

# Target Income ETF Models

## Model Portfolio Summary

Wealth Management Team 2Q2025 - Target Income ETF  
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# MODEL OVERVIEW

## Objective

Models designed to generate a target level of income with an eye on managing risk.

## Benchmark

As of 7/1/2021, the benchmark is represented by the 98% Bloomberg U.S. Aggregate Index and 2% ICE BofAML US T-Bill 0-3 Month Index. Prior to 7/1/2021, the benchmark was represented by the Bloomberg U.S. Aggregate Index.

## Trade Frequency

Dynamic (4-6x per year)

## Underlying Investment Vehicle(s)

ETFs

# INVESTMENT GUIDING PRINCIPLES



■ **Your fixed income shouldn't be 'fixed'**

Managing duration and credit risk

■ **Exposure to targeted factors, styles, and sectors**

■ **Disciplined trading schedule**

Ad-hoc flexibility

■ **Moderate U.S. equity overweight**

In benchmark

■ **Seek to control active risk**

Provide consistent outcomes

■ **+/- 5% max deviation**

For equities from benchmark

# INVESTMENT PROCESS

Our approach to portfolio construction

## 01.

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### **Start with a long-term strategy**

Strategic asset allocation begins with a broad benchmark and tilts to rewarded sources of returns to reflect our long-term views

## 02.

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### **Adapt to changing market conditions**

Tactical asset allocation takes a disciplined approach to seek opportunities or downside protection based on short-term and medium-term investment views

## 03.

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### **Investment vehicle selection**

Select appropriate investment vehicles that are efficient, cost-effective, and accurately express targeted exposures across both active and passive vehicles to diversify sources of return

## 04.

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### **Help protect the portfolio**

Measure and monitor model portfolio risks using Aladdin Technology to better understand portfolio risk and manage investments within a risk budget of 300 bps.

# TRADE RATIONALE

As of 5/20/25

## Key Takeaways:

**Increase quality and trim credit risk**, seeking to add resilience to portfolios amid heightened market volatility

**Maintain duration and adopt a barbell strategy for rate exposure**, balancing the current macro environment with longer-term entry point optionality

## Trade Rationale:

The market's swift rebound from April lows underscores ongoing volatility. Looking ahead, we anticipate tariffs, inflation, and growth to be the dominant macro themes shaping the investment landscape. We continue to anticipate disinflation, though at a slower and more delayed pace than previously expected, alongside a moderation in growth. While we do not expect a recession, we believe the market may be overly optimistic in its response to tariff de-escalation, risking disappointment as the recovery narrative unfolds. Policy uncertainty persists, and the recent rally has occurred ahead of data on the realized impact of tariffs concerning pricing and supply chains.

We are strategically positioning to mitigate potential growth disappointment by adding to quality, trimming credit risk, and maintaining duration positioning. We are increasing allocations to investment grade corporate bonds, funded from high-yield and emerging market debt, aiming to build more resilience and decrease credit risk within portfolios. Our overall duration positioning remains unchanged, as we continue to anticipate an eventual downward movement in rates. We are taking a barbell approach to rate exposure, favoring the very front and longer end of the belly, while avoiding the front end of the belly, which appears relatively rich with market pricing reflecting current rate cut expectations.

Views are subject to change.

# PERFORMANCE COMMENTARY

As of 6/30/25

## PERFORMANCE

Investors lit celebratory fireworks early this Fourth of July season as U.S. stocks glimmered to fresh all-time highs in June, capping off one of the swiftest rebounds from a correction in history. Large cap growth and AI-driven tech stocks continued to lead the rally, powered by resilient earnings, better-than-expected forward guidance, and a dash of good old-fashioned FOMO. Emerging market (“EM”) stocks outperformed regional peers, buoyed by promising U.S./China trade negotiations. Despite another bout of geopolitical flare-ups and a brief oil price spike tied to conflict in the Middle East, investors digested headline risks mostly in stride. Inflation measures came in below economist expectations for a fourth straight month, though the longer-term impact of tariffs remains a wild card. Bond prices also rallied, with Treasury yields falling across the curve on rising market expectations for two Fed rate cuts later this year. Credit spreads across both investment grade and high yield sectors also narrowed, with EM bonds outperforming the most, reflecting a market that appears increasingly confident in a soft-landing scenario.

All models delivered positive performance, led by our higher-risk strategies. All holdings contributed to performance, with exposure to credit risk driving returns as spreads tightened over the month, leading investment grade corporate bonds, high yield bonds, and emerging market bonds to outperform. Positioning at the longer-end of the yield curve was further additive to performance, benefiting from a decline in rates across the curve.

