

An aerial photograph of a lush green agricultural landscape. The fields are divided into various shapes and sizes, with a prominent winding river or canal cutting through the center. The overall scene is vibrant and textured, showing the patterns of farming and irrigation.

BlackRock®

**Outcome ETFs: A
powerful tool for a
changing world**

Key takeaways

Growth to \$650 billion

- ✔ BlackRock forecasts U.S. outcome ETF assets under management will more than double to \$650 billion by 2030, from \$272 billion in 2025,¹ as more advisors and investors turn to these strategies.

Demystifying outcome ETFs

- ✔ While options-based strategies may seem complex, the outcomes they seek to deliver can be easy to understand.

A powerful tool for a changing world

- ✔ Outcome ETFs help empower investors to tackle macro uncertainty, offering features such as the potential for income or downside protection within a certain range, which can help as more people around the globe approach retirement.

A variety of outcomes: Potential income, targeted protection or opportunity for growth

- ✔ We believe that outcome ETFs will become a vehicle of choice as more investors look for clearer investment outcomes and low-cost ways to implement these strategies.

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1. Source: BlackRock, Morningstar as of 12/31/2025. Estimates include scenario calculations based on proprietary research by BlackRock Global Product Solutions. Industry projections assume the continued evolution of the options ecosystem and market structure to support the growth of outcome ETFs at scale. These figures are for illustrative purpose only and there is no guarantee the projections will come to pass.

Introduction

The markets have changed a lot in the last few years, and so too have the methods investors use to implement strategies that align with their goals. As more and more clients seek specific investment outcomes, innovation has made it easy to incorporate these types of strategies using ETFs.

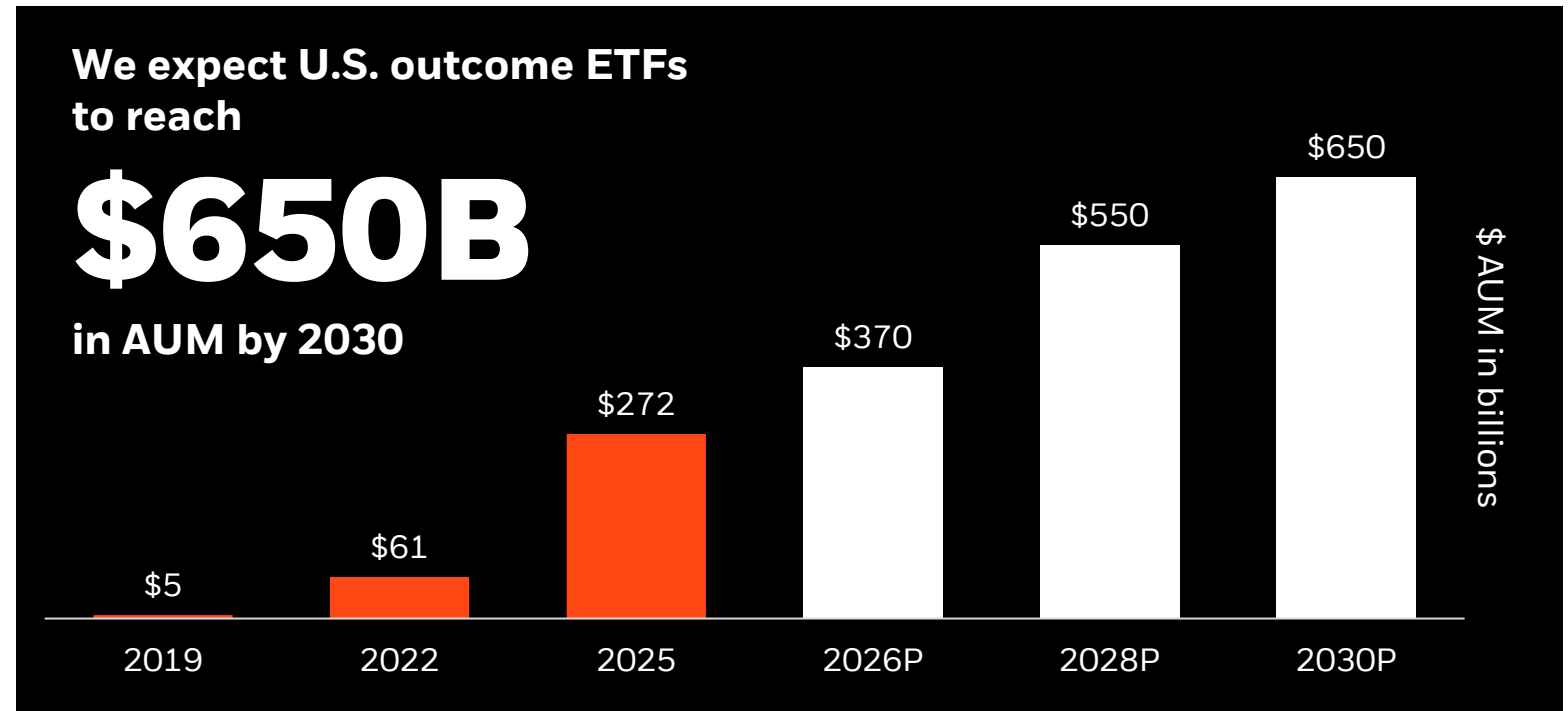
Outcome ETFs, which utilize options strategies within the funds, help deliver specific investment goals like targeted downside protection, income, or enhanced growth potential. As clients seek to implement these strategies, outcome ETF assets under management (AUM) have skyrocketed to \$272 billion in 2025 from \$5 billion in 2018.² **Outcome ETFs were one of the fastest growing ETF segments in 2025**, expanding 50% from the prior year.³

