EMD Local Currency	6.6% *	5.3Y	5%
	India Govies	6.8% *	5.8Y	2%
Emerging Markets	Brazil Govies	14.1% *	2.3Y	2%

### Minimising overall duration and risk

Stable income with lower risk than core fixed income exposures



Source: BlackRock, as of 23 March 2026.

Risk represents ex-ante risk analysis, based on 252 daily observations with 40-day half life. Bubble size scaled by risk.

\* Yields are unhedged in local currency.

\*\* Net of US withholding tax after reclaiming Qualified Interest Income (QII).

Yield	Duration	Risk	Credit Rating
6.5%	3.5 Year	278 bps	A-

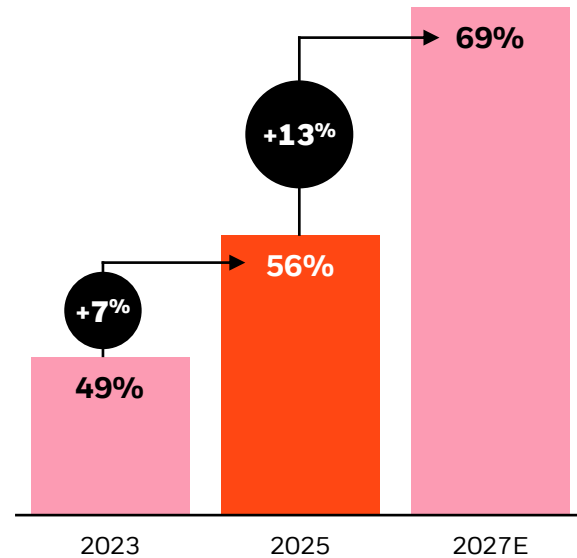
---

# Interest in private markets is surging – liquidity must expand to meet investor needs

The adoption of private markets within portfolios has grown in recent years. Once the domain of large institutions, private equity, private credit, infrastructure and private real estate exposures have become increasingly accessible to wealth clients. **70%** of advisors say they expect to begin using private markets exposures by 2027<sup>8</sup>. At the same time, we estimate investible opportunities across private equity, private credit and privately held infrastructure and real estate will expand to **\$32 trillion by 2030**, up from \$19 trillion today<sup>9</sup>.

### The pace of private markets adoption has accelerated

% of advisors using private markets



Source: 2026 BlackRock Advisor Insights Trends survey with data from 1,023 advisors as of Sept. 7, 2025. There is no guarantee that future forecasts will be realized.

This growth reflects a structural shift. Companies are staying private longer, capital formation is increasingly occurring outside public markets<sup>10</sup>, and investors are seeking differentiated sources of return and income. For institutional investors, private markets can offer potential return premia and diversification benefits. For wealth portfolios, they present access to new opportunity sets and potential income streams that were previously difficult to reach.

However, expanding private allocations requires thoughtful liquidity management and investor education. Many private assets are designed with longer investment horizons, with capital typically committed for extended periods. Capital calls can create variability in cash flows, and during stress periods when public assets may reprice more quickly than private valuations, portfolio weights can shift mechanically making liquidity management especially important. As portfolios incorporate greater private exposure, maintaining sufficient liquidity becomes an increasingly critical component of overall portfolio construction.

Bond ETFs can play a key role in that liquidity toolkit. Fixed income ETFs have demonstrated steadily expanding trading volumes over time, averaging **\$67 billion a day year-to-date**, up from \$20 billion in 2020, with activity often peaking during periods of market stress, precisely when liquidity is needed most<sup>11</sup>. Trading volumes rose to \$58 billion during the April 2025 tariff-driven volatility and surged to \$84 billion in March 2026 amid the Iran conflict, versus a \$49 billion daily average for full-year 2025<sup>12</sup>. Their exchange-based structure enables intraday trading and price transparency, even when underlying bond markets are strained.

In this way, bond ETFs can serve as a liquid ballast alongside growing private allocations, helping investors maintain flexibility, meet cash flow needs, and rebalance portfolios efficiently while participating in the long-term growth potential of private markets.

### Global bond ETF industry trading volumes

Rolling 20D average daily volumes, USD \$B



Source: BlackRock, Bloomberg, big xyt as of March 31, 2026. Rolling 20-day average daily volume is the average number of shares traded per day over the 20 trading days ending on the date referenced. Past performance does not guarantee future results. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained.

