Private Markets

Growth and venture debt

A new landscape for opportunity in private credit portfolios

BlackRock.

FOR QUALIFIED PURCHASERS, PROFESSIONAL QUALIFIED CLIENTS, QUALIFIED INVESTORS, AND INSTITUTIONAL & WHOLESALE INVESTORS

Financing tomorrow's growth

April 2025

Authors

Marten Vading
Managing Director,
BlackRock Growth Debt

Ross Ahlgren
Managing Director,
BlackRock Growth Debt

Mat Pearse
Director, Growth Debt
Product Strategy

Key takeaways

- Growth and venture debt together constitute an expanding area within global finance, and a growing opportunity within private credit.
- The increased cost of equity financing has made debt more appealing for growth and venture-backed companies.
- The asset class offers advantageous loan structuring with predetermined repayment schedules, comprehensive security, amortization, and priority in the capital structure. Lenders can also benefit from their borrowers' growth.
- As a specialist asset class with limited competition, it can enhance risk-adjusted returns in private credit portfolios.

Introduction

It's an exciting time for growth and venture debt investors, with a wider range of high-quality opportunities emerging in recent years. Companies are staying private for longer, while venture capital and growth equity funds continue to invest capital, all of which creates more appetite among borrowers.

In the U.S., there were roughly US$35 billion worth of deals in the space in 2024, according to Pitchbook. It estimates the combined growth and venture debt markets in Europe at around €17 billion, a growth of more than 25% from the year before, with the average deal size rising to €1.7 million in 2024.

Growth and venture debt offer exposure to innovative companies in the tech and healthcare spaces, without many of the risks of venture capital and growth private equity. As specialized forms of lending, they require experience measuring risk through complex lending performance indicators, and expertise in structuring loans with downside protection.

Until the 2023 disruption of the regional banking sector, a single lender controlled a significant portion of the venture debt market in the U.S. In its wake, established private debt managers, have taken the lead in sourcing opportunities and receiving beneficial terms from borrowers.

We spoke to a few of our investors about growth and venture debt as an asset class, what they're watching in the space today, and where they see the biggest opportunities.

Q: To start, how do you define growth and venture debt?

Ross Ahlgren: Growth and venture debt both lend to companies who are backed by strong equity sponsor syndicates, and who are borrowing expansion capital, as opposed to balance-sheet leverage. Both forms of debt are usually provided either alongside an equity raise or within six months of one.

For borrowers, the appeal is that the debt is flexible to draw and use. It also minimizes equity dilution for sponsors, management teams, and employees. Growth and venture debt typically take the form of amortizing, senior-secured term loans with maturities between three and four years. The loans can also be structured with performance-linked potential such as warrants, common equity, convertible notes, or exit fees, typically at no additional cost for the lender.

For investors, growth and venture debt offer upfront transaction fees, end-of-loan payments and monthly cash coupons. These regular cash repayments allow the lender to reduce their overall risk each month. Coupled with senior security, the result is higher recovery rates and lower loss rates than comparable equity strategies. These loans can also include features such as equity kickers and warrants that allow lenders to benefit if the values of the borrowers should rise.

Q: How are they different?

Marten Vading: While growth and venture debt are very similar, there are a few key differences. Growth debt refers to larger loans given to later-stage companies with established business models, revenues, and customer bases that require tailored financial solutions. Venture debt is typically for smaller, earlier-stage companies with lower revenues, and more innovative products and business models.

Q: What do people sometimes get wrong about growth and venture debt?

