

## Contents

1. Document overview
2. Indices included within Family
3. General description of the market or economic reality
4. Geographical boundaries of market or economic reality
5. Criteria for determining an index
6. Index Calculation and Discretion
7. Error Handling
8. Changes to or cessation of indices
9. Index Usage
10. Updates to this Benchmark Statement
11. Additional Information

## 1. Document overview

The purpose of this document is to outline the information required in Article 27 of the EU regulation on indices used as financial benchmarks (“BMR”) and Commission Delegated Regulation (EU) 2018/1643.

The Multi-Asset Family are all **non-significant benchmarks** as defined under Article 3(1)(27) Regulation (EU) 2016/1011

## 2. Indices included within Family<sup>1</sup>

- BlackRock Dynamic Factor Index
- BlackRock Dynamic Factor VC3 Index ER
- BlackRock Dynamic Allocation Index
- BlackRock iBLD® Diversa® VC7 ER Index
- BlackRock iBLD® Endura® VC5.5 ER Index
- BlackRock iBLD® Ascenda® Index
- BlackRock Select Factor Index
- BlackRock US Sector Rotation Index
- BlackRock Market Advantage Index
- BlackRock Adaptive US Equity 5% Index
- BlackRock Adaptive US Equity 7% Index

## 3. General description of the market or economic reality

The Multi-Asset Family is comprised of indices with US Exchange-Traded Funds (“ETFs”) as the constituents, which seek to provide liquid, transparent and cost-effective building blocks that can be used in working toward the target objectives of each index. Further detail in each index methodology document that can be found, free of charge, found on each index product page:

[BlackRock Index Services | Multi-Asset Family](#)

A summary in respect of each Indices underlying market or economic reality is included in the following table:

Index	Underlying Market or Economic Reality
<b>BlackRock Dynamic Factor Index</b>	Index Constituents are comprised of iShares® ETFs which seek to provide liquid, transparent and cost-effective building blocks. The constituents are a diversified multi-asset weighted basket of up to eight Exchange-Traded Funds (five Equity ETFs and three Fixed Income ETFs). The Index seeks to provide dynamic exposure to broad factors using economic regime observations, stock level fundamentals and momentum insights by monthly rebalancing its allocation to the five Equity ETFs based on relationships between the Equity ETFs and the common factors. The Index also seeks to achieve a 5% or 3% target volatility (volatility target is defined according to the index) through the Fixed Income ETFs and the cash constituent. Each Fixed Income and Equity basket is further defined in the BlackRock Dynamic Factor Index Series Methodology.
<b>BlackRock Dynamic Factor VC3 Index ER</b>	

<sup>1</sup> BlackRock Index Services, LLC does not currently assign ISINs to all of the indices for which it is the Administrator. Index tickers are currently used for identifiers and can be found on each index product page: <https://www.blackrock.com/us/individual/products/blackrock-index-services>