While many investors may be familiar with options strategies, having them available inside the ETF wrapper provides a new, convenient and cost-effective avenue for investor access. Outcome ETFs are also designed to align with important investment goals, like generating income or downside protection.

Given their ability to provide investors with the potential for a specific outcome in a single ticker, **we expect outcome ETFs to continue expanding** and the category within the U.S. to more than double to \$650 billion by 2030.⁴

This expected growth comes at the intersection of product innovation, changing demographics and market dynamics. We expect ETFs to continue being a wrapper of choice for investors and financial advisors due to their liquidity, potential tax-efficiency and recent flexibility in implementing active strategies. In 2019, the SEC adopted the “ETF Rule”,⁵ which opened the door for ETF issuers to launch new funds, including outcome-oriented strategies, and helped expand the toolkit for individual investors, advisors, and institutions in how they manage risk and navigate complex markets. Since the ETF Rule, almost 800 outcome ETFs have been launched, and in 2025 alone represented 23% of all new ETF listings.⁶

While outcome ETFs have grown rapidly in the last few years, nearly 90% of advisors don’t use them yet.⁷ **We believe outcome ETFs can play an important role in portfolio construction**, and further education will help investors best utilize these strategies. This paper aims to explore outcome ETFs and the options strategies within them, including how they are being used by investors seeking to make their portfolios more resilient.



Source: Blackrock, Morningstar as of 12/31/2025. Estimates include scenario calculations based on proprietary research by BlackRock Global Product Solutions. **Industry projections assume the continued evolution of the options ecosystem and market structure to support the growth of outcome ETFs at scale.** These figures are for illustrative purpose only and there is no guarantee the projections will come to pass.

Demystifying outcome ETFs

Although ‘outcome ETFs’ may be a relatively new phrase, the strategies within them are part of the larger world of options. Options have been around for decades but were typically reserved for institutional investors due to their complexity. While options strategies might be complex, the outcomes they are seeking to achieve can be easy to understand when using outcome ETFs. Outcome ETFs use options strategies within the funds to help deliver specific investment outcomes.

Some investors may choose to use options strategies outside of ETFs, which often requires them to devote time and energy into learning the world of options, rebalancing and monitoring strategies. The advent of outcome ETFs has created a way to simplify access to options strategies for investors.

Myth	Reality
“Options are just for speculating”	While some strategies can be used for speculating, other options strategies, including outcome ETFs, can be used as a wealth management tool to reduce risk in alignment with clients’ goals.
“All options strategies are complex”	Access to professional managers and interactive tools for outcome ETFs eliminates some of the complexities of managing options strategies on your own.
“All options strategies are time consuming”	Outcome ETFs manage the options strategies within the fund allowing them to be ‘buy-and-hold’ investments.

For illustrative purpose only.

A powerful tool for a changing world

Outcome ETFs can be a powerful tool in today's market and as a **core building block to help address complex portfolio challenges**. They can also be a differentiator for advisors that embrace new products.