Past performance does not guarantee future results.

## Latest Holdings (%)

Allocation as of 5/20/25

		As of Date	Core	Moderate	High	Aggressive
<b>Net Expense Ratio (%)</b>		6/30/25	0.14	0.14	0.15	0.19
<b>Gross Expense Ratio (%)</b>		6/30/25	0.14	0.15	0.15	0.19
<b>US Fixed Income</b>			<b>98.0</b>	<b>97.0</b>	<b>94.5</b>	<b>91.5</b>
FALN	iShares Fallen Angels USD Bond ETF		-	2.5	7.0	13.5
FLOT	iShares Floating Rate Bond ETF		12.5	11.0	4.0	-
HYDB	iShares High Yield Systematic Bond ETF		-	1.0	3.0	6.0
IEF	iShares 7-10 Year Treasury Bond ETF		15.5	9.5	2.5	-
IEI	iShares 3-7 Year Treasury Bond ETF		1.5	1.0	-	-
IGEB	iShares Investment Grade Systematic Bond ETF		16.0	17.0	20.0	18.5
IGLB	iShares 10+ Year Investment Grade Corporate Bond ETF		-	1.0	3.0	5.0
IGSB	iShares 1-5 Year Investment Grade Corporate Bond ETF		15.5	13.5	9.5	-
LQDH	iShares Interest Rate Hedged Corporate Bond ETF		3.5	3.0	-	-
SGOV	iShares 0-3 Month Treasury Bond ETF		-	1.5	3.5	1.5
SHY	iShares 1-3 Year Treasury Bond ETF		13.5	8.0	1.5	-
SHYG	iShares 0-5 Year High Yield Corporate Bond ETF		-	2.5	6.5	13.0
TFLO	iShares Treasury Floating Rate Bond ETF		12.0	11.0	7.5	3.5
TLT	iShares 20+ Year Treasury Bond ETF		1.0	3.5	3.5	2.5
USHY	iShares Broad USD High Yield Corporate Bond ETF		7.0	10.0	17.0	22.0
USIG	iShares Broad USD Investment Grade Corporate Bond ETF		-	1.0	6.0	6.0
<b>International/Global Fixed Income</b>			<b>-</b>	<b>1.0</b>	<b>3.5</b>	<b>6.5</b>
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF		-	1.0	2.0	4.0
EMHY	iShares J.P. Morgan EM High Yield Bond ETF		-	-	1.5	2.5
<b>Cash &amp; Cash Alternatives</b>			<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
CASH-USD	UNITED STATES DOLLAR (USD) - Cash		2.0	2.0	2.0	2.0

Allocations for the model portfolios are targets and subject to change. If a ratio is used in the model name, the ratio corresponds to the target percentage of equity and fixed income exposure within the model. For example, "60/40" means the model targets 60% in equity exposure and 40% in fixed income exposure. The target fixed income exposure may include an allocation to cash.

**Changes to Holdings (%)**

Allocation as of 5/20/25

		Core	Moderate	High	Aggressive
<b>US Fixed Income</b>		<b>0.0</b>	<b>1.0</b>	<b>4.0</b>	<b>4.0</b>
FALN	iShares Fallen Angels USD Bond ETF	-1.5	-4.5	-10.5	-11.0
FLOT	iShares Floating Rate Bond ETF	-4.5	-3.0	-2.0	-
HYDB	iShares High Yield Systematic Bond ETF	-	-	-1.0	-
IEF	iShares 7-10 Year Treasury Bond ETF	+9.0	+5.5	+2.5	-
IEI	iShares 3-7 Year Treasury Bond ETF	+1.5	+1.0	-	-
IGEB	iShares Investment Grade Systematic Bond ETF	-	+1.5	+7.0	+7.5
IGLB	iShares 10+ Year Investment Grade Corporate Bond ETF	-6.5	-5.0	-2.0	-
IGSB	iShares 1-5 Year Investment Grade Corporate Bond ETF	-	+0.5	+4.5	-
LQDH	iShares Interest Rate Hedged Corporate Bond ETF	+3.5	+3.0	-	-
SGOV	iShares 0-3 Month Treasury Bond ETF	-	+1.5	+3.5	+1.5
SHY	iShares 1-3 Year Treasury Bond ETF	-	-	-	-
SHYG	iShares 0-5 Year High Yield Corporate Bond ETF	-	-	-2.5	-
TFLO	iShares Treasury Floating Rate Bond ETF	-	-	+0.5	-
TLT	iShares 20+ Year Treasury Bond ETF	+1.0	+1.5	-0.5	-
USHY	iShares Broad USD High Yield Corporate Bond ETF	-2.5	-2.0	-1.5	-
USIG	iShares Broad USD Investment Grade Corporate Bond ETF	-	+1.0	+6.0	+6.0
<b>International/Global Fixed Income</b>		<b>-</b>	<b>-1.0</b>	<b>-4.0</b>	<b>-4.0</b>
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	-	-	-2.0	-1.5
EMHY	iShares J.P. Morgan EM High Yield Bond ETF	-	-1.0	-2.0	-2.5
<b>Cash &amp; Cash Alternatives</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
CASH-USD	UNITED STATES DOLLAR (USD) - Cash	-	-	-	-