Index	Underlying Market or Economic Reality
<b>BlackRock Dynamic Allocation Index</b>	<p>Index constituents are comprised of iShares® ETFs which seek to provide liquid, transparent and cost-effective building blocks. The index is designed to deliver a diversified portfolio of constituents with daily volatility-control to help mitigate risk. The Index is diversified across ten ETFs providing exposure to Equities, Fixed Income and Real Assets. Additional details on the index constituent's inclusion criteria can be found in the BlackRock Dynamic Allocation Index Methodology.</p>
<b>BlackRock iBLD Diversa® VC7 ER Index</b>	<p>The index is designed to deliver a globally diversified portfolio of constituents with daily volatility-controls to help mitigate downside risk. Because the multi-asset index is diversified across assets and regions, it provides the potential for more consistent returns than a traditional stock index. Index constituents are comprised of iShares® ETFs which seeks to provide liquid, transparent and cost-effective building blocks. The Index is diversified across ETFs providing exposure to the following asset classes:</p> <ul style="list-style-type: none"> <li>• Equity (U.S., International developed &amp; Emerging markets)</li> <li>• Fixed Income (Credit, Mortgages, High Yield, U.S. Government)</li> <li>• Cash</li> <li>• Alternatives (REITs)</li> </ul> <p>Index eligibility criteria is further defined in the BlackRock iBLD Diversa® VC7 ER Index Methodology.</p>
<b>BlackRock iBLD Endura® VC5.5 ER Index</b>	<p>The index is comprised of U.S. equities with daily volatility controls to help mitigate downside risk. The daily volatility controls determine an allocation to short-term U.S. Treasury bonds. Index constituents are comprised of iShares® ETFs which may provide liquid, transparent and cost-effective building blocks. The Index is diversified across ETFs providing exposure to the following asset classes:</p> <ul style="list-style-type: none"> <li>• Equity (U.S.)</li> <li>• Fixed Income (U.S. Government)</li> <li>• Cash</li> </ul> <p>Index eligibility criteria is further defined in the BlackRock iBLD Endura® VC5.5 ER Index Methodology.</p>
<b>BlackRock iBLD Ascenda™ Index</b>	<p>This multi-asset index is designed to deliver a globally diversified portfolio of constituents with daily volatility-controls to help mitigate downside risk. Because the multi-asset index is diversified across asset-classes and regions, it provides the potential for more consistent returns than a traditional stock index. Index constituents are comprised of iShares® ETFs which may provide liquid, transparent and cost-effective building blocks. The Index is diversified across ETFs providing exposure to the following asset classes:</p> <ul style="list-style-type: none"> <li>• Equity (U.S., International developed &amp; Emerging markets)</li> <li>• Fixed Income (Credit, High Yield, U.S. Government, REITS, Commodities)</li> <li>• Cash</li> </ul> <p>Index eligibility criteria is further defined in the BlackRock iBLD Ascenda™ Index Methodology.</p>

Index	Underlying Market or Economic Reality
<b>BlackRock Select Factor Index</b>	<p>The index seeks to measure the extent to which the performance of a diversified multi-asset weighted basket of long positions in up to seven exchange-traded funds (five Equity ETFs and two Fixed Income ETFs), a short position in one exchange-traded fund, and a cash constituent outperforms a funding rate, subject to a given target volatility level. Index constituents are comprised of iShares® ETFs which may provide liquid, transparent and cost-effective building blocks. Index eligibility criteria is further defined in the BlackRock Select Factor Index Methodology.</p>
<b>BlackRock Adaptive US Equity 5% Index</b>	<p>The Adaptive U.S. Equity Index Series measures the extent to which the performance of a weighted basket of up to four Exchange Traded Funds outperforms the sum of the return on the notional Interest Rate, which is a rate equal to the Effective Federal Funds Rate, plus an Index Fee of 0.50 % per annum, in each case accruing daily on an Act/360 basis. Each Index in the Index Series rebalances daily with the goal of tracking its Target Volatility. The Index Series utilizes Feedback Volatility Control (“FVC”)—a volatility targeting technique developed by BlackRock AI Labs. FVC works by adjusting the ex-ante risk taken each period in response to recent index volatility, as measured using a volatility estimation technique that places greater emphasis on more recent data. Index constituents are grouped as the iShares Core S&amp;P 500 ETF provides exposure to large-capitalization U.S. equities and the Safe Asset Basket. The volatility controls procedure applied daily, and index eligibility criteria is further defined in the BlackRock Adaptive U.S. Equity Index Series Methodology.</p>
<b>BlackRock Adaptive US Equity 7% Index</b>	<p>The Adaptive U.S. Equity Index Series measures the extent to which the performance of a weighted basket of up to four Exchange Traded Funds outperforms the sum of the return on the notional Interest Rate, which is a rate equal to the Effective Federal Funds Rate, plus an Index Fee of 0.50 % per annum, in each case accruing daily on an Act/360 basis. Each Index in the Index Series rebalances daily with the goal of tracking its Target Volatility. The Index Series utilizes Feedback Volatility Control (“FVC”)—a volatility targeting technique developed by BlackRock AI Labs. FVC works by adjusting the ex-ante risk taken each period in response to recent index volatility, as measured using a volatility estimation technique that places greater emphasis on more recent data. Index constituents are grouped as the iShares Core S&amp;P 500 ETF provides exposure to large-capitalization U.S. equities and the Safe Asset Basket. The volatility controls procedure applied daily, and index eligibility criteria is further defined in the BlackRock Adaptive U.S. Equity Index Series Methodology.</p>

#### 4. Geographical boundaries of the market or economic reality

The Multi-Asset indices are comprised of U.S. listed Exchange-Traded Funds.

