

Portfolio Summary

Portfolio holdings, analytics and insights generated by your financial professional.

Prepared by: Jonnathan De Jesus
December 18, 2024

Powered by

BlackRock

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OVERVIEW

Snapshot

As of 11/30/24

Common Period: November 2009 - November 2024

The historical period for which returns are available for all holdings, up to 15 years. The common period begins at the inception date of the newest fund or share class, or SMA strategy.

NFFG Digital Investor - 01 Highly Conservative

PERFORMANCE

Annualized Return

The money made or lost on an investment.

- Gross of an advisory fee	5.24%
- Net of 0.05% advisory fee	5.18%

Upside / Downside Capture vs S&P 500

The level of participation achieved historically in strong (rising) or weak (falling) equity markets.

- Gross of an advisory fee	32.93% / 28.85%
- Net of 0.05% advisory fee	32.80% / 28.96%

RISK

Historical Risk

A measure of how widely the returns for a portfolio might fluctuate over a year, measured using historical performance.

5.52%

Current Risk (Powered by Aladdin)

A measure of how widely the returns for a portfolio might fluctuate over a year, measured using current holdings.

7.46%

COST

Expense Ratio

The fees and expenses incurred by the funds in your portfolio. Non-funds are excluded.

0.03%

Tax Cost

The amount that a portfolio's return would have been reduced by taxes paid on distributions, over the past year. Non-funds are excluded.

1.30%

Sources:

BlackRock for BlackRock model portfolios; BlackRock and the respective third-party model providers for the non-BlackRock model portfolios; and Morningstar for any other portfolios

Past performance does not guarantee or indicate future results. For additional portfolio performance, please see the Performance section of this report. For standardized performance of the underlying funds within the models or portfolios, please see the Fund Performance table in the Appendix. The performance shown does not reflect the performance of actual client accounts. Each portfolio includes allocations to underlying constituent securities, products, and/or SMAs and uses the underlying product's historical performance. Historical returns for any non-model portfolios represent a hypothetical investment, are for illustrative purposes only, assume that the constituents were held in the weights detailed in the Portfolio Holdings section since inception and rebalanced quarterly, and the returns do not reflect changes made in response to market conditions. Where the constituent is a BlackRock SMA, the performance used reflects the strategy for fully discretionary, unconstrained accounts. The 12-month trailing yield for all portfolios assumes that the constituents were held in the weights detailed in the Portfolio Holdings section and does not reflect changes made in response to market conditions. Where the constituent security is a fund, performance (i) assumes reinvestment of dividends and capital gains, (ii) reflects the deduction of fund expenses, including management fees and other expenses, and (iii) does not reflect any applicable sales charges. In addition, where the constituent security is a fund, performance shown is based on the performance of the share class (if applicable) selected by the financial professional or featured in the applicable model portfolio. Where the constituent security is an unlisted closed end fund or non-traded business development company (BDC), performance shown is based on the most recent NAV of the fund or BDC, calculated pursuant to its registration statement, available as of the rebalance date of a model portfolio (if applicable) or as of the date of the analysis. A financial professional's client may or may not be eligible to hold the share class shown. In the case of an unlisted closed end fund or non-traded BDC, a financial professional's client (i) may not be eligible to hold such fund and

(ii), due to liquidity constraints, may not be able to trade in the shares as of the rebalance date or otherwise hold the positions at model weight.

The performance of actual client accounts may differ from the performance shown for a variety of reasons, including but not limited to: the financial professional is responsible for implementing trades in the accounts; differences in market conditions; client-imposed investment restrictions; the timing of client investments and withdrawals; fees payable by such accounts; cash flows into or out of such accounts; certain of the underlying holdings may have eligibility requirements or restrictions on liquidity; and/or other factors. The Morningstar data is not representative of actual SMA portfolio characteristics and that the Morningstar-provided characteristics used to create portfolio illustrations may significantly deviate from a client's actual SMA portfolio characteristics.

*Portfolio performance for any model with an asterisk in its name is hypothetical and is for illustrative purposes only. Hypothetical results for such model portfolios have inherent limitations because they do not reflect actual trading and do not represent actual performance. Historical returns of such model portfolios provided by BlackRock do reflect rebalancing of such portfolios in response to market conditions. Some of the BlackRock strategies from which the custom model portfolios are derived are also available as managed account strategies. Such managed account strategies have actual performance that may differ from, and in some cases may be lower than, the hypothetical performance of the model portfolios. Performance of such managed account strategies, which reflects the impact of advisory fees, trading, and other factors, is available upon request.

For alternative asset classes we include the parametric past performance simulation to derive overall portfolio returns. Please refer to the "Parametric Simulated Performance" section of the disclosure at the end of this report for more detail.

Gross performance does not reflect the deduction of any fees or expenses that may be charged by the financial professional. The fees and expenses that a client may incur in their account will reduce the account's return. Net performance reflects the deduction of an annual investment advisory fee, deducted monthly, that may be charged by the financial professional but does not reflect the deduction of any applicable custodial fees, platform fees or brokerage commissions. The default net performance reflects a hypothetical annual investment advisory fee of 3%; however a financial professional may input a different annual investment advisory fee or exclude the investment advisory fee. By changing the default investment advisory fee, the financial professional represents that such inputs reflect the fee that is applicable to the client's account. BlackRock does not independently verify the accuracy of such investment advisory fee inputs. Due to the compounding effect of these fees, annual net performance results may be lower than stated gross returns less the indicated annual fee. Actual advisory fees charged by a financial professional may vary.

* Models with a dagger in the name are non-BlackRock Models. BlackRock is not responsible for the accuracy, oversight or review, including with respect to the underlying methodology, of non-BlackRock model portfolio data that is provided to BlackRock by third parties.

Portfolio Holdings

NFFG Digital Investor - 01 Highly Conservative



Last updated
12/18/2024

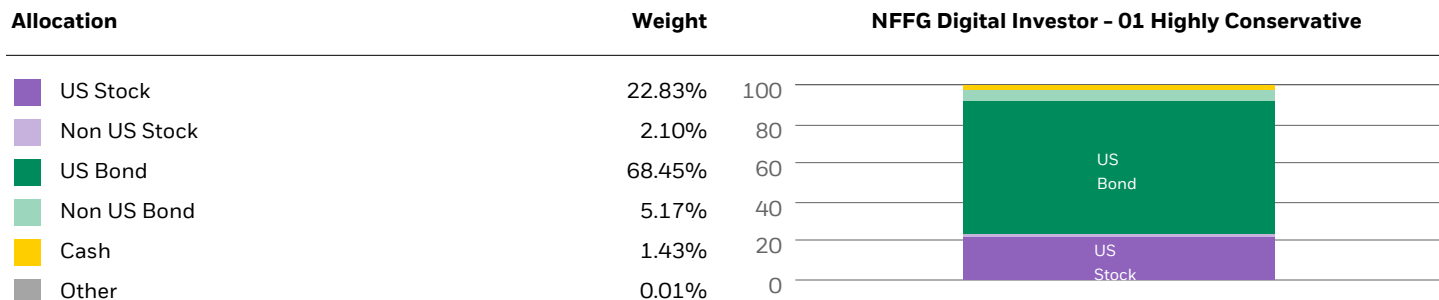
US Equities		23.00%
SPTM	SPDR® Portfolio S&P 1500 Composite Stock Market ETF	23.00%
International/Global Equities		2.00%
SPDW	SPDR® Portfolio Developed World ex-US ETF	2.00%
US Fixed Income		75.00%
SPAB	SPDR® Portfolio Aggregate Bond ETF	75.00%