1. Market dynamics

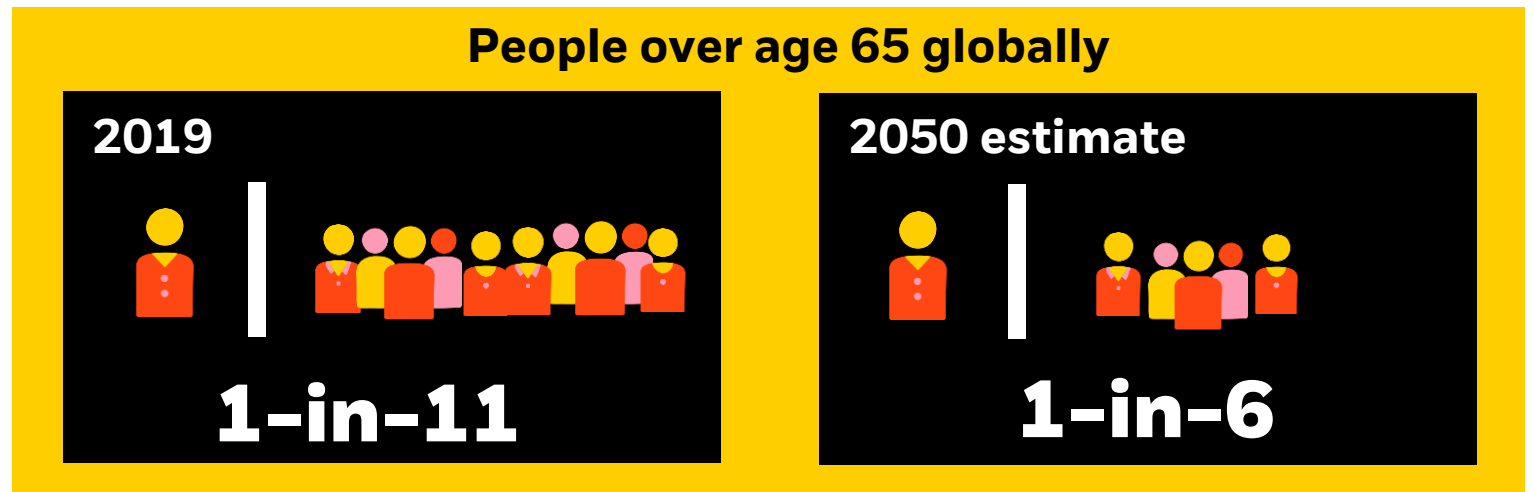
Markets have gotten more complex in the last couple of years. The higher interest rate environment has driven money market funds to \$7.6T.⁸ Policy, macroeconomic, and geopolitical uncertainty have driven volatility higher, while yields have been driven down to near 20-year lows, with the S&P 500 yielding 1.14%.⁹

Outcome ETFs provide a unique way for advisors to express their view on the market and fill in the gaps in client portfolios, whether transitioning clients out of cash and back into markets, seeking to mitigate downside risk in choppy markets, or accessing a new source of income to help enhance the yield of clients' core exposures.

2. Demographics

By the mid-century mark, one-in-six people globally will be over the age of 65, up from one-in-11 in 2019.¹⁰ Many investors rely on their portfolios to support their lifestyle, and the years leading up to retirement are often critical to success. With income and risk mitigation being top priorities among those retiring, certain outcome strategies are designed to help mitigate risks like the one we saw in 2022,¹¹ where investors expecting bonds to provide a cushion against market pullbacks felt the pain of both equities and bonds experiencing double-digit losses.

Through the end of 2024, we continued to see stock-bond correlations positive and elevated, with the "40%" of the "60/40" portfolio riskier than before with bond volatility higher.¹² Given the uncertainty of stock-bond correlations, advisors may be looking for a more consistent ballast to diversify equity risk. **We believe outcome ETFs are a valuable approach to consider.**



10. For illustrative purposes only. Source: United Nations, *World Social Report 2023: Leaving No One Behind In An Ageing World*. 12. Refers to the Agg Bond Index Risk and 60/40 Portfolio Risk refer to the standard deviations of the Bloomberg U.S. Agg Bond TR Index and a portfolio weighted 60% S&P 500 TR Index and 40% Bloomberg U.S. Agg during the respective periods (1/1/2001 – 12/31/2019 and 1/1/2020 – 12/31/2024). Correlation measures how two securities move in relation to each other. Correlation ranges between +1 and -1. A correlation of +1 indicates returns moved in tandem, -1 indicates returns moved in opposite directions, and 0 indicates no correlation. Past correlations not indicative of future correlations.