#### 5. Criteria for determining an index

The index construction process followed by BlackRock Index Services LLC for each of its Multi-Asset indices uses a systematic, rules-based approach. Data sources for each Multi-Asset index can be found in the “Data Sources” section and definitions for key terms in the “Definitions” section of each index methodology document is publicly available on each index product page.

In the Multi-Asset family, a majority of the indices have a volatility control overlay used to adjust into or out of assets with the objective of stabilizing index volatility and are calculated based on the excess return of the constituents versus the sum of the return on the cash constituent and the index fee to provide dynamic exposure to broad factors using economic regime observations, stock level fundamentals and momentum insights by monthly rebalancing.

The Asset Allocation Series is calculated on based on the total return of the constituents and the index construction process results in:

- Aligning the Equity ETF weights and Fixed Income ETF weights with the Equity allocation and Fixed Income allocation; and
- Setting the relative weights within the Equity basket to mirror the relative free float-adjusted index market capitalizations, expressed in U.S. dollars, of the ETF reference Indices.

Each index methodology document outlines the criteria and procedures for determining the index, including calculations, input data requirements and rebalancing rules. The methodology documents for the Multi-Asset indices sets out any particularities in relation to the indices and these documents can be found on each index's product page located on the BlackRock website: [BlackRock Index Services | Multi-Asset Family](#)

## a. Rebalancing

The Multi-Asset indices are rebalanced on a regular schedule, namely daily, monthly or semi-annually depending on the index, with the vast majority of the indexes are rebalanced on a monthly basis.

## b. Review of Methodology and market / strategy

As part of the regular index annual review process, the Multi-Asset indices are reviewed relative to the market or strategy they are designed to reflect. This review assists in the evaluation of methodologies for both consistency and effectiveness and may highlight situations where changes in the methodology are warranted to reflect changes in the underlying market opportunity. Any changes to the indices will follow the Methodology Change Policy.

## 6. Index Calculation and Discretion

The BlackRock Multi-Asset indices are calculated using transacted security prices from stock exchanges. They do not use any bids, asks, or any estimations as alternatives to stock prices. Additionally, the indices do not use "contributed" input data.

The Multi-Asset family relies on the continued availability of transacted security prices from stock exchanges. In the circumstance that there is a lack of sufficient input data, market disruption events, or errors in determining the index, BlackRock Index Services, LLC follows the **Error & Event Handling Policy**. Market Disruption Events occur when input data is not sufficiently available or able to accurately and reliably represent the market or economic reality. These events fall under the categories such as:

- The official closing price, or other required value of any index is unavailable when the index is scheduled to be published
- A relevant exchange is not open for trading during its regular trading session, or there is an exchange disruption
- Upon the occurrence or existence of a trading disruption event
- Upon the occurrence or existence of an index dislocation
- Upon the occurrence or existence of an interest rate disruption event
- Upon the occurrence or existence of a Force Majeure Event

Expert Judgment includes but is not limited to unforeseen market conditions where transaction data may not have been sufficient or be able to accurately and reliably represent the market or economic reality. The **Error & Event Handling Policy** provides more details on these instances and the processes followed.

Independent oversight of BlackRock Index Services, LLC is undertaken by Index Services Group Committee (ISGCo), inclusive of the Methodology & Operations (M&O) sub-committee. The M&O sub-committee has been established by ISGCo to oversee adherence to index methodologies and operational policies and procedures applicable to the administrator, including overseeing the exercise of Expert Judgment by the administrator. The M&O sub-committee is also responsible for reviewing existing methodologies (at least annually), newly proposed methodologies (prior to Index launch), and ad-hoc changes.