Allocations shown for model portfolios are targets and subject to change. Non-BlackRock model portfolios are updated when there are changes to the portfolios on a lag basis. This information should not be relied upon as investment advice, research, or a recommendation by BlackRock regarding (i) the funds, (ii) the use or suitability of the model and portfolios or (iii) any security in particular. Only an investor and their financial professionals know enough about their circumstances to make an investment decision. Alternatives asset classes (e.g. Private Market, Hedge Fund strategies and Digital Assets) are generic asset class representations.

Asset Allocation

As of 11/30/24

The total allocation to stocks and bonds across investments in your portfolio.



Source: Morningstar. Allocations are subject to change.

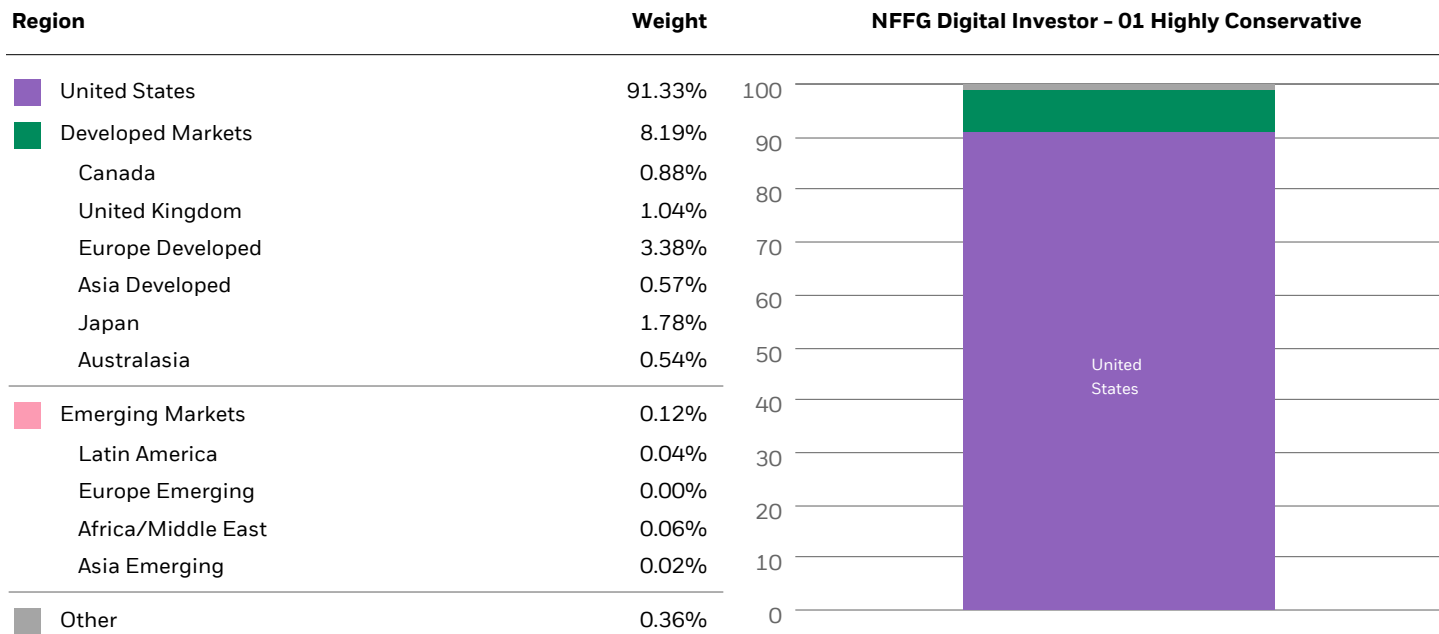
CHARACTERISTICS

Equity Characteristics

As of 11/30/24

Equity Region

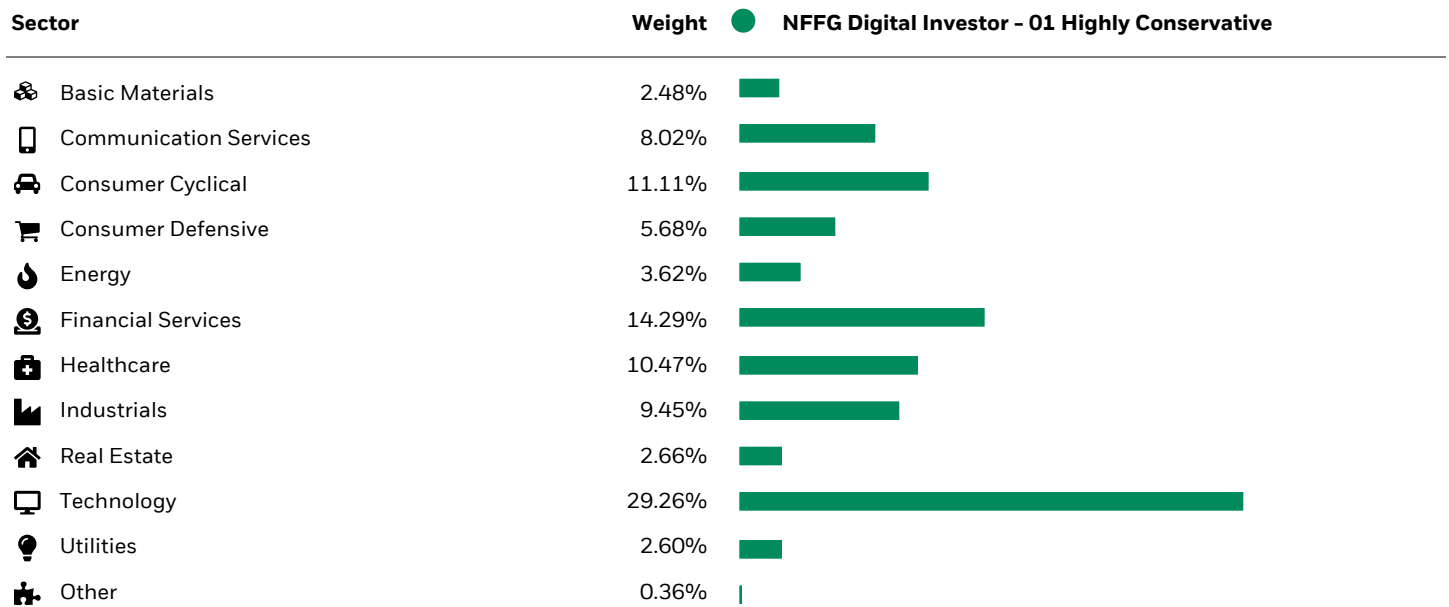
The regional allocation of your stocks can help you know which countries you're invested in globally, which might be in different stages of growth.