Allocations for the model portfolios are targets and subject to change. If a ratio is used in the model name, the ratio corresponds to the target percentage of equity and fixed income exposure within the model. For example, "60/40" means the model targets 60% in equity exposure and 40% in fixed income exposure. The target fixed income exposure may include an allocation to cash.



**Performance (%)**

As of 6/30/25

Model	Performance Type	Last Month (%)	3 Month (%)	Year to Date (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Core	Gross of an advisory fee	1.09	1.62	3.30	5.53	4.11	1.98	2.10	1.96
	Net of 3% advisory fee	0.83	0.85	1.74	2.37	0.98	-1.08	-0.96	-1.10
Core Benchmark	Gross of an advisory fee	1.51	1.20	3.98	6.05	2.59	-0.66	1.79	1.75
Moderate	Gross of an advisory fee	1.27	1.78	3.51	7.07	4.47	1.51	2.23	2.10
	Net of 3% advisory fee	1.01	1.01	1.95	3.86	1.34	-1.53	-0.83	-0.96
Moderate Benchmark	Gross of an advisory fee	1.51	1.20	3.98	6.05	2.59	-0.66	1.79	1.75
High	Gross of an advisory fee	1.62	2.23	3.84	7.82	5.72	2.18	2.69	2.36
	Net of 3% advisory fee	1.36	1.45	2.28	4.58	2.55	-0.89	-0.39	-0.71
High Benchmark	Gross of an advisory fee	1.51	1.20	3.98	6.05	2.59	-0.66	1.79	1.75
Aggressive	Gross of an advisory fee	1.94	2.70	4.22	8.85	7.10	2.81	3.17	2.61
	Net of 3% advisory fee	1.68	1.92	2.64	5.59	3.89	-0.28	0.07	-0.47
Aggressive Benchmark	Gross of an advisory fee	1.51	1.20	3.98	6.05	2.59	-0.66	1.79	1.75

The inception date for the model portfolios is **10/31/14**.

As of 7/1/2021, the benchmark is represented by the 98% Bloomberg U.S. Aggregate Index and 2% ICE BofAML US T-Bill 0-3 Month Index. Prior to 7/1/2021, the benchmark was represented by the Bloomberg U.S. Aggregate Index.

**Past performance does not guarantee future results. For standardized performance of the underlying funds within the model portfolios, please see the Appendix. 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.** Performance is annualized for time periods greater than 1 year. The performance shown does not reflect the performance of actual client accounts. Each model portfolio includes allocations to underlying constituent securities and uses the underlying securities' historical performance. 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) featured in the 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 the model portfolio. 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.

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.

