



BlackRock

A durable foundation

How bond ETFs are powering a portfolio
evolution and fixed income revolution

Key takeaways

Today's yield environment offers investors a generational opportunity just as the portfolio demands on fixed income broaden. With yields meaningfully higher across global fixed income markets, bonds are positioned to potentially deliver higher levels of income and total return. At the same time, portfolios often use fixed income to help manage volatility and liquidity, and support disciplined rebalancing, making this moment uniquely important for strategic allocation decisions.

Bond ETFs are no longer just beta building blocks. They have become an increasingly important component of modern portfolio construction, providing structural benefits that extends beyond what single securities can provide. As the bond market has become more digitized and indexable, ETFs have evolved into scalable, transparent and liquid tools that unify indexed, active, systematic and outcome-oriented strategies within a single ecosystem.

As portfolios expand into private markets, digital assets, and thematic exposures, fixed income allocations become even more important for today's portfolios. This portfolio evolution introduces different liquidity and volatility characteristics, placing greater structural demands on the core of the portfolio. Fixed income is no longer just a diversifier; it can be a liquidity engine, an income anchor and a stabilizing force that aids innovation elsewhere in the portfolio to function without compromising resilience.

Authors



Stephen Laipply

Global Co-Head of iShares Fixed Income ETFs, BlackRock



Karen Veraa-Perry

U.S. Head of iShares Fixed Income Product Strategy, BlackRock



Vasiliki Pachatouridi

EMEA Head of iShares Fixed Income Product Strategy, BlackRock



Hui Sien Koay

APAC Head of iShares Fixed Income Product Strategy, BlackRock

Report contents

Foreword

Introduction

The rise of bond ETFs

Portfolio trends supporting bond ETF growth:

Rising cash

Active ETFs

Private markets

Digital assets

Conclusion



Alex Claringbull

Senior Managing Director
Global Head of Index Investments

Fixed income has been undergoing a quiet but profound revolution.

What began in the early 2000s with the introduction of bond ETFs has steadily transformed into something far more consequential. Over the past two decades, the fixed income market itself has modernized — becoming more digitized, more transparent, more indexable and more scalable. Electronic trading has expanded, data quality has improved, and portfolio construction tools have advanced. This structural progress has not always made headlines, but it has fundamentally reshaped how investors access and use bonds.

Today, that progress may be reaching an inflection point.

The yield environment has meaningfully reshaped the opportunity set. Across many segments of global markets, income levels are at multi-year highs, restoring fixed income's capacity to serve not only as a source of resilience, but also as a driver of both income and total return.

Bond ETFs may be the clearest expression of this revolution. Once viewed primarily as tactical liquidity tools, they have matured into core portfolio building blocks. They connect the depth and diversity of global bond markets with the efficiency, transparency and tradability that modern portfolio management demands. While adoption has accelerated significantly, indexed strategies still represent less than 5% of global bonds outstanding¹ — highlighting the potential for further structural growth.

Importantly, bond ETFs are no longer simply vehicles for accessing fixed income; they can serve as central tools that help enable the rest of the portfolio to function. As investors expand into private markets, digital assets and less liquid exposures, the need for reliable income, daily liquidity, disciplined rebalancing and scalable risk management becomes more acute. Bond ETFs sit at the center of that framework.

Innovation across asset classes will continue. Portfolios will likely grow more complex. But the quiet revolution of fixed income — and the continued advancement of bond ETFs — can be what provides the structural foundation that allows portfolios to endure.

While headlines often focus on what is new, portfolios ultimately depend on a durable foundation.

Portfolio transformation demands fixed income discipline

The expanding portfolio landscape

Portfolios are undergoing a structural transformation. Never before have investors had such broad, efficient access to new asset classes — from private markets to digital assets — reshaping the opportunity set and expanding portfolio complexity.

The modern allocation framework is no longer a simple balance between equities and bonds; it is a multi-dimensional architecture spanning public and private exposures, liquid and illiquid strategies, traditional and alternative potential return streams.

Yet amid this expansion, a critical question emerges: what helps hold the portfolio together? Fixed income can no longer be sized merely as a counterweight to equity risk. Its role has evolved. Today, fixed income can simultaneously support liquidity needs, anchor potential income generation, help enable disciplined

rebalancing, and offer a means to manage portfolio volatility across shifting market regimes.

Importantly, an expanded role coincides with a materially improved starting point. As of February 2026, approximately **60% of global fixed income assets yield above 4%**, compared to less than 20% in 2019,² meaning income has re-emerged as a significant contributor to potential total return and portfolio stability.

