

Target Allocation ETF Models

Model Portfolio Summary

Target Allocation ETF 4Q25

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MODEL OVERVIEW

Objective

Core models for investors across a full risk spectrum

Trade Frequency

Dynamic (4-6x per year)

Underlying Investment Vehicle(s)

ETFs

Benchmark

As of 7/1/2021, for all models except the Target Allocation ETF 100/0 Model, the equity portion of the benchmark is represented by 70% MSCI ACWI Index and 30% MSCI USA Index, while the fixed income portion is represented by a fixed 2% allocation to the ICE BofAML US T-Bill 0-3 Month Index and the remaining allocation to the Bloomberg U.S. Universal Index. For example, the benchmark for the 60/40 model portfolio is represented by 42% MSCI ACWI Index, 18% MSCI USA Index, 38% Bloomberg U.S. Universal Index, and 2% ICE BofAML US T-Bill 0-3 Month Index. As of 7/1/2021, the benchmark for the Target Allocation ETF 100/0 Model is 68.6% MSCI ACWI Index, 29.4% MSCI USA Index, and 2% ICE BofAML US T-Bill 0-3 Month Index. Prior to 7/1/2021, for all models, the equity portion of the benchmark was represented by 70% MSCI ACWI Index and 30% MSCI USA Index, and the fixed income portion of the benchmark was represented by 100% Bloomberg U.S. Universal Index.

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.

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.

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.

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.

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 11/18/25

Key Takeaways:

Increase our equity overweight to 3%, reflecting bolder risk-on positioning supported by a constructive macro backdrop of cooling inflation, robust earnings, and an improved fiscal and trade policy outlook

Refresh U.S. factor tilts, leaning further into momentum, trimming quality as signals cool, and layering in value as a deliberate counterweight to our cluster of growth bets

Deepen our overweight to developed ex-U.S. equities, reallocating to the superior earnings prowess of the U.S. and the increasingly tech-centric bourses of Emerging Markets, further buoyed by stabilizing trade dynamics

Streamline fixed income positioning, adding a new systematic bond strategy designed to adjust with changing market rhythms and hunt for better-valued credits, while keeping overall duration close to neutral

Trade Rationale:

A strong recent earnings season, a more accommodative Fed, and a generally friendlier liquidity backdrop argue for staying constructively tilted toward risk. With inflation's "sticky" components beginning to roll over and forecasts projecting 4% real GDP growth in Q4 and the first half of next year, we feel the macro setup supports our decision to lean in. This rebalance does just that, nudging equity exposure higher while concentrating risk in our highest-conviction views.

This brings us to the 10 trillion-pound gorilla in the room: AI. The theme that keeps on giving and continues to anchor our portfolio's equity engine. Our increases to U.S. mega-cap and momentum naturally tilt us more toward the tech titans, while our add to Emerging Markets captures more of the semiconductor supply chain symphony playing across Taiwan and South Korea. A chorus of skeptics, however, warns of excess. In our view, "bubble" chatter is background noise, mostly reflecting oversimplified analysis. We are highly attentive to industry risks, but what we see looks far less like a speculative mania and much more like a durable, cash-flow-funded investment and productivity super-cycle. This isn't the dot-com era's "build it and they will come" delusions; this is a structural build-out fueled by the staggering cash flows of the most profitable companies in market history, racing to meet voracious, real-world demand for compute. With data center vacancy rates at record lows and nearly every available GPU being snapped up, the risk likely isn't overcapacity but underinvestment and energy constraints. Yes, some of these firms sport higher valuations, but a decade of 35% compound annual earnings growth has, in our view, earned that premium.

If the U.S. and EM are the twin jet engines of global AI infrastructure growth, then the developed ex-U.S. market may be the emissions-choked station wagon wheezing along the shoulder. While the region's valuations may appear reasonable (don't they always?), they screen poorly on the metrics we care about most: earnings momentum and exposure to the defining technological shifts of our time. We're moving further overweight accordingly.

Still, we believe in hedging our enthusiasm responsibly. To keep the equity side of the portfolio somewhat balanced, we are tempering our growth bets with an increased stake in U.S. value. Our earnings analysis favors the broad growth basket bet, but less than an all-in one. Consider this risk control, not a thesis pivot – a deliberate gravitational counterweight to the high-growth, high-momentum themes that permeate the rest of the portfolio. This move softens our style concentration, ensuring we're not overly exposed to single factor risks.

Finally, we're upgrading fixed income for the regime ahead. With the great inflation scare in the rearview, we are exiting inflation-sensitive positions and consolidating into a more nimble, systematic bond strategy. This new position is equipped with a dynamic, regime-based framework to navigate shifting credit and rate cycles actively, giving us a smarter way to manage duration risk and seek attractive yield.