## iShares at the center of Bond ETF liquidity

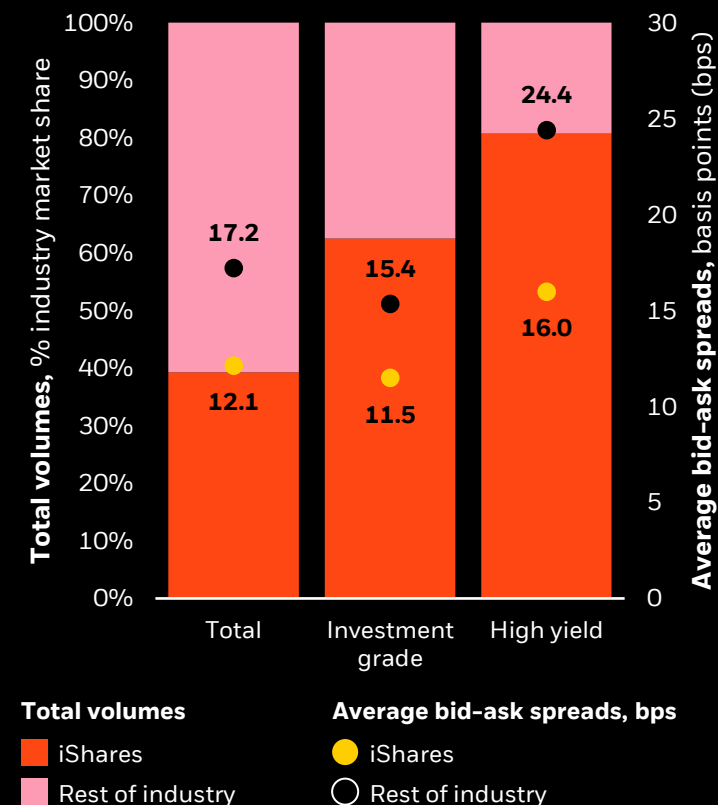
As shown in the chart, in 2025, iShares represented approximately 40% of total global bond ETF trading volume. In key segments such as investment grade, that figure reached as high as 60%, and in high yield, up to 80% of trading activity<sup>13</sup>. Importantly, this scale was achieved while maintaining average bid-ask spreads roughly 25% or more below the broader industry average<sup>14</sup>.

The concentration of trading activity in iShares bond ETFs suggests that investors may be increasingly using these vehicles as core liquidity tools – for portfolio rebalancing, tactical positioning, and risk transfer.

Scale, liquidity, and cost efficiency have tended to reinforce one another. The 2025 trading data underscores how investors have turned to iShares fixed income ETFs not simply for exposure, but as part of their broader liquidity management toolkit.

### Trading volumes and average bid-ask spreads

Global iShares fixed income ETFs vs industry, 2025 average



Source: BlackRock, Bloomberg, big xyt as of March 31, 2026. Left-hand side represents full year 2025 market share of bond ETF trading volumes for iShares and the rest of the industry. Right-hand side represents full year 2025 average bond ETF bid-ask spreads for iShares and the rest of the industry. An ETF's bid-ask spread is the gap between its trading buy price and sell price, and it represents a basic cost of trading the ETF. **Past performance does not guarantee future results.**



# Portfolios with larger allocations to digital assets need broader stabilizers

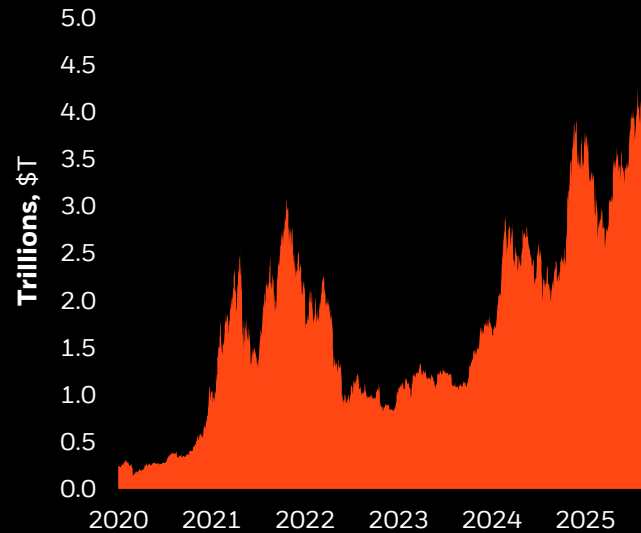
Digital assets have grown as more investors allocate to the asset class. Cryptocurrency assets as one example, have grown rapidly. The total crypto market cap is now **\$2.4 trillion**<sup>15</sup>, while ETPs providing access to cryptocurrency have grown from \$4 billion to **\$120 billion** in just 3 years, with now **300+** listed ETPs<sup>16</sup>. **>75%** of institutional investors are expected to increase allocations to digital assets and **59%** planned to allocate **>5% of AUM** to cryptocurrencies<sup>17</sup>.