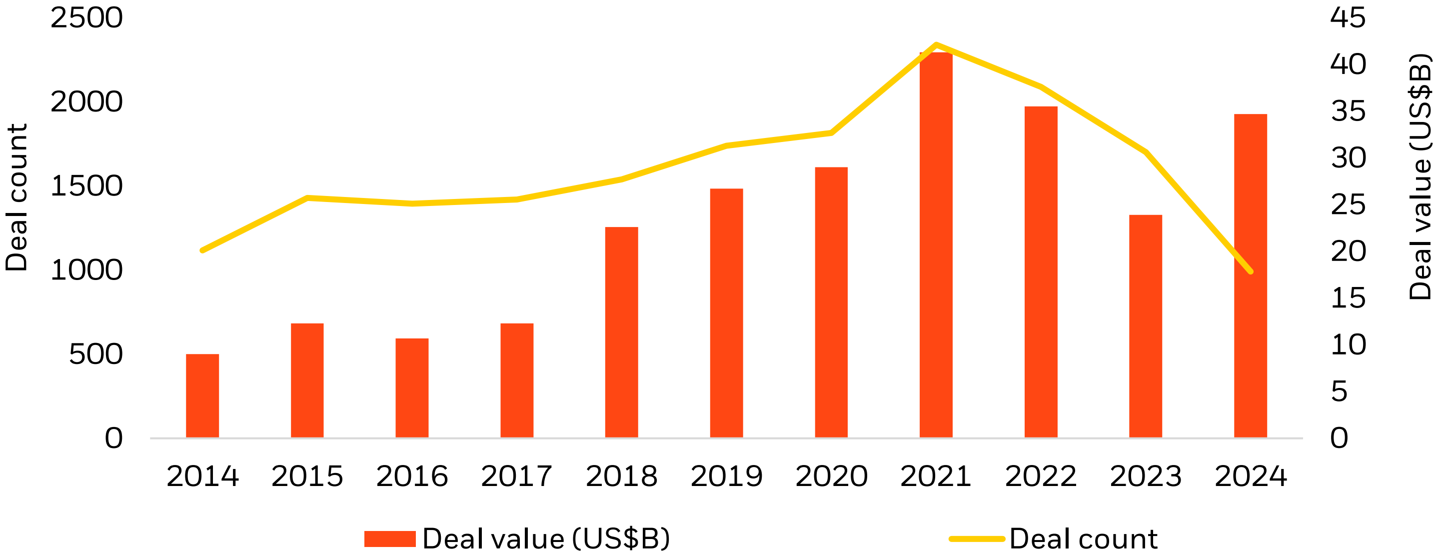
MV: First and foremost, an investor who is new to these asset classes can sometimes view their risks as being similar to venture capital and growth equity.

In practice, though, the risks associated with growth and venture debt are very different. Compared to equity, growth and venture debt come with a host of features that offer more predictability of return. They have a predetermined repayment schedule, clear security, amortization and priority in the capital structure.

These forms of debt are typically utilized by growth and venture-backed private companies that have more mature business models, recurring revenues, high gross margins, established products, and enterprise customer bases.

Appetite for capital

While growth and venture debt deals have fallen in number, they've risen in average size.



Source: Pitchbook - NVCA Venture Monitor Q3 2024 , includes U.S. growth and venture debt deals.

By focusing on companies with strong equity-syndicate backing and long cash runways, lenders can more clearly project the potential value at risk throughout the repayment schedule, rather than relying on the refinancing market or performance of the company.

Q: What macroeconomic forces do you see driving the expansion of growth and venture debt opportunities? In what ways are they shaping the market?

RA: The first of the many structural forces driving and expanding the opportunity set in growth and venture debt is that companies are staying private for longer. As a result, they need flexible financing that won't dilute existing equity. These larger private companies are seeking lenders to help fund acquisitions or to invest in increasing their EBITDA profitability, rather than chasing growth at all costs.

At the same time, there has been a slowdown in growth equity capital raises for more mature private companies. In many cases, this is because these companies raised growth-equity rounds at elevated valuations, so that taking further equity financing comes at the cost of accepting a lower overall valuation. This makes debt more appealing as these companies try to finance growth and cover financing gaps that arise when liquidity events are delayed by market volatility.

Against this backdrop, equity sponsors continue to raise and deploy capital into growth and venture companies, adding to the resiliency of potential borrowers. This benefits lenders who have transaction experience through multiple cycles, and established sponsor relationships.