Views are subject to change.

Asset Class Views

As of 11/18/25

▲ Overweight ▼ Underweight — Neutral

Equities vs. Fixed Income

View	Asset Class	Commentary
▲	Equities vs. Fixed Income	Increase equity overweight as earnings resilience, moderating inflation, and ongoing fiscal tailwinds support a risk-on bias. Fixed income positioning is streamlined for the regime ahead, seeking to manage credit and duration more systematically, while keeping overall duration near neutral. We also maintain a small position in gold as a structural diversifier, providing ballast against macro shocks.

Equities

View	Asset Class	Commentary
▲	U.S. Equities	Add to U.S. equities, reinforcing exposure to mega-cap growth and AI-linked names that continue to drive market leadership. Maintain conviction in the structural AI and productivity themes while rebalancing the growth/value barbell to be less extreme. Earnings revisions remain robust, and valuation concerns are offset by superior profitability.
▼	Non-U.S. Developed Equities	Deepen underweight in developed ex-U.S. equities, where growth momentum, earnings revisions, and innovation remain weak. Regulatory burdens and lack of dynamic sectors keep the region structurally unattractive.
▲	Emerging Market Equities	Increase EM allocations, emphasizing North Asia's semiconductor and industrial tech ecosystems. Improved estimate revisions and a more supportive monetary backdrop position EM as an indirect beneficiary of the global AI supply chain build-out, while diversifying away from U.S. concentration risk.
▲	Smart Beta	Refresh U.S. factor tilts, leaning further into momentum, trimming quality as signals cool, and layering in value as a deliberate counterweight to our cluster of growth bets.

Fixed Income

View	Asset Class	Commentary
—	U.S. Treasuries	Maintain a neutral duration stance while consolidating exposures into benchmark holdings. With inflation pressures receding and real yields stabilizing, short-term inflation hedges are reduced. This simplifies rate exposure and reflects a more benign inflation outlook within a steady macro expansion.
▼	U.S. Investment Grade Credit	Maintain a cautious view given tight spreads and limited compensation for risk. Recent portfolio adjustments consolidate credit exposure into a systematic framework that dynamically manages duration and credit beta.
—	High Yield Credit	Consolidate high yield exposure into more systematic credit strategy, which tactically manages credit risk through regime signals. Maintain a measured tilt toward convertible bonds, offering equity-like upside with limited downside participation.
—	Emerging Market Bonds (USD)	Maintain benchmark exposure for diversification and carry. The softening global policy backdrop supports EM debt, but selectivity remains key given idiosyncratic and liquidity risks.

Views are subject to change and may not reflect current model portfolio allocations. These views are relative to the models' benchmark weights.

PERFORMANCE COMMENTARY

As of 12/31/25

PERFORMANCE

There was no Santa Claus rally finale to cap off an otherwise stellar bull market run in 2025. December ended on a muted note for U.S. equities, with markets largely unchanged as investors stepped back from the AI-driven trades that had powered much of the year. Market leadership broadened, with value and small cap stocks among the strongest performers during the holiday season. International developed and emerging market equities outpaced U.S. markets, capping a year of sustained relative strength. The Federal Reserve delivered its third quarter-point rate cut of the year, but visible disagreement among policymakers tempered the celebratory tone. Economic signals remained mixed but steady, as inflation continued to ease and holiday-season spending proved resilient. In fixed income, longer-term Treasury yields rose despite easier policy, resulting in modestly negative returns for government bonds and high-quality credit.

Most models generated positive total returns but modestly trailed their benchmarks during the month. The primary sources of weakness stemmed from overweight positions to megacap, growth, and AI-themed stocks and an underweight to international developed market stocks. However, the relative weakness across portfolios was mostly contained thanks to offsetting outperformance from gold and recent efforts to rebalance our growth bias with additions to value factor stocks. Exposure to aerospace & defense stocks as well as active factor rotation strategies were also benchmark-beating contributors of upside during the month. On the fixed income side, exposure to broad US bonds, longer duration US treasuries, and convertibles were all detractors, weighing on returns as rates ticked higher.

Past performance does not guarantee future results. A basis point (bp) represents one hundredth of a percent.