Source: Morningstar. Allocations are subject to change.

Equity Sector

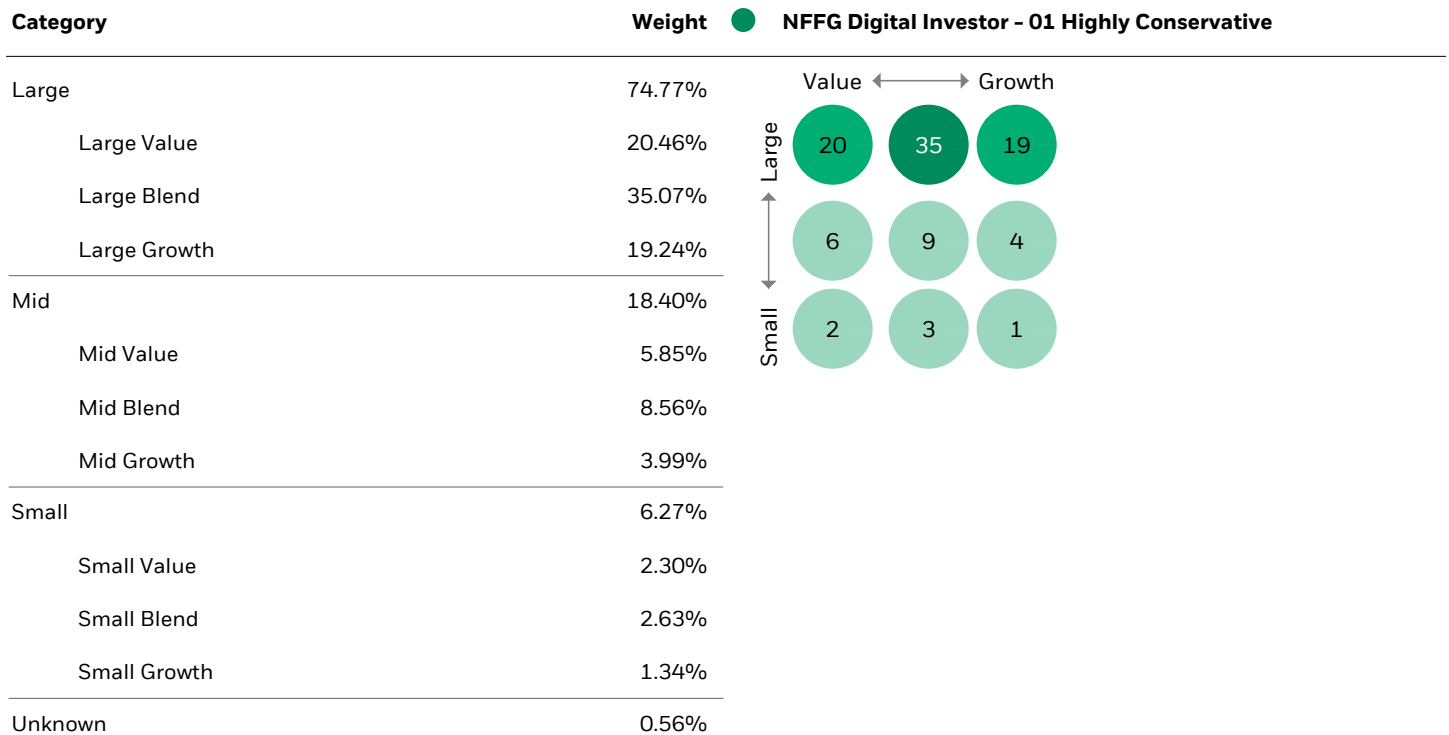
The sector allocation of your stocks can help you understand which parts of the economy could have the most impact on your equity portfolio.



Source: Morningstar. Allocations are subject to change.

Equity Style

The style characteristics of your stocks - like value, growth, & size - can influence your equity portfolio's performance in different market environments.



Source: Morningstar & Aladdin. Allocations are subject to change.

Fixed Income Characteristics

As of 11/30/24

Fixed Income Attributes

The characteristics of your bonds can determine whether your portfolio's fixed income allocation is more likely to provide income, stability, or diversification.

Characteristic	Weight	NFFG Digital Investor - 01 Highly Conservative
Avg. Effective Duration	6.18yr	

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Credit Quality

Allocations to investment grade and high yield bonds provide more income potential, relative to AAA bonds, but also increase credit risk.

Credit Quality	Weight	NFFG Digital Investor - 01 Highly Conservative
AAA	3.59%	
Investment Grade	96.41%	
High Yield	0.00%	
Not Rated	0.00%	

Source: Morningstar. Allocations are subject to change.

Fixed Income Sector

The bond sector allocation of your stocks can help you understand which parts of the economy could have the most impact on your fixed income portfolio.

Sector	Weight	NFFG Digital Investor - 01 Highly Conservative
Government	46.71%	
Municipal	0.51%	
Corporate	24.33%	
Securitized	26.62%	
Derivatives	0.00%	
Cash & Equivalents	1.83%	
Other	0.00%	

Source: Morningstar. Allocations are subject to change.

PERFORMANCE

Portfolio Performance

As of 11/30/24

Portfolio	Performance Type	Last Month	Last Quarter	Year To Date	1-Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
NFFG Digital Investor - 01 Highly Conservative	Gross of an advisory fee	2.30%	1.56%	8.51%	12.94%	1.21%	3.81%	4.36%	-	-
	Net of 0.05% advisory fee	2.29%	1.55%	8.46%	12.88%	1.16%	3.76%	4.31%	-	-

Performance is annualized for time periods greater than 1 year.

Growth of Hypothetical Investment

As of 11/30/24

Hypothetical Initial Investment: \$10,000



— Gross of an advisory fee — Net of 0.05% advisory fee
— NFFG Digital Investor - 01 Highly Conservative — NFFG Digital Investor - 01 Highly Conservative

The growth of a hypothetical investment assumes reinvestment of dividends and capital gains.