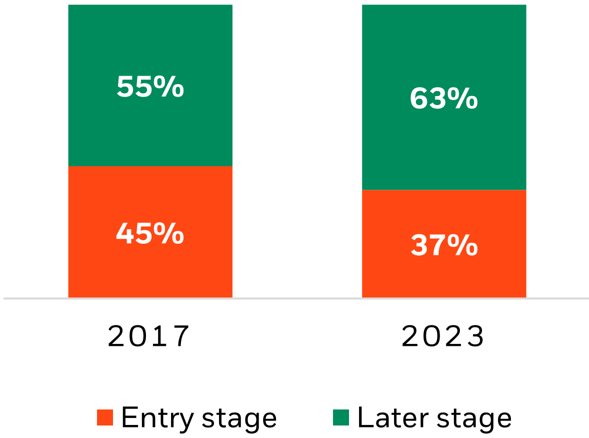
The rates paid by borrowers have risen as the market changes. And many borrowers have been able to manage through inflationary pressures, especially software businesses that rely very little on raw materials or supply-chain logistics. Among these companies, we have seen a shift from "growth at all costs" to a focus on maintaining growth efficiently, which we like to see as a lender.

Q: What opportunities are you seeing in the space? What risks?

MV: The opportunity set for growth and venture debt investors is expanding. But it's worth noting that the unique characteristics of this market mean that success will still vary widely, based on several factors.

Shifting opportunities

European growth debt is increasingly moving to more mature companies.



Source: Latest available Pitchbook Data as of Q3 2023

One is a manager's transaction experience and local presence across multiple jurisdictions, simply because companies prefer to work with lenders who can navigate the complexities of a given region. The market is also highly relationship-driven with very little intermediation and few auction processes. Relationships are vital in deal sourcing, where a high percentage of transactions come directly from equity sponsors. Those relationships take a long time to develop, and they are a clear differentiator in determining success.

RA: It's worth noting that the growth and venture debt markets vary by region.

For one thing, Europe is a more fragmented market than the U.S., so borrowers must be international or global from the outset, making them more resilient to domestic or regional shocks. While overall growth rates may be lower in Europe, there is less of a boom-and-bust dynamic than in the U.S., an attractive characteristic to a lender.

The European growth debt market is also far less competitive than the U.S. market. It's deeply reliant on sponsor relationships, and knowing the many different local ecosystems, legal jurisdictions and key market participants, such as lawyers, accountants and administrators. It's much harder for new or non-European players to gain a meaningful foothold. The limited pool of lenders in Europe means that rates and pricing are likely to remain more stable than in the U.S. market.

The composition of the markets is also different outside the U.S., allowing for more portfolio diversification. For example, there are more U.S. lenders active in the early-stage venture part of the market and fewer investors offering lifecycle solutions. Growth and venture debt markets in Europe and the Middle East also have more diversified technical specialties, such as life sciences in France, fintech in the UK, or cybersecurity in Israel.

***Q:* How should investors think about growth and venture debt as part of a private debt portfolio? Where does it fit into a broader investment strategy?**

RA: Within a private debt portfolio, growth and venture debt can help investors diversify away from corporate credit, towards an asset class with different characteristics and correlations. And as a specialist asset class with limited competition, the higher pricing of these loans can translate to higher potential returns than traditional direct lending strategies, while maintaining comparable loss rates.

Growth and venture debt is also a way for an investor to gain exposure to the long-term trends of technology and innovation in private companies, but without the same concentrated equity risks. These investments also allow investors to participate in many different sponsor portfolios without having to invest in their respective funds. And unlike equity, growth and venture debt can give investors the downside protection offered by senior-security, amortization and long cash runways.

In a portfolio, the structure of growth and venture loans can provide predictable return of capital or reinvestment. Compared with other forms of private debt, they rely less on early terminations and refinancings, while their equity upside adds the potential for returns on top of interest payments.

***Q:* Are there any significant changes that have taken place in growth and venture debt in recent years?**

MV: Without question, the early 2023 disruption in the regional banking system has altered the growth and venture debt markets in profound ways.

One immediate result is that more companies are seeking debt financing. On their searches, these companies are looking for established lenders with stable funding bases, who can grow with them and provide more solutions over time. From a borrower's perspective, finding new financing partners is both expensive and time-consuming. These established lenders of choice have seen an increase in deal quality and overall deal flow.

While there have been a few new entrants, the high barriers to entry, particularly in Europe, make it hard for less-established firms to fill the gaps. Private lenders in the space have started to partner with banks to provide more working-capital solutions such as overdraft facilities, or monthly recurring credit lines.