Latest Holdings (%)

Allocation as of 11/18/25

		As of Date	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
Net Expense Ratio (%)		12/31/25	0.13	0.14	0.16	0.16	0.16	0.18	0.19	0.20	0.20	0.22	0.22
Gross Expense Ratio (%)		12/31/25	0.15	0.16	0.17	0.17	0.18	0.19	0.19	0.21	0.20	0.22	0.22
US Equities		-	9.5	17.0	24.5	33.5	39.0	47.0	53.5	61.0	67.0	71.5	
DYNF	iShares U.S. Equity Factor Rotation Active ETF	-	2.5	3.5	4.5	5.5	6.5	8.0	10.5	10.5	11.5	12.0	
IVE	iShares S&P 500 Value ETF	-	1.5	5.0	5.0	5.5	7.0	8.5	10.5	12.5	13.0	13.0	
IVV	iShares Core S&P 500 ETF	-	2.5	3.5	5.0	6.5	7.5	7.5	7.5	9.5	10.0	11.5	
IVW	iShares S&P 500 Growth ETF	-	1.5	2.5	4.0	4.5	5.5	7.0	8.0	9.0	10.0	11.0	
MTUM	iShares MSCI USA Momentum Factor ETF	-	-	-	1.5	2.5	2.5	3.5	3.5	4.0	4.5	5.0	
OEF	iShares S&P 100 ETF	-	1.5	1.5	2.0	4.5	5.0	6.0	6.5	7.5	9.0	9.0	
QUAL	iShares MSCI USA Quality Factor ETF	-	-	-	1.5	2.5	2.5	3.5	3.5	4.0	4.5	5.0	
THRO	iShares U.S. Thematic Rotation Active ETF	-	-	1.0	1.0	2.0	2.5	3.0	3.5	4.0	4.5	5.0	
International/Global Equities		-	2.5	4.0	6.0	8.0	10.0	11.5	13.5	16.0	18.5	18.5	
EFV	iShares MSCI EAFE Value ETF	-	1.5	1.5	2.5	3.5	4.5	5.0	6.0	7.0	8.0	8.0	
IEMG	iShares Core MSCI Emerging Markets ETF	-	1.0	2.5	3.5	4.5	5.5	6.5	7.5	9.0	10.5	10.5	
Sector Equities		-	-	1.0	1.5	1.5	4.0	4.5	6.0	6.0	7.5	8.0	
BAI	iShares A.I. Innovation and Tech Active ETF	-	-	1.0	1.5	1.5	3.0	3.5	4.0	4.0	5.0	5.0	
ITA	iShares U.S. Aerospace & Defense ETF	-	-	-	-	-	1.0	1.0	2.0	2.0	2.5	3.0	
US Fixed Income		84.0	73.5	64.5	56.0	46.0	37.0	28.0	20.5	10.5	1.0	-	
BINC	iShares Flexible Income Active ETF	10.0	9.0	8.5	6.5	6.0	5.0	3.5	2.5	-	-	-	
GOVT	iShares U.S. Treasury Bond ETF	6.0	5.0	4.5	4.5	2.0	2.0	-	-	-	-	-	
ICVT	iShares Convertible Bond ETF	5.0	4.5	4.0	3.5	2.0	-	-	-	-	-	-	
IUSB	iShares Core Universal USD Bond ETF	38.5	32.0	26.5	22.0	20.5	17.5	14.5	11.0	6.0	-	-	
MBB	iShares MBS ETF	13.0	11.5	9.5	9.0	7.5	6.0	5.0	2.5	1.0	-	-	
SYSB	iShares Systematic Bond ETF	5.0	5.0	5.0	4.5	2.0	1.5	-	-	-	-	-	
TLH	iShares 10-20 Year Treasury Bond ETF	6.5	6.5	6.5	6.0	6.0	5.0	5.0	4.5	3.5	1.0	-	
International/Global Fixed Income		11.5	10.0	9.0	7.5	6.5	5.5	4.5	2.0	2.0	1.5	-	
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	4.0	3.5	3.0	2.5	2.0	2.0	1.5	-	-	-	-	
IAGG	iShares Core International Aggregate Bond ETF	7.5	6.5	6.0	5.0	4.5	3.5	3.0	2.0	2.0	1.5	-	
Alternatives		2.5	-										
IAU	iShares Gold Trust	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	-
Cash & Cash Alternatives		2.0	2.0										
CASH-USD	UNITED STATES DOLLAR (USD) - Cash	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Target Allocation ETF Models