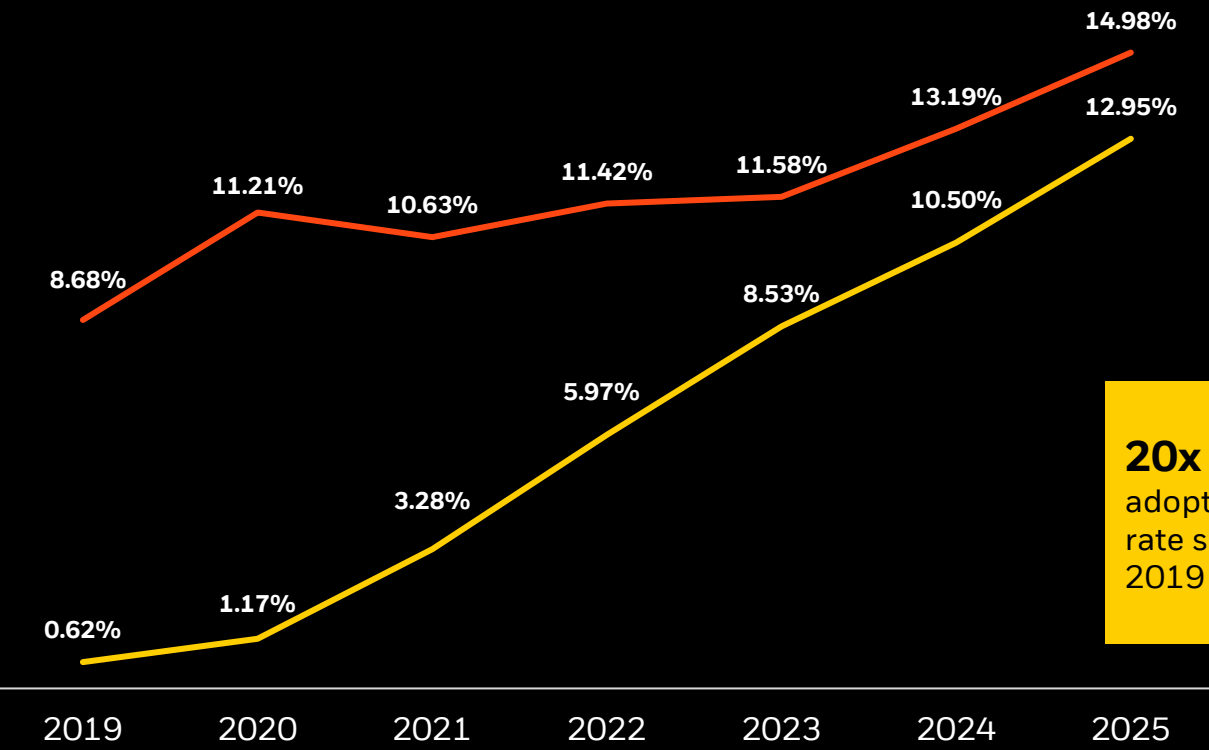
9. Source: Morningstar. Yield is based on trailing 12-month yields as of 12/31/2025. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. **Past performance does not guarantee future results.**

Advisors are rapidly adopting and allocating to outcome ETFs

— % of advisors using at least one outcome ETF
— Average weight of outcome ETFs in portfolios that include at least one outcome ETF

72%
increase in average allocation since 2019

20x
adoption rate since 2019



3. Practice management

Advisors are also adapting their businesses to a new landscape. With over half of investable assets now with individual investors with portfolios over \$5 million,¹³ more advisors are tailoring their practice to better serve the needs of high-net-worth investors, who often look for differentiated solutions, white-glove service and tax efficiency. Many advisors are also embracing fee-based practices where ETFs and separately managed accounts offer scalability and customization.

For these reasons, it’s no surprise that some of the earliest adopters of outcome ETFs have been financial advisors, who are now allocating more to outcome ETFs than ever before. In 2019, less than 1% of advisors were using outcome ETFs vs. 13% now, and the average outcome ETF user is allocating 15% to their portfolio allocations, up from 8.7%.¹⁴

While we see the U.S. as the largest area of growth over the next 5 years, we also expect European and Latin American investors to begin incorporating outcome ETFs as the wider ETF market expands globally and clients increasingly have need for differentiated solutions.



Helping my clients reduce the likelihood of large drawdowns while still providing attractive upside potential to accomplish their financial goals is the reason I use buffer ETFs. They have become a core part of the assets I manage.”

- **Stuart Chaussée**, Stuart Chaussée & Associates, Inc.

Source: BlackRock. Advisor data as of 12/31/2025. Analysis includes 23,931 advisor models collected by BlackRock since 2019.

Outcome ETF education

Before diving into the different types of outcome ETFs, it's important to understand how these products work.

1 ● Outcome ETFs can be used as wealth management tools

Outcome ETFs are built with two simple ingredients:

- They provide exposure to an underlying asset, such as an ETF that seeks to track the S&P 500 Index.
- They use options on that underlying asset to help deliver on a specific investing goal (i.e., income, targeted protection, or growth).

The key differences between using options as a wealth management tool vs. speculating is that the use of options is not the key ingredient, it's what enhances or modifies the underlying asset, and that the strategy is part of a longer-term objective. If you want to see how buffer ETFs react to changes in their underlying asset, we offer a [Buffer Tool](#) to showcase how they work over their outcome periods.