# APPENDIX

## Fund Performance

### QUARTERLY RETURNS - NAV(%)

As of 6/30/25

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	9.72%	1.43%	3.12%	4.47%	12/17/07
EMHY	iShares J.P. Morgan EM High Yield Bond ETF	12.11%	4.66%	4.35%	4.34%	4/3/12
FALN	iShares Fallen Angels USD Bond ETF	9.70%	6.03%	-	6.64%	6/14/16
FLOT	iShares Floating Rate Bond ETF	5.40%	3.52%	2.62%	2.13%	6/14/11
HYDB	iShares High Yield Systematic Bond ETF	9.32%	6.64%	-	5.57%	7/11/17
IEF	iShares 7-10 Year Treasury Bond ETF	6.13%	-2.55%	1.15%	3.48%	7/22/02
IEI	iShares 3-7 Year Treasury Bond ETF	6.62%	-0.40%	1.46%	2.89%	1/5/07
IGEB	iShares Investment Grade Systematic Bond ETF	7.76%	0.93%	-	3.11%	7/11/17
IGLB	iShares 10+ Year Investment Grade Corporate Bond ETF	5.36%	-2.25%	2.91%	4.39%	12/8/09
IGSB	iShares 1-5 Year Investment Grade Corporate Bond ETF	7.39%	2.17%	2.54%	2.80%	1/5/07
LQDH	iShares Interest Rate Hedged Corporate Bond ETF	6.34%	5.58%	3.88%	3.22%	5/27/14
SGOV	iShares® 0-3 Month Treasury Bond ETF	4.71%	2.81%	-	2.76%	5/26/20
SHY	iShares 1-3 Year Treasury Bond ETF	5.59%	1.21%	1.46%	1.93%	7/22/02
SHYG	iShares 0-5 Year High Yield Corporate Bond ETF	9.40%	6.29%	4.65%	4.33%	10/15/13
TFLO	iShares Treasury Floating Rate Bond ETF	4.72%	2.89%	2.01%	1.78%	2/4/14
TLT	iShares 20+ Year Treasury Bond ETF	0.17%	-9.18%	-0.32%	3.73%	7/22/02
USHY	iShares Broad USD High Yield Corporate Bond ETF	10.26%	5.93%	-	4.67%	10/25/17
USIG	iShares Broad USD Investment Grade Corporate Bond ETF	7.11%	0.33%	2.85%	3.96%	1/5/07

### QUARTERLY RETURNS - MARKET(%)

As of 6/30/25

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	10.69%	1.40%	3.10%	4.43%	12/17/07
EMHY	iShares J.P. Morgan EM High Yield Bond ETF	13.04%	4.62%	4.36%	4.53%	4/3/12
FALN	iShares Fallen Angels USD Bond ETF	10.35%	6.08%	-	6.59%	6/14/16
FLOT	iShares Floating Rate Bond ETF	5.34%	3.50%	2.62%	2.13%	6/14/11
HYDB	iShares High Yield Systematic Bond ETF	9.66%	6.70%	-	5.47%	7/11/17
IEF	iShares 7-10 Year Treasury Bond ETF	6.15%	-2.54%	1.17%	3.48%	7/22/02
IEI	iShares 3-7 Year Treasury Bond ETF	6.61%	-0.40%	1.47%	2.89%	1/5/07

Target Income ETF Models

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date
IGEB	iShares Investment Grade Systematic Bond ETF	7.74%	0.71%	-	3.04%	7/11/17
IGLB	iShares 10+ Year Investment Grade Corporate Bond ETF	5.56%	-2.41%	2.93%	4.34%	12/8/09
IGSB	iShares 1-5 Year Investment Grade Corporate Bond ETF	7.44%	2.15%	2.53%	2.79%	1/5/07
LQDH	iShares Interest Rate Hedged Corporate Bond ETF	6.41%	5.57%	3.84%	3.21%	5/27/14
SGOV	iShares® 0-3 Month Treasury Bond ETF	4.71%	2.81%	-	2.76%	5/26/20
SHY	iShares 1-3 Year Treasury Bond ETF	5.59%	1.21%	1.46%	1.93%	7/22/02
SHYG	iShares 0-5 Year High Yield Corporate Bond ETF	9.76%	6.27%	4.63%	4.32%	10/15/13
TFLO	iShares Treasury Floating Rate Bond ETF	4.72%	2.89%	2.01%	1.78%	2/4/14
TLT	iShares 20+ Year Treasury Bond ETF	0.22%	-9.18%	-0.27%	3.73%	7/22/02
USHY	iShares Broad USD High Yield Corporate Bond ETF	10.65%	5.91%	-	4.65%	10/25/17
USIG	iShares Broad USD Investment Grade Corporate Bond ETF	7.22%	0.25%	2.86%	3.95%	1/5/07