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 11/18/25

		0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
US Equities		-	-	0.5	-	0.5	0.5	1.5	0.5	0.5	-	-
DYNF	iShares U.S. Equity Factor Rotation Active ETF	-	-	-	-	-	-	-	-	-	-	-
IVE	iShares S&P 500 Value ETF	-	+1.5	+3.0	+1.0	+1.5	+2.5	+2.5	+3.5	+4.0	+3.5	+3.0
IVV	iShares Core S&P 500 ETF	-	-	-	-	-	-	-	-	-	-	-
IVW	iShares S&P 500 Growth ETF	-	-	-	-	-	-	-	-	-	-	-
MTUM	iShares MSCI USA Momentum Factor ETF	-	-	-	+0.5	+1.0	+1.0	+1.5	+1.0	+1.0	+1.5	+2.0
OEF	iShares S&P 100 ETF	-	-	-	-	-	-	-	-	-	-	-
QUAL	iShares MSCI USA Quality Factor ETF	-	-1.5	-2.5	-1.5	-2.0	-3.0	-2.5	-4.0	-4.5	-5.0	-5.0
THRO	iShares U.S. Thematic Rotation Active ETF	-	-	-	-	-	-	-	-	-	-	-
International/Global Equities		-	-	-0.5	-	0.5	0.5	-0.5	0.5	0.5	1.0	-
EFG	iShares MSCI EAFE Growth ETF	-	-	-	-	-	-	-	-	-1.0	-1.0	-1.0
EFV	iShares MSCI EAFE Value ETF	-	-	-0.5	-0.5	-0.5	-0.5	-1.5	-1.0	-0.5	-0.5	-1.0
IEMG	iShares Core MSCI Emerging Markets ETF	-	-	-	+0.5	+1.0	+1.0	+1.0	+1.5	+2.0	+2.5	+2.0
Sector Equities		-	-	-	-	-	-	-	-	-	-	-
BAI	iShares A.I. Innovation and Tech Active ETF	-	-	-	-	-	-	-	-	-	-	-
ITA	iShares U.S. Aerospace & Defense ETF	-	-	-	-	-	-	-	-	-	-	-
US Fixed Income		-0.0	-	-	-0.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-
BINC	iShares Flexible Income Active ETF	-	-	-	-	-	-	-	-	-	-	-
GOVT	iShares U.S. Treasury Bond ETF	-	-	-	-	-	-	-	-	-	-	-
HYDB	iShares High Yield Systematic Bond ETF	-2.0	-1.5	-1.5	-1.5	-	-	-	-	-	-	-
ICVT	iShares Convertible Bond ETF	+1.0	+1.0	+1.0	+1.0	-	-	-	-	-	-	-
IUSB	iShares Core Universal USD Bond ETF	+4.5	+2.5	+1.5	+1.0	+1.0	+1.0	-1.0	-1.0	-1.0	-	-
MBB	iShares MBS ETF	-	-	-	-	-	-	-	-	-	-	-
STIP	iShares 0-5 Year TIPS Bond ETF	-5.0	-4.5	-4.0	-3.5	-3.0	-2.5	-	-	-	-	-
SYSB	iShares Systematic Bond ETF	+5.0	+5.0	+5.0	+4.5	+2.0	+1.5	-	-	-	-	-
TLH	iShares 10-20 Year Treasury Bond ETF	-3.5	-2.5	-2.0	-1.5	-1.0	-1.0	-	-	-	-1.0	-
International/Global Fixed Income		-	-	-	-	-	-	-	-	-	-	-
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	-	-	-	-	-	-	-	-	-	-	-
IAGG	iShares Core International Aggregate Bond ETF	-	-	-	-	-	-	-	-	-	-	-
Alternatives		-	-	-	-	-	-	-	-	-	-	-
IAU	iShares Gold Trust	-	-	-	-	-	-	-	-	-	-	-
Cash & Cash Alternatives		-	-	-	-	-	-	-	-	-	-	-
CASH-USD	UNITED STATES DOLLAR (USD) - Cash	-	-	-	-	-	-	-	-	-	-	-