Over the last five years ending March 2026, Bitcoin has behaved differently from bonds, with a 0.18 monthly correlation over the last 5 years between Bitcoin and the US Aggregate Bond Index, compared with 0.43 for global equities and bitcoin.<sup>18</sup> Balancing Bitcoin allocations with bonds can therefore help to balance overall performance across different market conditions.

Bond ETFs can help mitigate the impact of market downturns by ensuring diversified duration/credit exposure across a range of bonds, yet consolidating exposure into a single vehicle to simplify investment, and the ability to efficiently rebalance. When allocations drift, bond ETFs can allow for rapid and cost-efficient resizing without the need to buy/sell individual bonds.

### Growth of digital assets

Market capitalization, USD \$T



### Correlations of Bitcoin and traditional assets

Rolling correlations of Bitcoin and Fixed Income, Equity

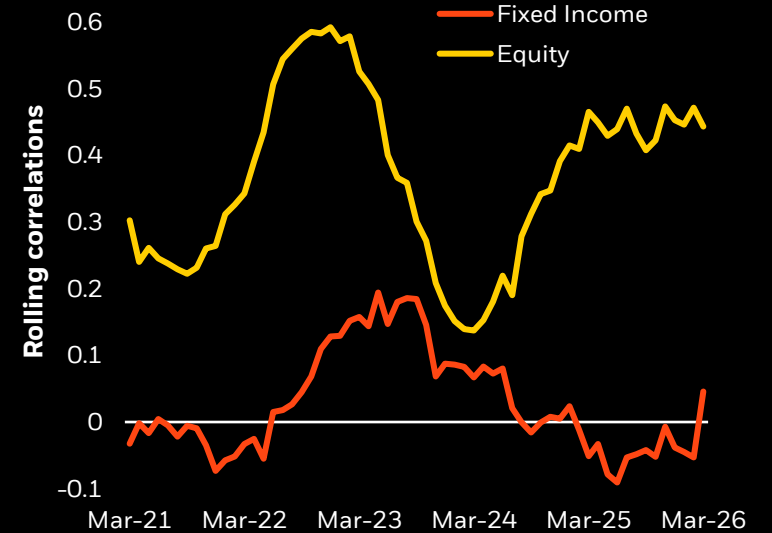


Chart 1 Source: CoinGecko, World Federation of Exchanges, Coinmetrics. Approximate total market cap, including stablecoins, cryptocurrency, and other tokenized assets as of October 2025. Investing in digital assets involves significant risks due to their extreme price volatility and the potential for loss, theft, or compromise of private keys. The value of the shares is closely tied to acceptance, industry developments, and governance changes, making them susceptible to market sentiment. Digital assets represent a new and rapidly evolving industry, and the value of the Shares depends on their acceptance. Changes in the governance of a digital asset network may not receive sufficient support from users and miners, which may negatively affect that digital asset network's ability to grow and respond to challenges. Investing in the Trust comes with risks that could impact the Trust's share value, including large-scale sales by major investors, security threats like breaches and hacking, negative sentiment among speculators, and competition from central bank digital currencies and financial initiatives using blockchain technology. A disruption of the internet or a digital asset network would affect the ability to transfer digital assets and, consequently, would impact their value. There can be no assurance that security procedures designed to protect the Trust's assets will actually work as designed or prove to be successful in safeguarding the Trust's assets against all possible sources of theft, loss or damage.

Chart 2 Source: BlackRock, Bloomberg as of March 31, 2026. Based on Bloomberg Bitcoin Index; Fixed income represented by the Bloomberg US Aggregate Bond Index and Equity represented by the MSCI ACWI Index. Correlation measures how two investments move relative to each other: a positive correlation means they tend to rise and fall together, a negative correlation means one often rises when the other falls, and a zero correlation means their movements are largely unrelated.

## Conclusion

Many modern portfolios are now broader, more complex, and have different liquidity characteristics than at any point in the past. Innovation will likely continue to expand the frontier of asset allocation, yet as portfolios evolve, the integrity of the core becomes more important.