Historical Returns vs Risk

As of 11/30/24

COMMON PERIOD

November 2009 - November 2024

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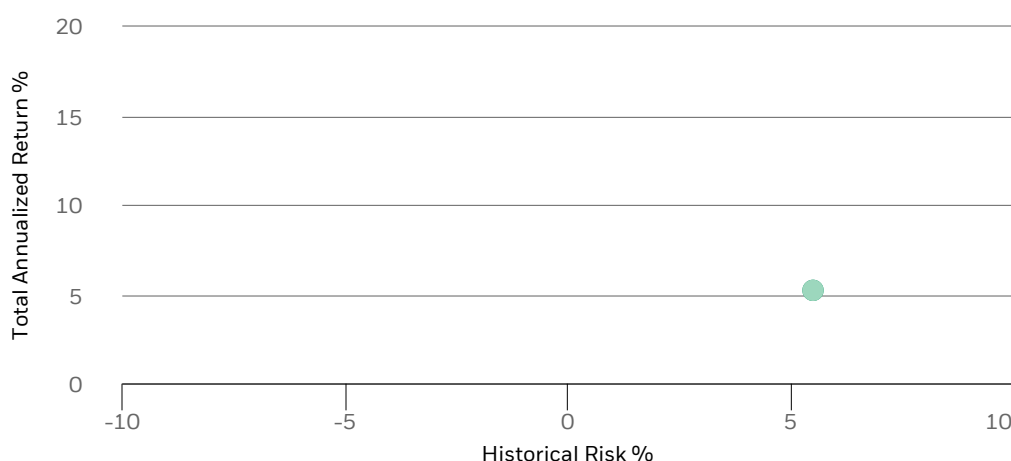
Portfolio	Performance Type	Total Annualized Return	Historical Risk	Sharpe Ratio	Upside Capture vs S&P 500	Downside Capture vs S&P 500
NFFG Digital Investor - 01 Highly Conservative	Gross of an advisory fee	5.24%	5.52%	0.75	32.93%	28.85%
	Net of 0.05% advisory fee	5.18%	5.52%	0.75	32.80%	28.96%

Gross of an advisory fee

- NFFG Digital Investor - 01 Highly Conservative

Net of 0.05% advisory fee

- NFFG Digital Investor - 01 Highly Conservative



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SCENARIOS

(Powered by Aladdin)

Prepare for Market Moves

As of 11/30/24

This analysis helps you understand potential impacts to your portfolio during selected market events. Scenario potential impact is net of 0.05% advisory fee.

Scenario	NFFG Digital Investor - 01 Highly Conservative Dollar Amount: \$100,000
 Interest Rates / Inflation 10-Yr US Treasury Rate Rises 1% Inflation Expectations Rise 1%	-4.72% - \$4,718 +1.58% + \$1,579
 Bonds / Credit Quality High Yield Spreads Widen 30%	-2.34% - \$2,340
 Equities US Large Cap Stocks Fall 15% Stock Market Volatility Rises 15%	-4.86% - \$4,865 -2.66% - \$2,657
 Past Market Events Crash of 2008	-9.76% - \$9,756

Past performance is not a guarantee of future results. This analysis is strictly an illustration based on historical performance of particular securities and/or asset classes. The results shown are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The analysis shows how a portfolio would be impacted given the instantaneous application of the selected scenario. The hypothetical performance returns are shown for illustrative purposes only and are not intended to be representative of the actual performance returns of any account, portfolio or strategy. The hypothetical performance returns are shown gross of all fees and expenses, aside from an advisory fee when applicable. If all fees and expenses were included, the returns would be lower. The hypothetical performance returns do not reflect the reinvestment of all dividends, interest and other income. It is not likely that similar results could be achieved in the future. Hypothetical performance returns have inherent limitations. Unlike actual performance returns, they do not reflect actual trading, liquidity constraints, fees and other costs. Hypothetical performance returns also assume that asset allocations would not have changed over time and in response to market conditions, which might have occurred if an actual account had been managed during the time period shown. No representation is being made that any account, portfolio or strategy will or is likely to achieve results similar to those shown. Please see Important Information at the bottom of the page for more information regarding the Scenario Tester tool. **For additional portfolio performance, please see the Performance section of this report. For standardized performance of the underlying funds within the models or portfolios, please see the Fund Performance table in the Appendix.**

IMPORTANT: The projections or other information generated by the tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.

Source: Aladdin

APPENDIX

Fund Performance

Applicable to Mutual funds, Closed End Funds, Money Market Funds and ETFs

QUARTERLY RETURNS - NAV(%) & Yield(%)

As of 9/30/24

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date	Unsubsidized 30 Day SEC Yield	30 Day SEC Yield	Unsubsidized 7 Day SEC Yield	7 Day SEC Yield
SPAB	SPDR® Portfolio Aggregate Bond ETF	11.56%	0.28%	1.79%	3.16%	5/23/07	-	4.42%	-	-
SPDW	SPDR® Portfolio Developed World ex-US ETF	24.31%	8.15%	5.75%	3.57%	4/20/07	-	2.65%	-	-
SPTM	SPDR® Portfolio S&P 1500 Composite Stock Market ETF	35.51%	15.66%	13.06%	8.13%	10/4/00	-	1.19%	-	-

QUARTERLY RETURNS - MARKET (%)

As of 9/30/24

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date
SPAB	SPDR® Portfolio Aggregate Bond ETF	11.52%	0.26%	1.77%	3.16%	5/23/07
SPDW	SPDR® Portfolio Developed World ex-US ETF	24.55%	8.06%	5.76%	3.56%	4/20/07
SPTM	SPDR® Portfolio S&P 1500 Composite Stock Market ETF	35.36%	15.64%	13.00%	8.13%	10/4/00

QUARTERLY RETURNS - LOAD ADJUSTED (%)

As of 9/30/24

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date	Max Front Load	Deferred Load
SPAB	SPDR® Portfolio Aggregate Bond ETF	11.56%	0.28%	1.79%	3.16%	5/23/07	-	-
SPDW	SPDR® Portfolio Developed World ex-US ETF	24.31%	8.15%	5.75%	3.57%	4/20/07	-	-
SPTM	SPDR® Portfolio S&P 1500 Composite Stock Market ETF	35.51%	15.66%	13.06%	8.13%	10/4/00	-	-

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end for the BlackRock and iShares Funds may be obtained by visiting www.blackrock.com or www.iShares.com. For month-end performance for other funds and more information on yields, please visit the respective fund providers' websites. Performance is annualized for time periods greater than 1 year. Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Any applicable brokerage commissions will reduce returns. Beginning August 10, 2020, market price returns for BlackRock and iShares ETFs are calculated using the closing price and account for distributions from the fund. Prior to August 10, 2020, market price returns for BlackRock and iShares ETFs were calculated using the midpoint price and accounted for distributions from the fund. The midpoint is the average of the bid/ask prices at 4:00 PM ET (when NAV is normally determined for most ETFs). The returns shown do not represent the returns you would receive if you traded shares at other times. Source: Morningstar

Fees

As of 11/30/24

Portfolio	Portfolio Gross Expense Ratio (%)	Portfolio Net Expense Ratio (%)
NFFG Digital Investor - 01 Highly Conservative	0.03%	0.03%

Ticker	Name	Gross Expense Ratio	Net Expense Ratio	Prospectus Expense Waiver Type	Prospectus Expense Waiver Exp. Date
SPAB	SPDR® Portfolio Aggregate Bond ETF	0.03%	0.03%	-	-
SPDW	SPDR® Portfolio Developed World ex-US ETF	0.03%	0.03%	-	-
SPTM	SPDR® Portfolio S&P 1500 Composite Stock Market ETF	0.03%	0.03%	-	-

Fees are as of current prospectus. A sponsor fee is shown in lieu of gross and net expense ratios for any iShares Trusts or other products registered only under the Securities Act of 1933. Source: Morningstar

GLOSSARY

10-Yr U.S. Treasury Rate Rises by 1%: Defined as a 100 basis point (1%) increase in the US 10-Year Treasury Rate. Typically rising rates are associated with increased expectations for US economic growth, rising equity prices and an increase in issuer credit quality for the area.