Target Allocation ETF Models

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 12/31/25

Model	Performance Type	Last Month (%)	3 Month (%)	Year to Date (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
0/100	Gross of an advisory fee	-0.21	1.23	8.18	8.18	5.15	0.39	2.31	2.12
	Net of 3% advisory fee	-0.46	0.47	4.94	4.94	1.99	-2.62	-0.76	-0.94
0/100 Benchmark	Gross of an advisory fee	-0.06	1.19	7.51	7.51	5.23	0.12	2.47	2.35
10/90	Gross of an advisory fee	-0.10	1.52	9.76	9.76	6.87	1.64	3.50	3.06
	Net of 3% advisory fee	-0.35	0.75	6.46	6.46	3.66	-1.41	0.39	-0.03
10/90 Benchmark	Gross of an advisory fee	0.02	1.37	8.82	8.82	6.78	1.30	3.53	3.12
20/80	Gross of an advisory fee	-0.07	1.65	10.92	10.92	8.45	2.80	4.62	4.23
	Net of 3% advisory fee	-0.32	0.88	7.60	7.60	5.20	-0.28	1.48	1.10
20/80 Benchmark	Gross of an advisory fee	0.10	1.55	10.13	10.13	8.34	2.48	4.59	4.20
30/70	Gross of an advisory fee	0.01	1.82	12.29	12.29	9.98	4.12	5.80	5.20
	Net of 3% advisory fee	-0.25	1.05	8.92	8.92	6.68	1.00	2.62	2.04
30/70 Benchmark	Gross of an advisory fee	0.18	1.73	11.44	11.44	9.91	3.67	5.63	5.08
40/60	Gross of an advisory fee	0.11	2.03	13.62	13.62	11.47	5.28	6.86	6.22
	Net of 3% advisory fee	-0.15	1.26	10.21	10.21	8.12	2.12	3.65	3.03
40/60 Benchmark	Gross of an advisory fee	0.26	1.92	12.76	12.76	11.50	4.85	6.67	6.00
50/50	Gross of an advisory fee	0.23	2.24	15.05	15.05	13.17	6.43	7.89	7.12
	Net of 3% advisory fee	-0.02	1.47	11.60	11.60	9.77	3.24	4.65	3.91
50/50 Benchmark	Gross of an advisory fee	0.34	2.10	14.08	14.08	13.09	6.03	7.68	6.99
60/40	Gross of an advisory fee	0.28	2.43	16.48	16.48	14.80	7.67	8.98	8.08
	Net of 3% advisory fee	0.02	1.66	12.98	12.98	11.36	4.44	5.71	4.84
60/40 Benchmark	Gross of an advisory fee	0.41	2.28	15.40	15.40	14.71	7.21	8.69	7.74
70/30	Gross of an advisory fee	0.39	2.56	17.86	17.86	16.32	8.80	9.89	8.98
	Net of 3% advisory fee	0.13	1.78	14.32	14.32	12.83	5.54	6.59	5.71
70/30 Benchmark	Gross of an advisory fee	0.49	2.46	16.73	16.73	16.33	8.40	9.67	8.84
80/20	Gross of an advisory fee	0.48	2.72	19.07	19.07	17.99	10.15	10.98	9.78

Target Allocation ETF Models

Model	Performance Type	Last Month (%)	3 Month (%)	Year to Date (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
	Net of 3% advisory fee	0.22	1.94	15.49	15.49	14.45	6.85	7.65	6.48
80/20 Benchmark	Gross of an advisory fee	0.57	2.64	18.07	18.07	17.97	9.58	10.65	9.42
90/10	Gross of an advisory fee	0.59	2.92	20.61	20.61	19.56	11.18	11.77	10.75
	Net of 3% advisory fee	0.34	2.14	16.99	16.99	15.97	7.85	8.42	7.43
90/10 Benchmark	Gross of an advisory fee	0.65	2.82	19.40	19.40	19.62	10.75	11.60	10.63
100/0	Gross of an advisory fee	0.59	2.75	20.44	20.44	20.56	11.83	12.33	10.92
	Net of 3% advisory fee	0.33	1.97	16.82	16.82	16.94	8.47	8.96	7.59
100/0 Benchmark	Gross of an advisory fee	0.72	2.96	20.48	20.48	20.95	11.75	12.45	10.95

Inception date for the 0/100, 20/80, 40/60, 60/40, 80/20, 100/0 models are **9/30/14**. Inception date for the 10/90, 30/70, 50/50, 70/30, 90/10 models are **1/31/15**.

As of 7/1/2021, for all models except the Target Allocation ETF 100/0 Model, the equity portion of the benchmark is represented by 70% MSCI ACWI Index and 30% MSCI USA Index, while the fixed income portion is represented by a fixed 2% allocation to the ICE BofAML US T-Bill 0-3 Month Index and the remaining allocation to the Bloomberg U.S. Universal Index. For example, the benchmark for the 60/40 model portfolio is represented by 42% MSCI ACWI Index, 18% MSCI USA Index, 38% Bloomberg U.S. Universal Index, and 2% ICE BofAML US T-Bill 0-3 Month Index. As of 7/1/2021, the benchmark for the Target Allocation ETF 100/0 Model is 68.6% MSCI ACWI Index, 29.4% MSCI USA Index, and 2% ICE BofAML US T-Bill 0-3 Month Index. Prior to 7/1/2021, for all models, the equity portion of the benchmark was represented by 70% MSCI ACWI Index and 30% MSCI USA Index, and the fixed income portion of the benchmark was represented by 100% Bloomberg U.S. Universal 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 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 mutual 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 exchange traded fund/product, performance (i) reflects the deduction of fund expenses, including management fees and other expenses, and (ii) does not reflect reinvestment of dividends and capital gain or any applicable sales charges. Where the constituent security is an unlisted closed end fund, third-party separately managed composite strategy, or non-traded business development company (BDC), performance shown is based on the most recent NAV of the fund or BDC or Market Value of the strategy, 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 12/31/25