**QUARTERLY RETURNS - LOAD ADJUSTED(%)**

As of 6/30/25

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date	Max Front Load	Deferred Load
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	9.72%	1.43%	3.12%	4.47%	12/17/07	-	-
EMHY	iShares J.P. Morgan EM High Yield Bond ETF	12.11%	4.66%	4.35%	4.34%	4/3/12	-	-
FALN	iShares Fallen Angels USD Bond ETF	9.70%	6.03%	-	6.64%	6/14/16	-	-
FLOT	iShares Floating Rate Bond ETF	5.40%	3.52%	2.62%	2.13%	6/14/11	-	-
HYDB	iShares High Yield Systematic Bond ETF	9.32%	6.64%	-	5.57%	7/11/17	-	-
IEF	iShares 7-10 Year Treasury Bond ETF	6.13%	-2.55%	1.15%	3.48%	7/22/02	-	-
IEI	iShares 3-7 Year Treasury Bond ETF	6.62%	-0.40%	1.46%	2.89%	1/5/07	-	-
IGEB	iShares Investment Grade Systematic Bond ETF	7.76%	0.93%	-	3.11%	7/11/17	-	-
IGLB	iShares 10+ Year Investment Grade Corporate Bond ETF	5.36%	-2.25%	2.91%	4.39%	12/8/09	-	-
IGSB	iShares 1-5 Year Investment Grade Corporate Bond ETF	7.39%	2.17%	2.54%	2.80%	1/5/07	-	-
LQDH	iShares Interest Rate Hedged Corporate Bond ETF	6.34%	5.58%	3.88%	3.22%	5/27/14	-	-
SGOV	iShares® 0-3 Month Treasury Bond ETF	4.71%	2.81%	-	2.76%	5/26/20	-	-
SHY	iShares 1-3 Year Treasury Bond ETF	5.59%	1.21%	1.46%	1.93%	7/22/02	-	-
SHYG	iShares 0-5 Year High Yield Corporate Bond ETF	9.40%	6.29%	4.65%	4.33%	10/15/13	-	-
TFLO	iShares Treasury Floating Rate Bond ETF	4.72%	2.89%	2.01%	1.78%	2/4/14	-	-
TLT	iShares 20+ Year Treasury Bond ETF	0.17%	-9.18%	-0.32%	3.73%	7/22/02	-	-
USHY	iShares Broad USD High Yield Corporate Bond ETF	10.26%	5.93%	-	4.67%	10/25/17	-	-
USIG	iShares Broad USD Investment Grade Corporate Bond ETF	7.11%	0.33%	2.85%	3.96%	1/5/07	-	-

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 shown reflects fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown. Performance would have been lower without such waivers. Performance data current to the most recent month end for the BlackRock and iShares Funds may be obtained by visiting [www.blackrock.com](http://www.blackrock.com) or [www.iShares.com](http://www.iShares.com). 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. Performance shown reflects fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown. Performance would have been lower without such waivers. Source: Morningstar

**Specific to model holdings, where applicable:**

**The iShares Bitcoin Trust ETF is not an investment company registered under the Investment Company Act of 1940, and therefore is not subject to the same regulatory requirements as mutual funds or ETFs registered under the Investment Company Act of 1940. The Trust is not a commodity pool for purposes of the Commodity Exchange Act. Before making an investment decision, you should carefully consider the risk factors and other information included in the prospectus. This information must be accompanied or preceded by a current iShares Bitcoin Trust ETF prospectus, which may be obtained by navigating here** (hyperlink: <https://www.ishares.com/us/literature/prospectus/p-ishares-bitcoin-trust-12-31.pdf>) . **Please read the prospectus carefully before investing.**

**Prior to close of business on 11/15/2024, the BlackRock International Dividend ETF (BIDD) operated as an open-end mutual fund. The Fund has an identical investment objective and substantially similar investment strategies and investment risk profiles as the predecessor mutual fund. Performance for the periods prior to 6/12/17 shown above is based on the investment process and investment strategies utilized by the predecessor mutual fund when it followed a different investment objective, investment process and investment strategies under the name "BlackRock International Opportunities Portfolio." The NAV returns are the returns of the Institutional Class Shares of the predecessor mutual fund prior to the Fund's commencement of operations, which had structural, regulatory, expense, and fee differences that may result in performance differences over time. Prior to the Fund's listing on 11/18/2024, the market price performance of the Fund uses the NAV returns of the Institutional Class Shares of the predecessor mutual fund as proxy market price returns. Please refer to the current prospectus for further information.**

**Prior to close of business on 02/07/2025, the iShares High Yield Muni Active ETF operated as an open-end mutual fund. The Fund has an identical investment objective and substantially similar investment strategies and investment risk profiles as the predecessor mutual fund. Performance for the periods prior to 02/10/2025 shown above is based upon the results of the predecessor mutual fund's Institutional Shares under the name BlackRock High Yield Municipal Fund. Please refer to the current prospectus for further information.**