Fixed income has moved from serving as a balancing allocation to forming the infrastructure that supports the entire portfolio. Bond allocations must serve to anchor portfolio income, support liquidity management and provide portfolio resiliency across macro regimes.

Fixed Income ETFs have emerged as the central implementation mechanism for powering a bond

market revolution – translating the modernization of fixed income markets into scalable, transparent and efficient portfolio tools. Indexed bond ETFs form the structural core, while alpha seeking, systematic and outcome-oriented ETFs help extend access and enhance flexibility for potentially higher returns.

Innovation will likely continue to accelerate. Asset classes will likely evolve. But portfolios will likely endure when they are built on durable foundations. In the modern allocation framework, fixed income ETFs are not simply a component of the portfolio – they serve as the foundation to supporting the evolution to come in portfolios and the assets within them.



# References

1 Source: SIFMA, 2024 Annual Capital Markets Outlook (published July 30, 2025); BlackRock Global Business Intelligence; Simfund; Broadridge data, as of December 31, 2025.

2 Source: BlackRock Investment Institute, with data from LSEG Datastream, February 2026.

3 Source: BlackRock Global Business Intelligence, as of March 31, 2026. Q1 2026 global bond ETF industry flows were \$172 billion vs \$134 billion in Q1 2025.

4. Source: Bloomberg. The Bloomberg U.S. Total Fixed Income Market Index captured \$41tn of the investable bond universe as of March 31, 2026.

5 Source: BlackRock Global Market Intelligence, as of December 31, 2025. Money market balances reached \$11.8T in 2025 compared with \$4.9T in 2015. Flows into money market funds between 2022-2025 totalled \$3.0T vs \$2.9T for Fixed Income managed assets.

6 Source: BlackRock, Bloomberg. Cash represented by Bloomberg US T-Bills 1-3 Month Index; USD Govt represented by Bloomberg US Treasury Index; USD Agg represented by Bloomberg USD Aggregate Index; Global Agg represented by Bloomberg Global Aggregate Bond Index (USD Hedged). Average 1yr total returns for the post-rate hike periods: 30/10/1990-30/10/1991, 10/04/1992-10/04/1993, 20/12/1995 - 19/12/1996, 26/06/2003 - 25/06/2004, 19/10/2008 - 19/10/2009, 04/03/2020 - 04/03/2021. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

7 Source: BlackRock Global Business Intelligence, as of March 31, 2026.

8 Source: 2026 BlackRock Advisor Insights Trends survey with data from 1,023 advisors as of Sept. 7, 2025.

9 Source: Source: Preqin data, as published in "Private Markets in 2030" in October 2025. Private equity is inclusive of venture capital. The model has leveraged Preqin's closed-end fund dataset. Given that Preqin coverage of the open-ended fund universe is not yet suitable for modelling, BlackRock provided a top-down estimate of the private credit Business Development Company (BDC) universe. Business Development Companies (BDCs) are publicly traded investment companies that provide loans to small and mid sized U.S. businesses. Preqin added that estimate to the overall forecast to provide better context for the growth of the overall asset class. Although Preqin acknowledges that other fund structures, such as European long-term investment funds (ELTIFs) and long-term asset funds (LTAFs), are an important part of the growth story, Preqin is not yet incorporating these vehicles into forecasts - which may represent additional upside risk to our view. Note that, as a result, Preqin does not have corresponding forecasts for BDC fundraising and performance. There is no guarantee that any forecasts made will come to pass.

10 Source: The number of publicly held U.S. companies fell by 32% since the 1980s. Of the U.S. firms with revenue over \$100 million, 81% are private. Source: U.S. Census Bureau Center for Economic Studies - Business Dynamics Statistics (2022). U.S. Census Bureau Center for Economic Studies - Business Dynamics Statistics (2022), World Federation of Exchanges database. Represents latest data as of 2022, as derived on April 2, 2025. Denotes growth or decline for US public and private companies from 1988 to 2022; Capital IQ, BlackRock, as of December 31, 2024.

11, 12 Source: BlackRock, Bloomberg, big xyt as of March 31, 2026.

13, 14 Source: BlackRock, Bloomberg, big xyt as of March 31, 2026. 2025 Total Fixed Income ETF Trading Volume was \$12.8T, of which iShares made up \$5.0T. iShares average spreads were 12bps, vs competitors at 17bps. Investment Grade volumes totaled \$1.9T of which iShares was \$1.2T. iShares average spreads were 12bps, vs competitors at 15bps. High Yield volumes totaled \$1.3T of which iShares made up \$1.0T. iShares average spreads were 16bps, vs competitors at 25bps. Past performance does not guarantee future results.