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date
BAI	iShares A.I. Innovation and Tech Active ETF	25.50%	-	-	29.07%	10/21/24
BINC	iShares Flexible Income Active ETF	7.67%	-	-	8.10%	5/19/23
DYNF	iShares U.S. Equity Factor Rotation Active ETF	20.09%	16.24%	-	16.21%	3/19/19
EFV	iShares MSCI EAFE Value ETF	42.36%	13.34%	8.60%	5.55%	8/1/05
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	13.45%	1.26%	3.95%	4.77%	12/17/07
GOVT	iShares U.S. Treasury Bond ETF	6.15%	-1.07%	1.27%	1.26%	2/14/12
IAGG	iShares Core International Aggregate Bond ETF	3.07%	0.57%	2.57%	2.58%	11/10/15
IAU	iShares Gold Trust	64.60%	17.61%	14.74%	11.35%	1/21/05
ICVT	iShares Convertible Bond ETF	17.87%	3.49%	11.57%	10.14%	6/2/15
IEMG	iShares Core MSCI Emerging Markets ETF	32.12%	4.60%	8.35%	5.09%	10/18/12
ITA	iShares U.S. Aerospace & Defense ETF	48.66%	18.79%	14.95%	12.70%	5/1/06
IUSB	iShares Core Universal USD Bond ETF	7.47%	0.02%	2.39%	2.29%	6/10/14
IVE	iShares S&P 500 Value ETF	13.00%	12.76%	11.54%	7.36%	5/22/00
IVV	iShares Core S&P 500 ETF	17.85%	14.39%	14.78%	8.17%	5/15/00
IVW	iShares S&P 500 Growth ETF	21.95%	14.83%	16.78%	8.57%	5/22/00
MBB	iShares MBS ETF	8.45%	0.08%	1.50%	2.70%	3/13/07
MTUM	iShares MSCI USA Momentum Factor ETF	22.10%	10.43%	14.44%	14.60%	4/16/13
OEF	iShares S&P 100 ETF	19.89%	16.21%	15.98%	8.25%	10/23/00
QUAL	iShares MSCI USA Quality Factor ETF	12.65%	12.72%	13.64%	13.44%	7/16/13
SYSB	iShares Systematic Bond ETF	8.25%	1.24%	2.75%	2.46%	2/24/15
THRO	iShares U.S. Thematic Rotation Active ETF	15.18%	-	-	12.21%	12/14/21
TLH	iShares 10-20 Year Treasury Bond ETF	6.39%	-5.60%	-0.10%	2.97%	1/5/07

QUARTERLY RETURNS - MARKET(%)

As of 12/31/25

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date
BAI	iShares A.I. Innovation and Tech Active ETF	25.22%	-	-	29.07%	10/21/24
BINC	iShares Flexible Income Active ETF	7.57%	-	-	8.16%	5/19/23
DYNF	iShares U.S. Equity Factor Rotation Active ETF	20.01%	16.27%	-	16.07%	3/19/19

Target Allocation ETF Models

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date
EFV	iShares MSCI EAFE Value ETF	42.23%	13.43%	8.65%	5.54%	8/1/05
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	13.85%	1.12%	3.90%	4.69%	12/17/07
GOVT	iShares U.S. Treasury Bond ETF	3.77%	-0.96%	1.27%	1.29%	2/14/12
IAGG	iShares Core International Aggregate Bond ETF	3.27%	0.48%	2.53%	2.49%	11/10/15
IAU	iShares Gold Trust	63.95%	17.49%	14.78%	11.36%	1/21/05
ICVT	iShares Convertible Bond ETF	18.10%	3.53%	11.49%	10.18%	6/2/15
IEMG	iShares Core MSCI Emerging Markets ETF	32.56%	4.61%	8.41%	5.07%	10/18/12
ITA	iShares U.S. Aerospace & Defense ETF	48.64%	18.82%	14.95%	12.71%	5/1/06
IUSB	iShares Core Universal USD Bond ETF	7.38%	-0.01%	2.37%	2.25%	6/10/14
IVE	iShares S&P 500 Value ETF	13.02%	12.77%	11.55%	7.36%	5/22/00
IVV	iShares Core S&P 500 ETF	17.85%	14.41%	14.79%	8.17%	5/15/00
IVW	iShares S&P 500 Growth ETF	21.95%	14.85%	16.79%	8.57%	5/22/00
MBB	iShares MBS ETF	8.38%	0.06%	1.50%	2.71%	3/13/07
MTUM	iShares MSCI USA Momentum Factor ETF	22.15%	10.43%	14.44%	14.73%	4/16/13
OEF	iShares S&P 100 ETF	19.80%	16.22%	15.99%	8.25%	10/23/00
QUAL	iShares MSCI USA Quality Factor ETF	12.65%	12.72%	13.64%	13.41%	7/16/13
SYSB	iShares Systematic Bond ETF	8.32%	1.24%	2.71%	2.47%	2/24/15
THRO	iShares U.S. Thematic Rotation Active ETF	15.04%	-	-	12.20%	12/14/21
TLH	iShares 10-20 Year Treasury Bond ETF	6.47%	-5.58%	-0.08%	2.99%	1/5/07