12 Month Trailing Yield: The income collected on an investment over the prior 12 months, such as the interest or dividends.

The yield shown here is the weighted average trailing 12 month yield of the portfolio. This is the percentage income your portfolio returned over the past 12 month through fund distributions and stock dividends. Source: Morningstar.

The difference between trailing 12 month yield and 30 Day SEC Yield is that the latter reflects the income earned after deducting the fund's accrued expenses, excluding reimbursements, during the most recent 30-day period. The income distributions an investor may receive in the future may be higher or lower than the yield shown. Past performance does not guarantee future results. Source: Morningstar

Annualized Return: Annualized Return measures the change in price, which includes expenses as well as income and capital gains distributions. It does not account for sales charges. Source: Morningstar

Asset Allocation: The total allocation to stocks and bonds across investments in your portfolio. The division of investments among different asset categories, such as stocks, bonds, and cash. Source: Morningstar

Average Effective Duration: Effective duration is a time measure of a bond's interest rate sensitivity. It is the weighted average effective duration, measured in years, of all funds in the measured in years, of all funds in the total portfolio. Source: Morningstar

Benchmark: Certain models or portfolios are identified by the term "Benchmark". A Benchmark is a reference benchmark that reflects a model or portfolio comprising investable products chosen by the financial professional. BlackRock does not verify the accuracy of the reference benchmark that the financial professional indicated, and the reference benchmark may have materially different characteristics than the benchmarks used to measure the performance of a client's account.

Beta to S&P 500: Beta is a measure of how the portfolio responds to the volatility of the S&P 500 Index. It can be interpreted as the amount of market volatility relative to the S&P 500 Index volatility. A beta of 1.0 suggests that a portfolio's volatility and returns may be similar to the S&P 500. Portfolios with betas greater than 1.0 are more sensitive to moves in the S&P 500, while portfolios with betas less than 1.0 are less sensitive to the performance of the S&P 500 Index.

Carbon Emission Equivalents: Figures are based on US EPA's calculation for converting greenhouse gas emissions (tCO₂e) numbers into different types of equivalent units. For each equivalent, a constant is applied to the portfolio-level carbon emissions intensity. Additional information here:

www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Correlation to S&P 500: Correlation, which ranges from -1.0 to 1.0, is a measure of how closely the portfolio moves with the S&P 500 Index. It helps you understand the strength and direction of the relationship between the portfolio and the S&P 500 Index. A large positive correlation suggests that a portfolio would move in the same direction as the index, while a large negative correlation suggests that a portfolio moves in the opposite direction as the index most of time. Correlation is measured using 3 years of historical returns from your portfolio and the index.

Crash of 2008: Defined by the 2008 Market Crash - Assumes repeat of 2008 Crash (09/12/2008-11/03/2008). Credit and liquidity crisis and equity market crash set off by Lehman brothers bankruptcy. Significant spread widening by massive deleveraging.

Credit Crisis of 2007: Defined by the 2007 Credit Crunch - Assumes repeat of 2007 Credit Crunch (07/01/2007-07/01/2008). Credit and liquidity crisis stemming from a severe slowdown in the US housing market causing significant widening of credit spreads and an increased implied volatility.

Credit Quality: Credit quality is an important driver of risk in your fixed income portfolio. Allocations to investment grade and high yield bonds provide more income potential relative to AAA bonds, but also increase credit risk. Credit quality data is provided by Morningstar. Morningstar seeks credit rating information from fund companies on a

periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). Fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings. For additional information please visit <https://www.sec.gov/ocr/ocr-current-nrsros.html>

Credit Quality - AAA: The percent of your portfolio allocated to bonds rated as AAA, which is the highest credit rating. Securities with this rating are viewed by credit rating agencies as least likely to default.

Credit Quality - High Yield: The percent of your portfolio allocated to bonds rated as BB or lower. These high yield securities offer higher income potential relative to Investment Grade, but they have a lot of credit risk. High yield bonds have a higher default risk than investment grade bonds and have much more sensitivity to equity.

Credit Quality - Investment Grade: The percent of your portfolio allocated to bonds rated as AA, A, and BBB. These investment grade securities offer a higher income potential than government securities, but they do carry some credit risk and have more sensitivity to equity.

Credit Quality - Not Rated: The percent of your portfolio allocated to bonds rated that have not been rated by a rating agency.

Current Active Risk: Current Active Risk is a measure of how different the portfolio return may be from the benchmark. A portfolio with zero active risk would be expected to perform exactly in line with the benchmark. If active decisions are implemented skillfully, a portion of active risk may translate to benchmark outperformance. Estimated active risk may also result in underperformance compared to the benchmark. Current active Risk is calculated using BlackRock's proprietary risk model, Aladdin™.

The risk model measures currently observable, fundamental characteristics of the portfolio's holdings ("risk factors") that are demonstrated to explain the volatility of securities prices. The composition of the portfolio's exposure to these risk factors, the volatility levels of the risk factors themselves, and the correlation between them all come together to determine the risk estimate. This risk estimate may differ (sometimes significantly) from historical, realized volatility, depending on the time period and assumptions of the risk model. In order to estimate a portfolio's ex-ante, or forward looking, risk, the model decomposes a fund's holdings into their underlying risk factors. The level of exposure to a factor for a given security corresponds to the location of that security in the distribution across all securities in the universe for the characteristic in question. Historical volatility and correlations across the factors is taken into account in order to estimate the total risk of the overall portfolio.

The model uses 10 years of monthly history and applies a 36 month half-life in order to estimate the volatility and correlations between factors. This half-life places more emphasis on the last 3 years in the analysis.