2 ● Outcome ETFs offer a simple way to implement options-based strategies

Outcome ETFs can remove some of the complexities of managing individual option positions, which can often be time consuming. Outcome ETFs simplify this by bundling an options-based strategy inside of a single ticker. While the strategy is managed and monitored by a professional portfolio management team, investors should still be aware of their entry points, especially for strategies that have specific outcome periods.

Outcome ETF key objectives: **Income,** **targeted protection,** **growth**

Although there are several options-based strategies, we view outcome ETFs in three main categories: income, targeted protection and growth. Though these groups may seem very different, they share a few key things in common.

- 1. All outcome ETFs involve tradeoffs.** For example, it is common for outcome ETFs to set a cap on growth as a way to help generate income, finance targeted protection, or provide enhanced growth in moderate environments.
- 2. Options are used to modify risk and reward potential in outcome ETFs,** meaning they seek to deliver these outcomes without the need to make significant deviations in sector allocation or style, making them a useful component within the core of portfolios.

	Income	Targeted protection	Growth
What they do	Enhance income on an underlying asset (e.g., S&P 500)	Provide a targeted level of protection over an outcome period	Enhance growth potential within an acceleration zone
Common strategies	Premium income, buywrites	Buffers	Accelerated return
How options are used	In exchange for a cap on some or all upside growth potential, helps generate income	Options help establish a specific level of protection (e.g., from -5% to -20%). Options are also used to set a cap, which helps finance the protection	Options are used to create an acceleration zone up to a cap
Benefits	Tends to outperform during slightly up, flat, and down markets	Tends to outperform when markets are down	Tends to outperform in moderate growth environments
Considerations	Tends to underperform when markets rally. Typically track the price return of the underlying asset instead of total return		

For illustrative purpose only.

Income

Income strategies using options are often referred to as “premium income” or “buywrites”. These strategies make a very simple tradeoff when used inside an ETF: in exchange for generating income on an asset (typically on a monthly basis), investors give up some of the growth potential. Underlying assets that tend to have higher volatility will typically offer more income.

This provides investors a way to diversify their sources of income within their portfolios. Having these strategies available within the ETF wrapper also enables investors to implement these strategies with greater ease than managing the strategy themselves.

What they do	Enhance income on an underlying asset (e.g., S&P 500).
Common strategies	Premium income, buywrites
How options are used	In exchange for a cap on some or all upside growth potential, helps generate income.
Benefits	Tends to outperform during slightly up, flat, and down markets.
Considerations	Tends to underperform when markets rally. Typically track the price return of the underlying asset instead of total return.

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We believe covered calls in an ETF wrapper can be a valuable tool for investors looking for more income, especially those where income generation from their investments can be important to meeting their financial goals. For a multi-asset income portfolio, covered call ETFs can be a consideration when seeking a differentiated source of income with yields potentially generated from both dividends and options.”

- **Justin Christofel, CFA**
Co-Head of Income Investing, Multi-Asset Strategies & Solutions, BlackRock

Targeted protection

Buffer strategies seek to provide targeted protection on an underlying asset. Just like income strategies, there is a tradeoff. To seek a targeted level of protection, investors give up some of the upside potential of that asset, commonly referred to as a 'cap'. Investors can choose from a variety of buffer ETFs in the market, whether looking for clearer outcomes or seeking a more continuous hedging experience.

Target outcome ETFs may provide more certain outcomes over their outcome periods than other methods of risk management. For example, a target outcome buffer ETF that protects against the first 10% in losses over a year would aim to buffer losses if the market were down slightly. The caps on upside potential may vary depending on the level of targeted protection, the length of the outcome period, and may also change for each outcome period. Investors may experience different outcomes if shares are not held for the entire outcome period.

Laddered buffer ETFs aim to provide more continuous downside protection by holding a series of buffer tranches. This provides a more consistent risk management experience and less sensitivity to entry points but gives up the clear buffer and cap levels offered by target outcome ETFs.

What they do	Provide a targeted level of protection over an outcome period.
Common strategies	Buffers
How options are used	Options help establish a specific level of protection (e.g., from -5 to -20%). Options are also used to set a cap, which helps finance the protection.
Benefits	Tends to outperform when markets are down.
Considerations	Tends to underperform when markets rally. Typically track the price return of the underlying asset instead of total return.

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Many of the clients that we serve are looking for ways to have their portfolio provide resilience during market drawdowns. We believe that one of the best ways to navigate periods of volatility is by helping to provide targeted outcomes using buffered ETFs. The expansion of available buffer ETFs and tools has given us flexibility in how we implement, monitor, and rebalance strategies. To help meet this demand, we now consider buffer ETFs as core holdings in some of the portfolios we create for our clients.”