## 7. Error Handling

In the event of an error BlackRock Index Services, LLC will review the circumstances surrounding the event and its impact to determine whether an error has occurred. These events can be broken down into the following main scenarios:

1. Construction and/or calculation errors
2. Data provider error
3. Market Disruption events

When an error in a published index is identified, the M&O sub-committee may be consulted, and BlackRock Index Services, LLC will proceed as per jurisdictional requirements in accordance with the **Error & Event Handling Policy**. An error announcement will be made via the BlackRock website detailing the error. Additionally, upon identifying an error, BlackRock Index Services, LLC will follow internal procedures to assessment of associated controls and mitigation plans to protect future events from occurring.

Any methodology changes resulting from usage of Expert Judgement will follow the process outlined in the **Methodology Change Policy**. Refer to policy in section 5 above.

## 8. Changes to, or the cessation of, indices

### a. Methodology changes

The BlackRock index methodology documents outline the investment objective of the index as well as details around the index construction and maintenance. Periodically, these documents can be updated for a variety of reasons including changing market conditions, regulatory changes, client feedback, unusual market event(s), and/or regular methodology oversight review. To ensure subscribers of the index can provide feedback when there is a proposed change, BIS will engage in a consultation notification with subscribers (and other stakeholders where appropriate). The duration of the consultation varies depending on the impact, complexity, and time sensitive nature of the change. Consultations will typically be open for feedback for a period of two weeks.

The methodology documents are reviewed at least annually to ensure that the Multi-Asset indices remain fit for purpose and that they continue to accurately represent that portion of the market they were originally intended to. The M&O sub-committee is responsible for reviewing and approving any changes to the methodology. Processes to handle changes to a methodology are outlined in the **Methodology Change Policy**. Refer to policy in section 5 above.

### b. Index Cessations

All index cessation proposals are managed in accordance with the **Index Cessation Policy**. Index cessations must be approved by the Index Services Governance Committee (“ISGCo”), who will assess the circumstances surrounding the proposal, the economic and financial stability impact and the potential impact to stakeholders. Where cessation of an index or family of indices is proposed, the following factors will be taken into consideration, as appropriate.

- Stakeholder Engagement: BlackRock Index Services, LLC may invite relevant stakeholders and other interested parties to participate in a consultation process to discuss selection of alternative indices, if any, and ultimately determine the best suitable course of action.
- Alternative Indices Selection: BlackRock Index Services, LLC will seek to provide a credible, alternative indices that matches the objectives, characteristics and design of index under cessation review, if feasible. The suitability for an alternative index will be dependent on the particular needs and circumstances of each client. Therefore, BIS will not pre-define an alternative for any indices covered by this policy.

When applicable, to allow for facilitation of transition to alternative index, BIS will aim to announce intended cessation at least 90 days prior to cessation date or as soon as practically possible. If an alternative index is established, the details surrounding the methodology of this index will be included in this announcement.

Where no transition is required, BIS will aim to announce intended index cessation at least 14 days prior to cessation date or as soon as practically possible. In the case of an event that requires the immediate termination of a benchmark, BIS will announce a timetable that may include a shorter implementation period for change or termination. All announcements will be sent to relevant stakeholders and other interested parties. Additional details on transitions, or terminations can be found in the **Index Cessation Policy**.

## **9. Index Usage**

The Multi-Asset Family indices may be used for a variety of purposes, including for research, benchmarking, investment funds or other uses. BlackRock Index Services, LLC assumes no responsibility for the potential use of its indexes in the Fixed Income Family indices for particular purpose by clients, whether for research, benchmarking, investment fund, or otherwise. The effective representation of a market or strategy is the primary aim for BlackRock Index Services, LLC. All BlackRock indices and data are the exclusive property of BlackRock and may not be used in any way without the granting of a written license by or the express written permission of BlackRock Index Services, LLC.

## **10. Updates to this benchmark statement**

This document will be reviewed by BlackRock Index Services, LLC on an annual basis. Additional reviews may be conducted during extreme market events, such as ongoing insufficient underlying market liquidity, or after significant market events that significantly affect an index.

## **11. Additional Information**

Detailed methodology and policy documents in respect of the indices within the Multi-Asset Family of indices can be found on [BlackRock Index Services | Multi-Asset Family](#)