Current Risk: Current Risk is an assessment of risk based on what the portfolio currently holds. This is a more timely view of risk because it is based on current exposures, as compared to the historical volatility of portfolio returns. Current Risk is a probability-based measure that can help you understand how much dispersion you might have around an expected return. This makes it a useful tool in portfolio construction - too much risk can lead to larger drawdowns or larger swings in performance. Too little risk might make it harder to hit return objectives. Current Risk is a measure of volatility presented as an annualized standard deviation, calculated using BlackRock's proprietary Aladdin® risk model. The risk model measures currently observable, fundamental characteristics of the portfolio's holdings ("risk factors") that are demonstrated to explain the volatility of securities prices. The composition of the portfolio's current exposure to these risk factors, the historical volatility levels of the risk factors themselves, and the correlation between them all come together to determine the Current Risk. Current Risk may differ (sometimes significantly) from historical, realized volatility, depending on changes in portfolio holdings, the time period and assumptions of the risk model. In order to estimate a portfolio's Current Risk, the model decomposes a

fund's holdings into their underlying risk factors. The level of exposure to a factor for a given security corresponds to the location of that security in the distribution across all securities in the universe for the characteristic in question. Historical volatility and correlations across the factors are taken into account in order to estimate the total risk of the overall portfolio. The model uses 10 years of monthly history and applies a 36 month half-life in order to estimate the volatility and correlations between factors. This half-life places more emphasis on the last 3 years in the analysis.

In certain instances, and for a pre-determined group of funds, a daily regression approach to modeling risk will be used, which may begin around the 3rd month since the fund's inception, and end roughly around the 12th month from the date the fund was inception. This daily regression approach enables a fund to be modeled as early as 60 market days from its inception. The same regression technique will be applied using daily returns time series to estimate the market beta. Daily Regression will utilize an expanding history of daily returns from 60 business days to one year worth of daily returns to extend the risk analytics coverage. Upon the number of monthly returns reaching 12, fund will be modeled with monthly return time series as a primary approach. This daily regression approach models the underlying risk exposures of the relevant securities, while estimating the volatility and correlations between factors using 10 years of monthly history with a 36-month half life.

Current Risk reflects a holdings-based, annualized volatility (one standard deviation) of the portfolio, which provides an estimate of the range of outcomes that the portfolio may experience over a one year horizon. For example, a Current Risk of 5% means that a portfolio's return is likely to vary between -5% and +5% over the course of a year around 68% of the time, and between -10% and +10% around 95% of the time. Neither BlackRock nor the Aladdin portfolio risk model can predict a portfolio's risk of loss due to, among other things, changing market conditions or other unanticipated circumstances. The Aladdin portfolio risk model is based on assumptions using available data and any of its calculations are subject to change. For BlackRock and iShares funds, data about the specific underlying holdings are used when applying the Aladdin risk model. For third-party funds, BlackRock uses underlying holdings, or in certain cases, determines appropriate proxies for relevant holdings using a combination of Morningstar and other publicly available data sources. Product specific inputs for BlackRock, iShares and third-party funds are typically based on the latest disclosed data, which may be lagged.

Current Risk Decomposition: The type and level of risk in a portfolio helps you understand if the portfolio is aligned with objectives. Current Risk Decomposition helps you understand which risk factors drive the Current Risk of your portfolio. Risk factors are described by the underlying economic exposures of your holdings. For equities, risk factors are characteristics like sectors, countries, or style-related attributes like value and price momentum. For bonds, attributes like duration and credit quality are the most relevant risk factors. The risk factors that constitute Current Risk are the themes that are most likely to drive volatility and returns. Positive contributions add to your risk, while negative contributions are factors that diversify risk. Current Risk is attributed using BlackRock's proprietary Aladdin® risk model.

Downside Capture vs S&P 500: The ratio of portfolio performance to the performance of the selected benchmark, in periods where the selected benchmark performance is negative. A value greater than 100% indicates the portfolio has generated worse performance compared to the selected benchmark when the selected benchmark performance is negative. Source: Morningstar, BlackRock

Equity Regions: The regional allocation of your stocks can help you know which countries you're invested in globally, which might be in different stages of growth. This data set provides a broad breakdown of a portfolio's geographical exposure, by region and by market maturity. Only non-cash long equity assets are evaluated in determining the exposure. Not Classified indicates the percentage of the equity portion of the portfolio for which Morningstar is unable to assess region or origin. Source: Morningstar

Equity Sectors: The sector allocation of your stocks can help you understand which parts of the economy could have the most impact on your equity portfolio. This table shows the percentage of the portfolio's equity assets invested in each of the 11 major industry classifications. Source: Morningstar

Equity Style: The style characteristics of your stocks - like value, growth, & size - can influence your equity portfolio's performance in different market environments. The vertical axis shows the market capitalization of stocks owned and the horizontal axis

shows investment style (value, blend or growth). The number inside each circle represents the percent allocation to each market cap/investment style bucket. Source: Morningstar and Aladdin.

Expense Ratio: The fees and expenses applicable to the funds held within the portfolio. Non-fund positions in the portfolio, such as stocks, indices, cash, and alternative asset classes, are excluded from the calculation. The fees and expenses used are the weighted average net expense ratios set forth in the current prospectus for each fund within the portfolio. Source: Morningstar.

ESG Rating: Measures a portfolio's resiliency to long-term ESG risks and opportunities by weighting E, S & G scores on materiality to the company and the industry. Mapped directly from the MSCI ESG Quality Score (0-10). Rating ranges from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

Fixed Income Attributes: The characteristics of your bonds can determine whether your portfolio's fixed income allocation is more likely to provide income, stability, or diversification.

Fixed Income Sectors: The sector allocation of your bonds can help you understand which parts of the economy could have the most impact on your fixed income portfolio. This table shows the percentage of the portfolio's fixed income assets invested in 6 common industry classifications. Source: Morningstar. Allocations are subject to change.

High Yield Spreads Widen by 30%: Defined as a 30% increase in spreads between a benchmark high yield bond index and a US Treasury index. Typically when high yield spreads widen it is function of an economic slowdown or risk-off environment as the underlying credit quality of the issuers decrease.

Historical Risk: Annualized standard deviation (or volatility) of the historical monthly returns of the portfolio. It is a measure used to show the potential range of returns that a portfolio could experience over a one- year horizon. The wider the range, the more uncertainty, and therefore the riskier the security is assumed to be. For example, a historical risk of 5% means that a portfolio's return is likely to vary between -5% and +5% around the expected return over the course of a year. Source: Morningstar, BlackRock

Inflation Expectations Rise by 1%: Defined as a 100 basis point (1%) increase in the difference between 2-Yr nominal US Treasury yields and 2-Yr Inflation Protected US Treasury yields (TIPS). Periods of inflation are usually characterized by higher growth, rising bonds yields and of course, increasing consumer prices.

MSCI Carbon Emissions Intensity: Measures the portfolio(s) exposure to carbon intensive companies, in tons of CO₂e/\$M sales. The portfolio Carbon Emissions Intensity is the weighted average of the carbon emissions intensity of the underlying funds & stocks within the portfolio. Security weights are adjusted for carbon coverage and normalized to 100%.

MSCI Environmental Score: Measures the management of and exposure to key environmental risks and opportunities, such as climate change, natural resource use, pollution & waste, and clean tech. Scores range from 0-10 (10 = best).