- **Philip S. Blancato**, President and CEO of Ladenburg Asset Management

Growth

Growth strategies are often referred to as “accelerated strategies”. They use the unique flexibility of options to give investors enhanced growth potential, often seeking to provide double or triple the upside without additional downside so long as the outcome ETF is held for the entire outcome period. The tradeoff? Like income and targeted protection strategies, there is an upside cap.

These types of strategies can potentially benefit investors expecting a moderate growth environment. Moderate growth periods have been relatively common. Over the last 15 years, almost half of all quarterly returns on the S&P 500 were between 0% and 8%.¹⁵

What they do	Enhance growth potential within an acceleration zone.
Common strategies	Accelerated return
How options are used	Options are used to create an acceleration zone up to a cap.
Benefits	Tends to outperform in moderate growth environments.
Considerations	Tends to underperform when markets rally; typically track the price return of the underlying asset instead of total return.

A critical consideration for these types of strategies is the timing of entering and exiting a growth strategy outcome ETF. An investor who buys shares of such a fund after the start of the outcome period may experience lesser returns and may be exposed to greater downside than that of the underlying asset.

An investor who sells fund shares before the end of the outcome period may not fully realize the accelerated upside. It’s important for investors to consider their entry and exit points for these types of funds and to be aware that accelerated strategies do not offer targeted protection.

15. Source: Morningstar Direct. Based on quarterly S&P 500 price returns from 1/1/2010 to 3/31/2026. Indices are unmanaged and not available for direct investment. **Past performance does not guarantee future results.**

Q&A with Eric Metz, CFA, CIO and Head of SpiderRock Advisors, BlackRock¹⁶

How do you think about outcome ETFs within the current market environment?

If you look post-Great Financial Crisis, whether a goal or a byproduct, both fiscal and monetary intervention have dampened volatility. The sheer nature of all that stimulus (QE), created asset price stability, asset price appreciation, and subsequently inflation. As you think about the future, interest rates higher and fiscal scrutiny that the government is placing upon policy, I think investors should be prepared for a higher volatility regime. Equity markets have been so generous, focusing on risk management strategies arguably has never been timelier.

Options are one of the most useful tools at precisely addressing certain types of portfolio risk. An investor can say “for this exact amount of time, if S&P 500 does X, I need to achieve Y.” This strategy can be implemented in an ETF. Maybe most unique, options are an asset class that can reshape return distributions on top of an underlying investment, which can ultimately change portfolio outcomes.

When markets get turbulent, investors can make sudden reactions. How can outcome ETFs help combat those investor biases?

First, everyone’s “knee jerk” reaction is different. We could have the exact same household, same portfolio, same income, lifestyle, everything. However, Monday morning when the market's down 5%, how do you react? Figuring out where that knee jerk reaction exists, that's unique to each investor. For advisors, they can use outcome ETFs to cater to each personal utility to help their client avoid those common behavioral mistakes. For investors, outcome ETFs can help them stay invested, manage emotions, and therefore be better positioned to achieve their goals.

How do you think about implementing options-based strategies at scale?

One of the benefits of option-based strategies is targeting risk, but it's got to move the needle in the allocation of the portfolio to really drive that efficient frontier north and west (i.e., improving risk adjusted return potential). The reality though is most advisors don't have expertise in deploying and managing options strategies themselves. If they have the know-how, they don't have the systems or the technology to do it well. Even if they the have know-how, the systems and technology, they still must have the business justification to do it - time, energy and fiduciary responsibility.

For advisors utilizing model portfolios, outcome ETFs may offer an efficient and scalable solution compared to deploying and managing options strategies themselves within the models.

One of the ways to drive home the value of outcome ETFs is to consider a systematic core allocation to them in your portfolio as a buy-and-hold strategy. The buffers and/or the caps will get reset in the wrapper. Advisors should not try to rebalance within the “defined time period”, as the ETF itself should accomplish this need.

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One of the ways to drive home the value of outcome ETFs is to consider a systematic core allocation to them in your portfolio as a buy-and-hold strategy.”

-Eric Metz, CFA, CIO and Head of SpiderRock Advisors, BlackRock

Conclusion

As more and more investors seek clearer outcomes in their portfolios, we believe that outcome ETFs will play a key role in the pursuit of building better portfolios.

Whether looking for higher income, targeted downside protection, growth potential, or simply a new way to access options-based strategies within the ETF wrapper, BlackRock is committed to helping investors and advisors better understand these strategies and provide the necessary tools and resources to help implement them.

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iShares Outcome ETFs

Target specific financial goals with options-based ETFs

Learn more at [iShares.com/outcomes](https://www.ishares.com/outcomes)

INCOME

iShares **BuyWrite and Premium Income ETFs** seek to enhance income through the sale of monthly call options.