***Q:* What is the final message you'd leave investors with about growth and venture debt?**

RA: I see this as a major moment for the growth and venture debt space. There's an abundance of high-quality companies actively in search of debt financing. They're turning to a relatively small pool of qualified lenders who understand the intricacies of structuring these loans. And more investors are coming to appreciate the higher spreads, stronger downside protections, and the ability to participate in the upside growth of the borrowers.

Disclaimer

FOR PROFESSIONAL, INSTITUTIONAL, WHOLESALE AND QUALIFIED INVESTORS/PROFESSIONAL, QUALIFIED AND PERMITTED CLIENT USE ONLY

RISKS

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

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 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. 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.

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 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.

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

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.

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.

For investors in the Caribbean, any funds mentioned or inferred in this material have not been registered under the provisions of the Investment Funds Act of 2003 of the Bahamas, nor have they been registered with the securities regulators of Bermuda, Dominica, the Cayman Islands, the British Virgin Islands, Grenada, Trinidad & Tobago or any jurisdiction in the Organisation of Eastern Caribbean States, and thus, may not be publicly offered in any such jurisdiction. The shares of any fund mentioned herein may only be marketed in Bermuda by or on behalf of the fund or fund manager only in compliance with the provision of the Investment Business Act 2003 of Bermuda and the Companies Act of 1981. Engaging in marketing, offering or selling any fund from within the Cayman Islands to persons or entities in the Cayman Islands may be deemed carrying on business in the Cayman Islands. As a non-Cayman Islands person, BlackRock may not carry on or engage in any trade or business unless it properly registers and obtains a license for such activities in accordance with the applicable Cayman Islands law.

In Latin America, for institutional investors and financial intermediaries only (not for public distribution). This material is for educational purposes only and does not constitute investment advice or an offer or solicitation to sell or a solicitation of an offer to buy any shares of any fund or security and it is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of your relevant jurisdiction. If any funds are mentioned or inferred in this material, such funds may not been registered with the securities regulators of Argentina, 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 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 now constitute an offer or solicitation of an offer to buy an 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.

The materials that may be shared in this forum are 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 Law. BlackRock México Operadora, S.A. de C.V., Sociedad Operadora de Fondos de Inversión (“BlackRock México Operadora”) is a Mexican subsidiary of BlackRock, Inc., authorized by the CNBV as a Mutual Fund Manager (Operadora de Fondos), and as such, authorized to manage Mexican mutual funds, ETFs and provide Investment Advisory Services.

For more information on the Investment Services offered by BlackRock Mexico, please review our Investment Services Guide available in **www.blackrock.com/mx**. This material represents an assessment at a specific time and its information should not be relied upon by the you as research or investment advice regarding the funds, any security or investment strategy in particular. Reliance upon information in this material is at your sole discretion. BlackRock México is not authorized to receive deposits, carry out intermediation activities, or act as a broker dealer, or bank in Mexico.

For more information on BlackRock México, please visit: **www.BlackRock.com/mx**. BlackRock receives revenue in the form of advisory fees for our advisory services and management fees for our mutual funds, exchange traded funds and collective investment trusts. Any modification, change, distribution or inadequate use of information of this document is not responsibility of BlackRock or any of its affiliates. Pursuant to the Mexican Data Privacy Law (Ley Federal de Protección de Datos Personales en Posesión de Particulares), to register your personal data you must confirm that you have read and understood the Privacy Notice of BlackRock México Operadora.

For the full disclosure, please visit www.BlackRock.com/mx and accept that your personal information will be managed according with the terms and conditions set forth therein.

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 Argentina, only for use with Qualified Investors under the definition as set by the Comisión Nacional de Valores (CNV).

In Brazil, this private offer does not constitute a public offer, and is not registered with the Brazilian Securities and Exchange Commission, for use only with professional investors as such term is defined by the Comissão de Valores Mobiliários.

In Chile, 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 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 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.