MSCI ESG Quality Score: MSCI rates underlying holdings according to their exposure to industry specific ESG risks and their ability to manage those risks relative to peers. MSCI combines the key issues and weights and normalizes relative to industry peers to derive the ESG Quality Score and Rating for a company. The portfolio level ESG Quality Score represents the weighted average ESG Scores of the underlying funds & stocks within the portfolio. Security weights are adjusted for ESG coverage and normalized to 100%. Scores range from 0-10 (10 = best).

MSCI Governance Score: Measures the management of and exposure to key governance risk and opportunities, such as accounting practices, ownership & control, board independence, and ethics. Scores range from 0-10 (10 = best).

MSCI Social Score: Measures the management of and exposure to key social risk and opportunities, such as human capital, product liability, data privacy, and health & safety. Scores range from 0-10 (10 = best).

Oil Price Rises by 30%: Defined as 30% increase in Crude Oil Prices. Oil prices are typically a function of supply and demand for the resource. An increase in price could indicate either an increase in demand due to instances such as pickup in global growth or reduction in supply due to the lack of availability of the resource.

Portfolio Gross Expense Ratio: Weighted average prospectus gross expense ratio of the funds in the portfolio. Non-funds are excluded from this calculation. Source: Morningstar

Portfolio Net Expense Ratio: Weighted average prospectus net expense ratio of the funds in the portfolio. Non-funds are excluded from this calculation. Source: Morningstar

Recession (2007-2009): Defined by the 2008 Recession - Assumes repeat of the 2008 Recession (12/3/2007-03/09/2009). Starting date for the scenario is the official beginning of the latest recession in the US. The end date is the lowest point of the S&P 500 in the recent decade.

Sharpe Ratio: Measure of the portfolio's historical return per unit of risk over the chosen performance period. Source: Morningstar, BlackRock

Stock Market Volatility Rises by 15%: Defined as 15% increase in the CBOE (Chicago Board of Options Exchange) VIX Index. The VIX typically serves as a gauge for volatility expectations in the market place. When it rises, investors are anticipating increased uncertainty and volatility.

Taper Tantrum (2013): Defined by the 2013 Fed Stimulus Tapering - Assumes repeat of the Fed Stimulus Tapering 2013 (5/21/2013-6/24/2013).

Tax Cost: The amount that returns on the portfolio's funds would have been reduced by the taxes investors pay on distributions from those funds over the past twelve months. For example, if the portfolio's funds' weighted average pre-tax return is 10% and the weighted average after-tax return is 8%, the tax cost is approximately 2%. The calculation assumes the highest federal tax rate. Non-fund positions in the portfolio, such as stocks, indices, cash, and alternative asset classes, are excluded from the calculation. Source: Morningstar.

Total Annualized Return: Annualized Return measures the change in price, which includes expenses as well as income and capital gains distributions. It does not account for sales charges. Source: Morningstar, BlackRock

Upside Capture vs S&P 500: The ratio of portfolio performance to the performance of the selected benchmark in periods where the selected benchmark performance is positive. A value greater than 100% indicates the portfolio has generated better performance compared to the selected benchmark when the selected benchmark performance is positive. Source: Morningstar, BlackRock

US Large Cap Stocks Fall by 15%: Defined as a 15% decrease in the S&P 500. The S&P 500 is a market cap weighted large cap equity index located in the United States. Generally decreasing equity prices are reflective of a slowdown in economic growth.

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Specific to Scenarios

The BlackRock Scenario Tester measures the potential impact of discrete market events on a portfolio using a multi-factor statistical risk model. It does this via a three-step process:

- Based on the current holdings of the portfolio, determine a portfolio’s exposure to a variety of risk factors in equity, fixed income, alternative and currency asset classes.
- Estimate the volatility of these risk factors and their sensitivity (correlation) to the relevant market event using 10 years of history.
- The portfolio’s sensitivity to the market event is calculated as the aggregate impact of these factors. This incorporates the portfolio’s exposure to the factors; the volatility of the factors; the diversification of factors across the portfolio; and the sensitivity (correlation) of the factors to the market event being evaluated.

What do the results show?

The scenario test results show a statistical estimate of a portfolio or asset class’s reaction to a hypothetical market event. For example, we may calculate that a portfolio could expect to return -5% in the event that the S&P 500 were to fall -15%. It is important to understand that this is just one potential outcome, as a statistical estimate is sensitive to assumptions built into our risk model. More detail on the assumptions and limitations of our risk model are below.

The calculated return is the underlying price movement in reaction to the scenario. There is the option to add yield to the calculated return; this yield is meant to estimate a level of income that the portfolio could receive over a 12 month period. The yield is represented by the weighted average 12 month trailing yield of the portfolio. The 12 month trailing yield is the percentage income the portfolio or asset class returned over the past 12 months through fund distributions, stock dividends, and interest on fixed income instruments. The difference between trailing 12 month yield and 30 Day SEC Yield is that the latter reflects the income earned after deducting the fund’s accrued expenses, excluding reimbursements, during the most recent 30-day period. The income distributions an investor may receive in the future may be higher or lower than the yield shown. Past performance does not guarantee future results.

What is a risk factor?

A risk factor is a technical or fundamental characteristic of a security which, statistically, is able to help explain the risk / return behavior of that security.

We believe risk factors should be:

- Interpretable: easily understandable and have a strong economic rationale
- Explanatory: proven to explain volatility and correlation of returns
- Consistent: significant through time across different market regimes
- Effective: able to improve forecasts of portfolio risk and attribute portfolio performance

BlackRock’s risk model uses over 2,200 distinct risk factors across equity, fixed income, currencies and alternative investments.

Examples of risk factors include:

- Equity market risk – the inherent risk of investing in the stock market, which cannot be diversified away with stocks alone.
- Equity style risk – a collection of factors that describe the style of a stock, such as growth, value, momentum, or size.
- Interest rate risk – a fixed income risk attributed to changes in market interest rates, the dominant risk in high quality bonds like US Treasury securities.
- Credit spread risk – the risk of default present in any bond not issued by the US Treasury. The lower the quality of the bond, the more credit spread risk dominates.
- Many others that are subsets of the categories above, as well as other categories like foreign exchange risk, inflation risk, and alternative risk.

What assumptions are built into the risk model?

The model for this tool uses ten years of historical factor returns, derived using a statistical regression analysis, to measure the volatility of the factors we are stressing. The portfolio’s exposure to each factor is measured through currently observable characteristics of the underlying securities, for example fundamental characteristics such as financial ratios, technical analysis attributes such as price behavior or liquidity, and / or specific attributes of a given security such as yield, geographic domicile and currency exposure. The level of exposure to a factor of a given security corresponds to where the security ranks relative to the distribution of all securities in the universe for the characteristic in question, for example whether the price to book ratio for a company is very high or very low relative to other companies. Historical covariance across the factors is taken into account to measure total estimated volatility of the overall portfolio. Certain elements of the risk model are proprietary to BlackRock.

How accurate are the results?