Designed for: Prioritizing alternative sources of monthly income.

TARGETED DOWNSIDE PROTECTION

Buffer ETFs seek to guard against drawdowns while still maintaining some upside potential.

Designed for: Targeted downside protection to help navigate market volatility and stay invested for the long term.

ENHANCED GROWTH

Accelerated Outcome ETFs seek enhanced returns up to a cap without additional downside risk if held for the full calendar quarter.¹⁷

Designed for: Enhancing large cap return potential in a moderate growth environment.

BALI

iShares U.S. Large Cap Premium Income Active ETF

TLTW

iShares 20+ Year Treasury Bond BuyWrite Strategy ETF

IVVW

iShares S&P 500 BuyWrite ETF

BALQ

iShares Nasdaq Premium Income Active ETF

LQDW

iShares Investment Grade Corporate Bond BuyWrite Strategy ETF

IWMW

iShares Russell 2000 BuyWrite ETF

HYGW

iShares High Yield Corporate Bond BuyWrite Strategy ETF

MMAX

iShares Large Cap Max Buffer Mar ETF

TENM

iShares Large Cap 10% Target Buffer Mar ETF

IVVM

iShares Large Cap Moderate Quarterly Laddered ETF

DMAX

iShares Large Cap Max Buffer Dec ETF

TEND

iShares Large Cap 10% Target Buffer Dec ETF

IVVB

iShares Large Cap Deep Quarterly Laddered ETF

SMAX

iShares Large Cap Max Buffer Sep ETF

STEN

iShares Large Cap 10% Target Buffer Sep ETF

MAXJ

iShares Large Cap Max Buffer Jun ETF

TENJ

iShares Large Cap 10% Target Buffer Jun ETF

TWOX

iShares Large Cap Accelerated Outcome ETF

References

1. Source: BlackRock, Morningstar as of 12/31/2025. Estimates include scenario calculations based on proprietary research by BlackRock Global Product Solutions. **Industry projections assume the continued evolution of the options ecosystem and market structure to support the growth of outcome ETFs at scale.** These figures are for illustrative purpose only and there is no guarantee the projections will come to pass.
2. Source: BlackRock, GBI, as of 12/31/2025. Outcome ETF AUM is represented by a universe of 920 U.S.-based, solutions-oriented ETFs as defined by GBI, including 468 categorized as protection, 365 as income, 68 as growth, and 19 as other.
3. BlackRock as of 12/31/2025. Based on 2025 organic asset growth, calculated as 2025 flows divided by 2024 assets under management. Calculated for U.S. listed ETFs only.
4. Source: BlackRock, Morningstar as of 12/31/2025. Estimates include scenario calculations based on proprietary research by BlackRock Global Product Solutions. **Industry projections assume the continued evolution of the options ecosystem and market structure to support the growth of outcome ETFs at scale.** These figures are for illustrative purpose only and there is no guarantee the projections will come to pass.
5. For more information on Rule 6c-11, see <https://www.sec.gov/newsroom/press-releases/2019-190>.
6. Source: BlackRock, GBI as of December 31, 2025. Number of funds launched is counted after Rule 6c-11 went into effect on December 23, 2019. Outcome ETFs were represented by a universe of 799 U.S.-based, solutions-oriented ETFs as defined by GBI, including 387 classified as protection, 326 classified as income, 68 as growth, and 18 as other. 3,508 U.S.-based ETFs were launched across the industry.
7. Source: BlackRock. Advisor data as of 12/31/2025. Analysis includes 23,931 advisor models collected by BlackRock.
8. Source: iMoneyNet as of December 31, 2025. Currency figures shown in U.S. dollars.
9. Source: Bloomberg. Yield is based on trailing 12-month yields as of 12/31/2025. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.
10. Source: [United Nations](#), World Social Report 2023: Leaving No One Behind In An Ageing World.
11. Source: BlackRock as of 3/19/2024. Based on S&P 500 Index and Bloomberg US Agg Bond Index returns from 1/1/2022-12/31/2022.
12. Refers to the Agg Bond Index Risk and 60/40 Portfolio Risk refer to the standard deviations of the Bloomberg U.S. Agg Bond TR Index and a portfolio weighted 60% S&P 500 TR Index and 40% Bloomberg U.S. Agg during the respective periods (1/1/2001 – 12/31/2019 and 1/1/2020 – 12/31/2024). Correlation measures how two securities move in relation to each other. Correlation ranges between +1 and -1. A correlation of +1 indicates returns moved in tandem, -1 indicates returns moved in opposite directions, and 0 indicates no correlation. Past correlations not indicative of future correlations.
13. Cerulli U.S. High-Net Worth and Ultra High-Net Worth Markets, 2025.
14. Source: BlackRock. Advisor data as of 12/31/2025. Analysis includes 23,931 advisor models collected by BlackRock.
15. Source: Morningstar Direct. Based on quarterly S&P 500 price returns from 1/1/2010 to 3/31/2026. Indices are unmanaged and not available for direct investment. **Past performance does not guarantee future results.**
16. SpiderRock Advisors, LLC (“SRA”), an investment adviser registered with the SEC and a commodity trading advisor registered with the CFTC, provides discretionary options overlay investment strategies. SRA is an indirect wholly owned subsidiary of BlackRock, Inc.
17. iShares Large Cap Accelerated Outcome ETF seeks to provide approximately twice the positive share price return of the iShares Core S&P 500 ETF (the Underlying ETF), up to an approximate upside cap, while seeking to approximately track the negative share price return of the Underlying ETF, over each full calendar quarter (outcome period).

