

Fixed income customization

BlackRock®

with BlackRock separately managed accounts (SMAs).

BlackRock's team of dedicated portfolio managers (PMs)¹ partner with your advisor and can work with you to build and manage bond portfolios personalized around your goals and objectives, as well as providing insights from BlackRock's Global Fixed Income team.

1. Market exposure: set the foundation

BlackRock fixed income SMAs provide municipal and taxable bond exposure that can be offered as active or laddered strategies.

	Municipal	Taxable	Blended portfolios
Active	<ul style="list-style-type: none"> • Short-Term • Intermediate • Long-Term • Municipal Opportunities 	<ul style="list-style-type: none"> • Short-Term • Intermediate • Fundamental Core • Government/Corporate 	Blend municipal and taxable bonds to potentially enhance after-tax yield and risk-adjusted return.
Laddered	• 1-5, 1-10, 5-15, 10-20 year	• Corporate Ladders 1-5, 1-10 year	

Availability varies by platform.

2. Investment characteristics: pull the right levers

Whether you have a specific income goal or an upcoming liquidity event, a BlackRock PM can customize a portfolio across a wide range of fixed income characteristics unique to your situation.

Customization options	Sample implementation in your portfolio ²
Duration	Maximum portfolio duration of 2 years
Credit quality	Minimum security credit quality of A- at time of purchase
State specification	Minimum exposure to state of residency of 50%
Sector	Exclude treasury securities
Maturity	Maximum security maturity/weighted-average life of 7 years
Coupon	Target bonds with coupons of 5% or higher
Cash	Maintain a 10% allocation to cash equivalents
Issuer exclusion	Exclude bonds issued by a specific company, state or industry
No-fee completion funds³	Target harder to access areas of the fixed income market
Investment policy statement	Adhere to formal written instructions regarding portfolio construction

1. A BlackRock account with a Portfolio Manager generally requires a minimum investment of \$1 million.

2. For illustrative purposes only. Decisions are made between the portfolio manager, advisor and client based on each client's needs.

3. BlackRock Allocation Target Shares (BATS) are mutual funds available for use with BlackRock Separately Managed Account strategies.

3. Manage for taxes: keep more of what you earn

BlackRock PMs take a consultative approach to tax-management, starting with the initial funding of the account and continuing on an ongoing basis.



In-kind transitions

Transition existing bonds instead of selling **to help avoid capital gains.**



State-specificity in munis⁴

Customize municipal bond SMAs by state **to generate tax-free income.**



Opportunistic tax-loss harvesting

Identify investments with unrealized losses as **potential tax-loss harvest opportunities.**

4. Align wealth with values: let's get personal

BlackRock seeks to provide choice across a range of screens and pre-built packages to help align your portfolio with your values.

Individual screens and packages⁵

Client directed screens

Catholic values package

Environmental package

Moral values package

4. At \$250,000 the following states are available for Intermediate Municipal Fixed Income and Short-term Municipal Fixed Income: CA, NJ, NY, TX. For Long-term Municipal Fixed Income: CA, NY, TX. At \$250,000 the following states are available for Intermediate Municipal Fixed Income on a best-efforts basis: AL, AR, AZ, CO, CT, FL, GA, HI, IA, IL, IN, KS, KY, LA, MA, MD, MI, MN, MO, MS, MT, NC, NE, NM, NV, OH, OK, OR, PA, SC, TN, UT, VA, VT, WA, WI. For Long-term Municipal Fixed Income: NJ, PA, UT. At \$3,000,000 all other states are available on a best-efforts basis for the Intermediate Municipal Fixed Income strategy. Single-state municipal portfolios may include some out of state municipal securities and securities issued by U.S. territories (e.g., Puerto Rico). BlackRock will attempt to accommodate requests but cannot guarantee that it will be able to do so.

5. Screens and packages can be used for both sustainable and normal SMA strategies. Screens and packages exist outside the strategy's investment process and are applied as an overlay in terms of implementation. Availability and implementation varies by platform.

Want to learn more? Contact your financial advisor.

blackrock.com

Investing involves risk, including possible loss of principal. Asset allocation and diversification may not protect against market risk, loss of principal or volatility of returns. Actual investment outcomes may vary.

Two significant risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to make principal and interest payments. There maybe less information available on the financial condition of issuers of municipal securities than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. A portion of the income may be taxable. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable. Municipal securities may not be suitable for all investors. There is no guarantee that these investment strategies will work under all market conditions or are suitable for all investors and each investor should evaluate their ability to invest long term, especially during periods of downturn in the market. No representation is being made that any account, product, or strategy will or is likely to achieve profits. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. You should consult your tax or legal advisor regarding such matters. This material 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.

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