QUARTERLY RETURNS - LOAD ADJUSTED(%)

As of 12/31/25

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date	Max Front Load	Deferred Load
BAI	iShares A.I. Innovation and Tech Active ETF	25.50%	-	-	29.07%	10/21/24	-	-
BINC	iShares Flexible Income Active ETF	7.67%	-	-	8.10%	5/19/23	-	-
DYNF	iShares U.S. Equity Factor Rotation Active ETF	20.09%	16.24%	-	16.21%	3/19/19	-	-
EFV	iShares MSCI EAFE Value ETF	42.36%	13.34%	8.60%	5.55%	8/1/05	-	-
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	13.45%	1.26%	3.95%	4.77%	12/17/07	-	-
GOVT	iShares U.S. Treasury Bond ETF	6.15%	-1.07%	1.27%	1.26%	2/14/12	-	-
IAGG	iShares Core International Aggregate Bond ETF	3.07%	0.57%	2.57%	2.58%	11/10/15	-	-
IAU	iShares Gold Trust	64.60%	17.61%	14.74%	11.35%	1/21/05	-	-
ICVT	iShares Convertible Bond ETF	17.87%	3.49%	11.57%	10.14%	6/2/15	-	-
IEMG	iShares Core MSCI Emerging Markets ETF	32.12%	4.60%	8.35%	5.09%	10/18/12	-	-
ITA	iShares U.S. Aerospace & Defense ETF	48.66%	18.79%	14.95%	12.70%	5/1/06	-	-
IUSB	iShares Core Universal USD Bond ETF	7.47%	0.02%	2.39%	2.29%	6/10/14	-	-
IVE	iShares S&P 500 Value ETF	13.00%	12.76%	11.54%	7.36%	5/22/00	-	-

Target Allocation ETF Models

Ticker	Name	1YR	5YR	10YR	Since Inception	Inception Date	Max Front Load	Deferred Load
IVV	iShares Core S&P 500 ETF	17.85%	14.39%	14.78%	8.17%	5/15/00	-	-
IVW	iShares S&P 500 Growth ETF	21.95%	14.83%	16.78%	8.57%	5/22/00	-	-
MBB	iShares MBS ETF	8.45%	0.08%	1.50%	2.70%	3/13/07	-	-
MTUM	iShares MSCI USA Momentum Factor ETF	22.10%	10.43%	14.44%	14.60%	4/16/13	-	-
OEF	iShares S&P 100 ETF	19.89%	16.21%	15.98%	8.25%	10/23/00	-	-
QUAL	iShares MSCI USA Quality Factor ETF	12.65%	12.72%	13.64%	13.44%	7/16/13	-	-
SYSB	iShares Systematic Bond ETF	8.25%	1.24%	2.75%	2.46%	2/24/15	-	-
THRO	iShares U.S. Thematic Rotation Active ETF	15.18%	-	-	12.21%	12/14/21	-	-
TLH	iShares 10-20 Year Treasury Bond ETF	6.39%	-5.60%	-0.10%	2.97%	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 or 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. Please read the prospectus carefully before investing.

For the BlackRock Floating Rate Income Fund (BFRIX): The Fund's information prior to September 17, 2018 is the information of a predecessor fund that reorganized into the fund on September 17, 2018. The predecessor fund had the same investment objectives, strategies and policies, portfolio management team and contractual arrangements, including the same contractual fees and expenses, as the fund as of the date of the reorganization. As a result of the reorganization, the fund adopted the performance and financial history of the predecessor fund. The predecessor fund's information prior to March 21, 2011 is the information of a fund that reorganized into the predecessor fund on March 21, 2011.

The following fund(s) previously 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. The returns shown are the NAV returns 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. Market price performance uses NAV returns of the predecessor fund prior to the fund's listing date. See below and each fund's respective prospectus for more information:

BIDD: Last day of mutual fund operation: 11/15/2024; Listing date: 11/18/2024; Fund uses NAV performance of the Institutional Class Share of the predecessor fund. Performance for the periods prior to 6/12/17 shown 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."