Important notes

Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses, which may be obtained by visiting the iShares Fund and BlackRock Fund prospectus pages. Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

BuyWrite ETFs: Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in the value of debt securities. Credit risk refers to the possibility that the debt issuer will not be able to make principal and interest payments. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency and its return and yield will fluctuate with market conditions. Investment in a fund of funds is subject to the risks and expenses of the underlying funds. A BuyWrite Strategy ETF's use of options may reduce returns or increase volatility. During periods of very low or negative interest rates, the Underlying Fund may be unable to maintain positive returns. Very low or negative interest rates may magnify interest rate risk. In a falling interest rate environment, the ETF may underperform the Underlying Fund. By writing covered call options in return for the receipt of premiums, the ETF will give up the opportunity to benefit from increases in the value of the Underlying Fund but will continue to bear the risk of declines in the value the Underlying Fund. The premiums received from the options may not be sufficient to offset any losses sustained from the volatility of the Underlying Fund over time. The ETF will be subject to capital gain taxes, ordinary income tax and other tax considerations due to its writing covered call options strategy.

Buffer ETFs: There can be no guarantee that the Buffered Funds will be successful in their strategy to provide downside protection against Underlying ETF losses. The Funds do not provide principal protection or non-principal protection, and, despite the Approximate Buffer (the "Buffer"), an investor may experience significant losses on their investment, including the loss of their entire investment. In the event an investor purchases Fund shares after an Outcome Period begins or sells Fund shares prior to the end of the Outcome Period, the returns realized by the investor will not match those that the Funds seeks to provide. In periods of extreme market volatility, the Funds' return may be subject to downside protection significantly lower than the Buffer and an upside limit significantly below the Approximate Cap (the "Cap"). A new Cap is established during each Rebalance Period and is dependent upon current market conditions. As such, the Cap is likely to change, sometimes significantly, from one Outcome Period to the next.

Accelerated ETFs: Accelerated Outcome Funds have characteristics unlike many investment products and may not be appropriate for all investors. There can be no guarantee that the Accelerated Outcome Funds will be successful in their investment strategy, and investors may lose some or all of their money. The outcomes are intended to be realized only by investors who hold Fund shares at the outset of the Outcome Period (as defined in the prospectus) and continue to hold the shares through the end of the Outcome Period. An investor who buys Fund shares after the start of an Outcome Period may experience lesser returns and may be exposed to greater losses than that of the Underlying ETF. An investor who sells Fund shares before the end of an Outcome Period may not fully realize the Accelerated Return. The Accelerated Outcome Funds do not provide a buffer, floor or other protection against losses experienced by the Underlying ETF. The Funds are subject to an Approximate Cap (the "Cap"), whose level depends on prevailing market conditions at the time the Cap is set at the beginning of the Outcome Period and may vary, sometimes significantly, from one Outcome Period to the next. The Accelerated Outcome Funds will not participate in gains of the Underlying ETF that are above the Cap.

The Buffered and Accelerated Outcome Funds invest in FLEX Options that derive their value from the Underlying ETF. FLEX Options are subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation, and may be less liquid than other securities. The value of FLEX Options may be affected by interest rate changes, dividends, actual and implied volatility levels of the Underlying ETF's share price, and the remaining time until the FLEX Options expire. Because of these factors, the Funds' NAV may not increase or decrease at the same rate as the underlying ETF's share price.

Important notes (cont.)

Actively managed funds do not seek to replicate the performance of a specified index, may have higher portfolio turnover, and may charge higher fees than index funds due to increased trading and research expenses.

Investment comparisons are for illustrative purposes only. To better understand the similarities and differences between investments, including investment objectives, risks, fees and expenses, it is important to read the products' prospectuses.

This material represents an assessment of the market environment as of the date indicated; is subject to change; and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any issuer or security in particular.

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