The scenario test results show a statistical estimate of a portfolio or asset class’s reaction to a hypothetical market event. This is done using a risk factor framework, as described above. The scenario test results are subject to uncertainty, and we can measure this uncertainty using the prediction error. The prediction error describes the range of possible outcomes around the scenario test result where 95% of possible outcomes should occur. For example, we may calculate that a portfolio could expect to return -5% in the event that the S&P 500 were to fall -15%, with a prediction error of 2%. Based on the prediction error of 2%, we would expect that 95% of the time the portfolio would return between -3% and -7% (-5% +/-2%) in the event that the S&P 500 fell 15%.

The prediction error will vary depending on the portfolio or asset class and the scenario. A larger prediction error implies that the test result may be less certain. Prediction errors tend to be larger when the underlying shock is larger; the risk factor model is less able to explain the portfolio risk (for example, in investments with a high proportion of idiosyncratic risk, like certain hedge funds); and/or the risk factors in the scenario are less correlated with the risk factors in the portfolio (for example, evaluating a US equity portfolio in a scenario driven by Japanese interest rates). Conversely, prediction errors tend to be smaller when the underlying shock is smaller, the risk model is a good fit for portfolio risk, and the factors in the scenario are more correlated with the portfolio.

How do we represent funds in the risk model?

Funds are modelled in Aladdin using the best available data, and therefore methodology varies by asset class and fund type. There are three methodologies that are used to model funds.

- **Holdings:** Equity funds are modeled through holdings when they are available. For an equity fund, its holdings provide the key to capturing the undiversified idiosyncratic risk from large single-name positions. Equity idiosyncratic risk is a key contributor to total risk, in addition to exposures to systematic equity market, sector and style factors.
- **Building Blocks:** Fixed Income funds are modeled through building blocks based on the granular fund sector allocation. For a fixed income fund, its exposure to different sectors (government, corporate, securitized, etc.) provides the key to capturing the exposures to interest rate and spread factors that drive its risk. Each sector allocation is translated into representative investable bond portfolios (building blocks) that also accounts for the fund’s strategy (e.g. short, intermediate or long duration). Similarly, Multi-Asset funds are modeled based on the fund’s sector allocations, in order to capture the risk driven by asset allocation decisions. A blend of building blocks representing the different asset class allocations is used to capture the risk. The building blocks are all modeled from holdings with the Aladdin risk models.
- **Return Regression:** Alternative funds are modeled by a return regression approach to capture the persistent market exposures and obtain average exposures to different market factors, hedge fund style factors and idiosyncratic risk over a historic period.

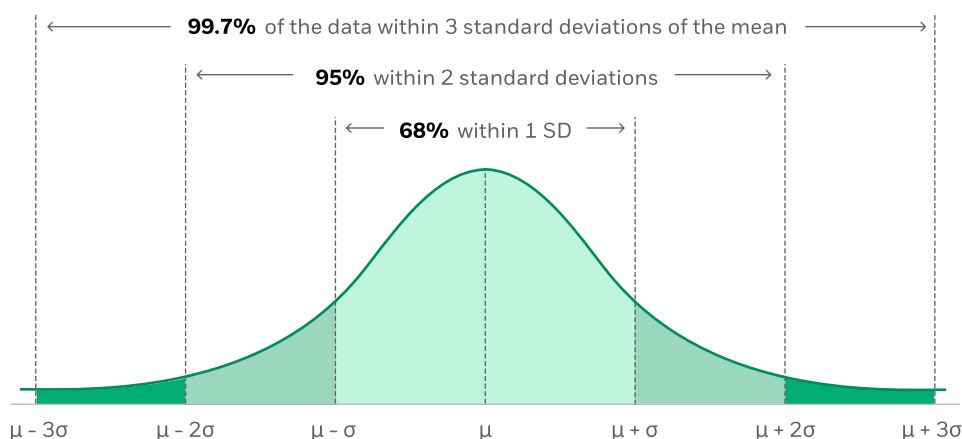
What are the limitations of the analysis?

While the funds modeling process uses the best available data to represent holdings and/or factor exposures, there is no guarantee that it is perfect representation of the fund. By default, dividend income and yield are not included in the return calculations; an income yield can be added to the returns if the option is selected, but this is an approximation based on past performance. Fees, taxes and transaction costs are not included and would reduce the return of any portfolio. The analysis provided is illustrative only. Neither BlackRock nor the Aladdin portfolio risk model can predict a portfolio’s risk of loss due to, among other things, changing market conditions or other unanticipated circumstances. The Aladdin portfolio risk model is based purely on assumptions made using available data and any of its predictions are subject to change.

How did we choose the size of the shocks?

The shocks are sized to approximate a one standard deviation move in the underlying market factor. We measure the factor’s annualized standard deviation over the past ten years, and then round to the nearest whole number (or multiple of 5, for higher levels). The purpose is to scale the shocks so that they are all approximately equally likely to happen. Assuming returns are normally-distributed, a given market factor has a 16% probability of exceeding a one standard deviation move in either direction over a one year period.

Standard Deviation



Specific to Alternative Asset Classes:

The universe of available alternative asset classes was derived to represent a broad universe of private markets and hedge funds that can be invested in. The asset classes represented in the tools are not investible. Collectively, these proxies offer broad coverage across the entire alternative universe and are aligned with asset classes common among index providers.

For risk analytics, risk can be aggregated and presented both at the whole-portfolio level or decomposed into the underlying factors. It is the same for alternative asset classes as it is for other holdings in the portfolio.

Specific to Parametric Simulated Performance:

For alternative asset classes, the analysis simulates past performance by approximating historic returns, using the Aladdin® risk model's multi-factor parametric return simulation methodology. Parametric returns are generated based on the risk factor exposures of the alternative asset classes (see above) & how those risk factors have moved over the relevant time period.

The method of parametric simulated performance is subject to certain limitations. The results of parametric simulated performance cannot account for the impact of all economic, market and other factors on a given investment portfolio. Unlike actual portfolio outcomes, the results shown in any parametric simulated performance cannot reflect all actual trading, liquidity constraints, fees, expenses, taxes and other factors that could impact investment returns. The Aladdin portfolio risk modelling process may rely on certain assumptions using available data and may be subject to change.

Parametric simulated returns for the alternative asset classes cannot capture idiosyncratic fluctuations and thus the parametric simulated returns for an instrument should only be seen through a portfolio performance lens.

IMPORTANT: The projections or other information generated by the tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.

Any information contained in or generated by the tool should not be construed as or relied upon as investment advice, research or a recommendation by BlackRock regarding the use or suitability of any particular asset allocation, fund or overall investment strategy. The tool is designed to be used in consultation with a financial professional and should not be relied on as a primary basis for an investment decision. Only an investor and his or her financial professional know enough about the investor's circumstances to make an informed investment decision.

The tool and BlackRock's Aladdin portfolio risk model do not protect against loss of principal. There can be no assurance that an investment strategy based on the tool will be successful.

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