In Uruguay, the Securities are not and will not be registered with the Central Bank of Uruguay. The Securities are not and will not be offered publicly in or from Uruguay and are not and will not be traded on any Uruguayan stock exchange. This offer has not been and will not be announced to the public and offering materials will not be made available to the general public except in circumstances which do not constitute a public offering of securities in Uruguay, in compliance with the requirements of the Uruguayan Securities Market Law (Law Nº 18.627 and Decree 322/011).

In the EEA and UK, 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.

This document is marketing material.

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 is Issued by BlackRock (Netherlands) B.V. 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. For information on investor rights and how to raise complaints please go to https://www.blackrock.com/corporate/compliance/investor-right available in Italian.

For Qualified Investors in Switzerland: For Qualified Investors only. This document is marketing material.

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**.

For investors in Bahrain: The information contained in this document is intended strictly for sophisticated institutions.

For investors in Oman: The information contained in this document is intended strictly for sophisticated institutions.

For investors in Kuwait: The information contained in this document is intended strictly for sophisticated institutions that are 'Professional Clients' as defined under the Kuwait Capital Markets Law and its Executive Bylaws.

For investors in Qatar: The information contained in this document is intended strictly for sophisticated institutions.

For investors in United Arab Emirates: The information contained in this document is intended strictly for Professional Investors.

For investors in Dubai (DIFC): The information contained in 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).

For investors in Saudi Arabia: The information contained in this document is intended strictly for Institutional and Qualified Clients (as defined by the Implementing Regulations issued by Capital Market Authority) only and should not be relied upon by any other persons.
Issued by 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.

For investors 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 South Africa, please be advised that BlackRock Investment Management (UK) Limited is an authorised Financial Services provider with the South African Financial Services Conduct Authority, FSP No. 43288.

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.

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.

In Singapore, this document is provided by BlackRock (Singapore) Limited (company registration number:200010143N) for use only with institutional and 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 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 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 and New Zealand, In Australia & New Zealand, issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (BIMAL) for the exclusive use of the recipient, who warrants by receipt of this material that they are a wholesale client as defined under the Australian Corporations Act 2001 (Cth) and the New Zealand Financial Advisers Act 2008 respectively.
BIMAL is not licensed by a New Zealand regulator to provide ‘Financial Advice Service’ ‘Investment manager under an FMC offer’ or ‘Keeping, investing, administering, or managing money, securities, or investment portfolios on behalf of other persons’. BIMAL’s registration on the New Zealand register of financial service providers does not mean that BIMAL is subject to active regulation or oversight by a New Zealand regulator.
This material provides general advice only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should therefore assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. Refer to BIMAL’s Financial Services Guide on its website for more information. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.
This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. BIMAL is a part of the global BlackRock Group which comprises of financial product issuers and investment managers around the world. BIMAL is the issuer of financial products and acts as an investment manager in Australia. BIMAL does not offer financial products to persons in New Zealand who are retail investors (as that term is

defined in the Financial Markets Conduct Act 2013 (FMCA)). This material does not constitute or relate to such an offer. To the extent that this material does constitute or relate to such an offer of financial products, the offer is only made to, and capable of acceptance by, persons in New Zealand who are wholesale investors (as that term is defined in the FMCA).
BIMAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by BIMAL, its officers, employees or agents. Except where contrary to law, BIMAL excludes all liability for this information.

In 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.

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, Indonesia and Brunei). BlackRock does not hold any regulatory licenses or registrations in Southeast Asia countries listed above, and is therefore not licensed to conduct any regulated business activity under the relevant laws and regulations as they apply to any entity intending to carry on business in Southeast Asia, nor does BlackRock purport to carry on, any regulated activity in any country in Southeast Asia. BlackRock funds, and/or services shall not be offered or sold to any person in any jurisdiction in which such an offer, solicitation, purchase, or sale would be deemed unlawful under the securities laws or any other relevant laws of such jurisdiction(s).

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

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

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 Professional Investors only (Professional Investor is defined in Financial Instruments and Exchange Act).

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 neither tax nor legal advice. Investors should speak to their tax professional for specific information regarding their tax situation. Investment involves 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 PROFESSIONAL, INSTITUTIONAL, WHOLESALE AND QUALIFIED INVESTORS/PROFESSIONAL, QUALIFIED AND PERMITTED CLIENT USE ONLY

EPMM0325U/M-4357305-11/11