HIMU: Last day of mutual fund operation: 02/07/2025; Listing date: 02/10/2025; Fund uses NAV performance of the Institutional Class Share of the predecessor fund.

BDVL: Last day of mutual fund operation: 09/12/2025; Listing date: 09/15/2025; Fund uses NAV performance of the Class K Shares of the predecessor fund.

BDYN: Last day of mutual fund operation: 09/12/2025; Listing date: 09/15/2025; Fund uses NAV performance of the Class K Shares of the predecessor fund.

Fees

Target Allocation ETF Models

As of 12/31/25

Ticker	Name	Gross Expense Ratio
BAI	iShares A.I. Innovation and Tech Active ETF	0.65%
BINC	iShares Flexible Income Active ETF	0.52%
DYNF	iShares U.S. Equity Factor Rotation Active ETF	0.26%
EFV	iShares MSCI EAFE Value ETF	0.31%
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	0.39%
GOVT	iShares U.S. Treasury Bond ETF	0.05%
IAGG	iShares Core International Aggregate Bond ETF	0.07%
IAU	iShares Gold Trust	0.25%
ICVT	iShares Convertible Bond ETF	0.20%
IEMG	iShares Core MSCI Emerging Markets ETF	0.09%
ITA	iShares U.S. Aerospace & Defense ETF	0.38%
IUSB	iShares Core Universal USD Bond ETF	0.07%
IVE	iShares S&P 500 Value ETF	0.18%
IVV	iShares Core S&P 500 ETF	0.03%
IVW	iShares S&P 500 Growth ETF	0.18%
MBB	iShares MBS ETF	0.04%
MTUM	iShares MSCI USA Momentum Factor ETF	0.15%
OEF	iShares S&P 100 ETF	0.20%
QUAL	iShares MSCI USA Quality Factor ETF	0.15%
SYSB	iShares Systematic Bond ETF	0.25%
THRO	iShares U.S. Thematic Rotation Active ETF	0.57%
TLH	iShares 10-20 Year Treasury Bond ETF	0.15%

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

IMPORTANT INFORMATION

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 portfolios or (iii) any security in particular. Only an investor and their financial professional know enough about their circumstances to make an investment decision.

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. For BlackRock Funds, please visit www.blackrock.com/prospectus. For iShares Funds, please visit www.iShares.com/prospectus. Read the prospectuses carefully before investing.

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

Any iShares Trusts or other products registered only under the Securities Act of 1933 referenced in this material are not investment companies, and therefore are not subject to the same regulatory requirements as mutual funds or ETFs registered under the Investment Company Act of 1940. Investments in these products may be speculative and involve a high degree of risk. This information must be preceded or accompanied by a prospectus for the iShares Trusts.

For prospectuses for all other third party funds, visit <https://www.sec.gov/edgar/search/>

Click the following links to view a prospectus:

ETHA/IBIT - <https://www.ishares.com/us/products/digital-assets>

GSG - <https://www.ishares.com/us/literature/prospectus/p-ishares-s-and-p-gsci-commodity-indexed-trust-prospectus-12-31.pdf>

IAU - <https://www.ishares.com/us/literature/prospectus/p-ishares-gold-trust-prospectus-12-31.pdf>

IAUM - <https://www.ishares.com/us/literature/prospectus/p-ishares-gold-trust-micro-12-31.pdf>

SLV - <https://www.ishares.com/us/literature/prospectus/p-ishares-silver-trust-prospectus-12-31.pdf>

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The BlackRock model portfolios include investments in shares of funds. Clients will indirectly bear fund expenses in respect of portfolio assets allocated to funds, in addition to any fees payable associated with any applicable advisory or wrap program. BlackRock intends to allocate all or a significant percentage of the BlackRock model portfolios to funds for which it and/or its affiliates serve as investment manager and/or are compensated for services provided to the funds ("BlackRock Affiliated Funds"). BlackRock has an incentive to (a) select BlackRock Affiliated Funds and (b) select BlackRock Affiliated Funds with higher fees over BlackRock Affiliated Funds with lower fees. The fees that BlackRock and its affiliates receive from investments in the BlackRock Affiliated Funds constitute BlackRock's compensation with respect to the BlackRock model portfolios. This may result in BlackRock model portfolios that achieve a level of performance less favorable to the model portfolios, or reflect higher fees, than otherwise would be the case if BlackRock did not allocate to BlackRock Affiliated Funds.

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

Target Allocation ETF Models

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 (gross) will 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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