## Fees

As of 6/30/25

Ticker	Name	Gross Expense Ratio
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	0.39%
EMHY	iShares J.P. Morgan EM High Yield Bond ETF	0.50%
FALN	iShares Fallen Angels USD Bond ETF	0.25%
FLOT	iShares Floating Rate Bond ETF	0.15%
HYDB	iShares High Yield Systematic Bond ETF	0.35%
IEF	iShares 7-10 Year Treasury Bond ETF	0.15%
IEI	iShares 3-7 Year Treasury Bond ETF	0.15%
IGEB	iShares Investment Grade Systematic Bond ETF	0.18%
IGLB	iShares 10+ Year Investment Grade Corporate Bond ETF	0.04%
IGSB	iShares 1-5 Year Investment Grade Corporate Bond ETF	0.04%
LQDH	iShares Interest Rate Hedged Corporate Bond ETF	0.44%
SGOV	iShares® 0-3 Month Treasury Bond ETF	0.09%
SHY	iShares 1-3 Year Treasury Bond ETF	0.15%
SHYG	iShares 0-5 Year High Yield Corporate Bond ETF	0.30%
TFLO	iShares Treasury Floating Rate Bond ETF	0.15%
TLT	iShares 20+ Year Treasury Bond ETF	0.15%
USHY	iShares Broad USD High Yield Corporate Bond ETF	0.08%

## Target Income ETF Models

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Ticker	Name	Gross Expense Ratio
USIG	iShares Broad USD Investment Grade Corporate Bond ETF	0.04%

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

**Gross Expense Ratio:** Weighted average prospectus gross expense ratio of the portfolio. Source: Morningstar

**Net Expense Ratio:** Weighted average prospectus net expense ratio of the portfolio. Source: Morningstar

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**Carefully consider the investment objectives, risk factors, charges and expenses of funds within the model portfolios 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 each fund company's website, contacting your financial professional, or by visiting [www.sec.gov/edgar/search](https://www.sec.gov/edgar/search). For BlackRock Funds, please visit [www.blackrock.com/prospectus](https://www.blackrock.com/prospectus). For iShares Funds, please visit [www.ishares.com/prospectus](https://www.ishares.com/prospectus). Read the prospectuses carefully before investing.**

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Common shares for most closed-end funds are only available for purchase and sale at current market price on a stock exchange. Certain closed-end funds are "interval funds" that are not listed for trading on any securities exchange and are designed primarily for long-term investors. An investment in "interval funds", unlike an investment in a traditional listed closed-end fund, should be considered illiquid and is not suitable for investors who need access to the money they invest. Investors may be unable to reduce their exposure to such funds during any market downturn. Shares of an "interval fund" are not redeemable at an investor's option nor are they exchangeable for shares of any other fund, although the fund periodically offers to repurchase shares from outstanding shareholders. Please see the fund's prospectus for additional details. A closed-end fund's dividend yield, market price and NAV will fluctuate with market conditions.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond 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. Mortgage-backed securities ("MBS") and commercial mortgage-backed securities ("CMBS") are subject to prepayment and extension risk and therefore react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to federal or state income taxes or the Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable. An investment in a treasury Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency and its return and yield will

## Target Income ETF Models

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fluctuate with market conditions.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries. Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and the general securities market.

A fund's use of derivatives may reduce a fund's returns and/or increase volatility and subject the fund to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. A fund could suffer losses related to its derivative positions because of a possible lack of liquidity in the secondary market and as a result of unanticipated market movements, which losses are potentially unlimited. There can be no assurance that any fund's hedging transactions will be effective.

There can be no assurance that performance will be enhanced or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

A fund's environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. In addition, companies selected by the index provider may not exhibit positive or favorable ESG characteristics.

Alternative investments present the opportunity for significant losses and some alternative investments have experienced periods of extreme volatility. Alternative investments may be less liquid than investments in traditional securities.

Commodities' prices may be highly volatile. Prices may be affected by various economic, financial, social and political factors, which may be unpredictable and may have a significant impact on the prices of precious metals. Actively managed funds do not seek to replicate the performance of a specified index. Actively managed funds may have higher portfolio turnover than index funds. Any information on funds not managed by BlackRock or securities not distributed by BlackRock is provided for illustration only and should not be construed as an offer or solicitation from BlackRock to buy or sell any securities.

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 of 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.

Investing in digital assets involves significant risks due to their extreme price volatility and the potential for loss, theft, or compromise of private keys. The value of the investment is closely tied to acceptance, industry developments, and governance changes, making them susceptible to market sentiment. A disruption of the internet or a digital asset network would affect the ability to transfer digital assets, and, consequently, would impact their value.

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## Target Income ETF Models

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