15 Source: TradingView, as of March 31, 2026.

16 Source: BlackRock Global Business Intelligence, as of March 31, 2026.

17 Source: Coinbase & EY Parthenon Institutional Investor Digital Assets Survey, Jan 2025.. Survey findings are based on responses from 352 institutional investors. <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-us/insights/financial-services/documents/ey-growing-enthusiasm-propels-digital-assets-into-the-mainstream.pdf>

18 Source: BlackRock, Bloomberg as of March 31, 2026. Based on Bloomberg Bitcoin Index; Bloomberg US Aggregate Bond Index and MSCI ACWI Index.



# Important Information

This material is provided for educational purposes only 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 iShares Funds, nor to adopt any investment strategy. The opinions expressed are subject to change. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations. There are risks associated with investing, including loss of principal. The value of investments involving exposure to foreign currencies can be affected by exchange rate movements. Reliance upon information in this material is at the sole risk and discretion of the reader. The material was prepared without regard to specific objectives, financial situation or needs of any investor. You are reminded to refer to the relevant prospectus for specific risk considerations which are available from BlackRock or the iShares websites.

This material may contain “forward-looking” information that is not purely historical in nature. Such information may include, among other things, projections, forecasts, and estimates of yields or returns. No representation is made that any performance presented will be achieved by any BlackRock or iShares Funds, or that every assumption made in achieving, calculating or presenting either the forward-looking information or any historical performance information herein has been considered or stated in preparing this material. Any changes to assumptions that may have been made in preparing this material could have a material impact on the investment returns that are presented herein. 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.

The information and opinions contained in this material are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

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 Singapore, this is issued by BlackRock (Singapore) Limited (Co. registration no. 200010143N) for use only with institutional/accredited 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 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 Taiwan, Independently operated by BlackRock Investment Management (Taiwan) Limited. Address: 28F., No. 100, Songren Rd., Xinyi Dist., Taipei City 110, Taiwan. Tel: (02)23261600.

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.



# Important Information

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. Information provided is for illustrative and informational purposes and is subject to change. It has not been approved by any regulator.

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. Any investment is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by BIMAL or any entity in the BlackRock group of companies.

No part of this material may be reproduced or distributed in any manner without the prior written permission of BIMAL.

For Southeast Asia: This document is issued by BlackRock and is intended for the exclusive use of any recipient who warrants, by receipt of this material, that such recipient is an institutional investors or professional/sophisticated/qualified/accredited/expert investor as such term may apply under the relevant legislations in Southeast Asia (for such purposes, includes only Malaysia, the Philippines, Thailand, Brunei and Indonesia). BlackRock does not hold any regulatory licenses or registrations in Southeast Asia countries listed above, and is therefore not licensed to conduct any regulated business activity under the relevant laws and regulations as they apply to any entity intending to carry on business in Southeast Asia, nor does BlackRock purport to carry on, any regulated activity in any country in Southeast Asia. BlackRock funds, and/or services shall not be offered or sold to any person in any jurisdiction in which such an offer, solicitation, purchase, or sale would be deemed unlawful under the securities laws or any other relevant laws of such jurisdiction(s).

This material is provided to the recipient on a strictly confidential basis and is intended for informational or educational purposes only. Nothing in this document, directly or indirectly, represents to you that BlackRock will provide, or is providing BlackRock products or services to the recipient, or is making available, inviting, or offering for subscription or purchase, or invitation to subscribe for or purchase, or sale, of any BlackRock fund, or interests therein. This material neither constitutes an offer to enter into an investment agreement with the recipient of this document, nor is it an invitation to respond to it by making an offer to enter into an investment agreement.



# Important Information

The distribution of the information contained herein may be restricted by law and any person who accesses it is required to comply with any such restrictions. By reading this information you confirm that you are aware of the laws in your own jurisdiction regarding the provision and sale of funds and related financial services or products, and you warrant and represent that you will not pass on or utilize the information contained herein in a manner that could constitute a breach of such laws by BlackRock, its affiliates or any other person.

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

The information provided here is not intended to constitute financial, tax, legal or accounting advice. You should consult your own advisers on such matters.

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

iShares® and BlackRock® are registered trademarks of BlackRock, Inc., or its subsidiaries in the United States and elsewhere. All other trademarks, service marks or registered trademarks are the property of their respective owners.

© 2026 BlackRock Inc. All rights reserved.

**BlackRock**®