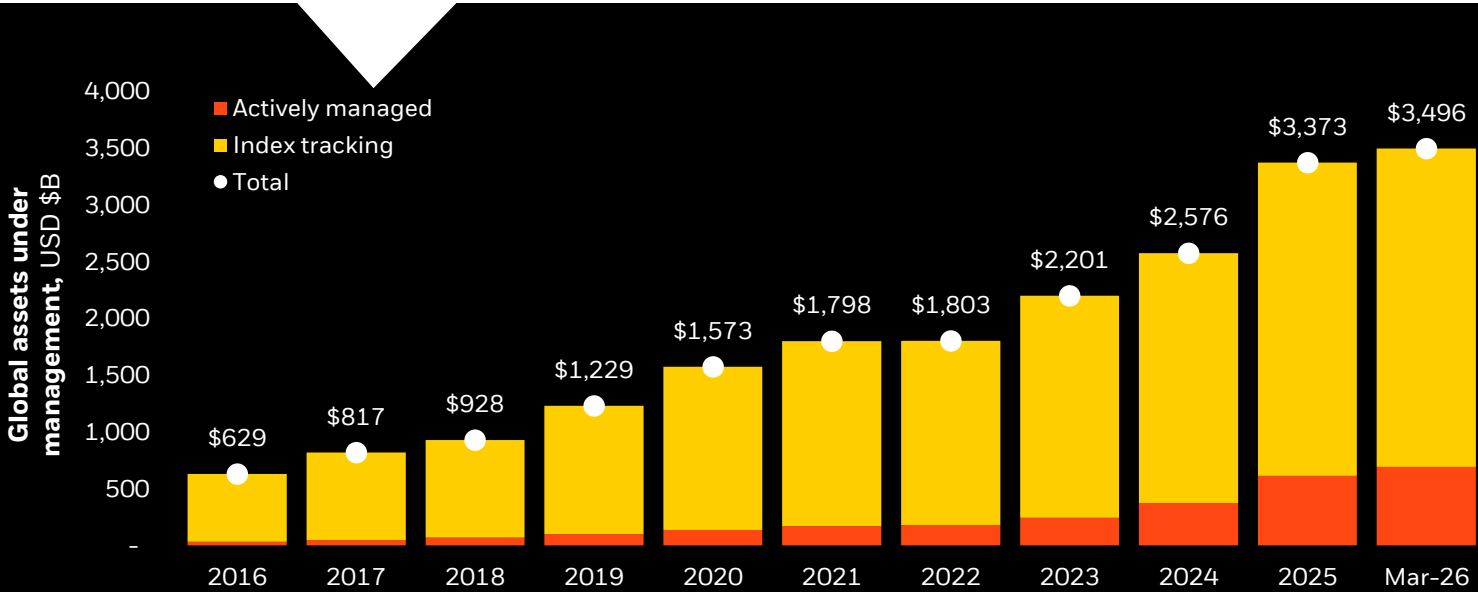
Modern fixed income, delivered through ETFs

This transformation in portfolio construction comes alongside a transformation in fixed income markets themselves. Once considered opaque, dealer-driven and operationally cumbersome, the bond market is now increasingly digitized, transparent

and indexable. Electronic trading has expanded significantly, data quality has improved, and indexing has transformed millions of individual bonds into coherent, investable building blocks.

At the center of this modernization stands bond ETFs. Now representing more than **\$3 trillion in assets globally**, with \$669 billion in flows in 2025 alone, exceeding the combined total of 2022 and 2023, and as of March end in 2026, flows were nearly 30% higher than they were in the first quarter of 2025.³ Bond ETFs have translated the scale and breadth of the bond market into tradable, transparent and operationally efficient exposures. What began as a tactical liquidity tool has matured into a strategic allocation vehicle used by institutions, advisers and wealth investors worldwide.

Global bond ETF assets have more than doubled since 2020, to over \$3 trillion today



Source: BlackRock Global Business Intelligence as of March 31, 2026.

Bond ETFs sit at the intersection of two defining transformations: the expansion of portfolio complexity and the modernization of fixed income market structure. On one side, portfolios are incorporating more illiquid, volatile and differentiated return streams. On the other, fixed income markets have become more transparent, indexable and technologically enabled. Bond ETFs connect these shifts — providing the scalable liquidity, income precision and implementation efficiency that can support increasingly sophisticated portfolios.

As a result, bond ETFs may be uniquely positioned to serve the expanded role that fixed income can play within modern portfolios.

The ongoing journey in fixed income indexing

Fixed income indexing has evolved steadily alongside the modernization of bond markets. Early bond indices emerged in the 1970s, tracking narrow sets of government and corporate securities. The launch of the U.S. Aggregate Index in 1986 marked a major inflection point, broadening benchmark exposure to encompass the core investment grade market, including securitized assets.

Subsequent expansions, such as the U.S. Universal Index in 1999 and, more recently, the U.S. Total Bond Market Index in 2025, have continued to widen the opportunity set, reflecting a more complete and investable view of global bond markets that now spans nearly \$40 trillion across government, corporate, securitized, inflation linked, and floating rate segments.⁴

Bond ETFs have been instrumental in translating this growing index breadth into practical portfolio building blocks, offering investors efficient, transparent, and scalable access to diversified fixed income exposures that would be difficult to assemble and maintain through individual securities alone.

The rest of this paper examines several defining trends shaping investor behavior today. Across each theme, a consistent conclusion emerges: as portfolios evolve, fixed income can be foundational, and bond ETFs have become more integral to how it is accessed, implemented and managed.

1. Elevated cash balances

2. The demand for income helping drive the rise of active and systematic fixed income ETF strategies

3. Expanding private market allocations

4. Accelerating digital asset exposure



—

Cash has been rising – but so has opportunity cost

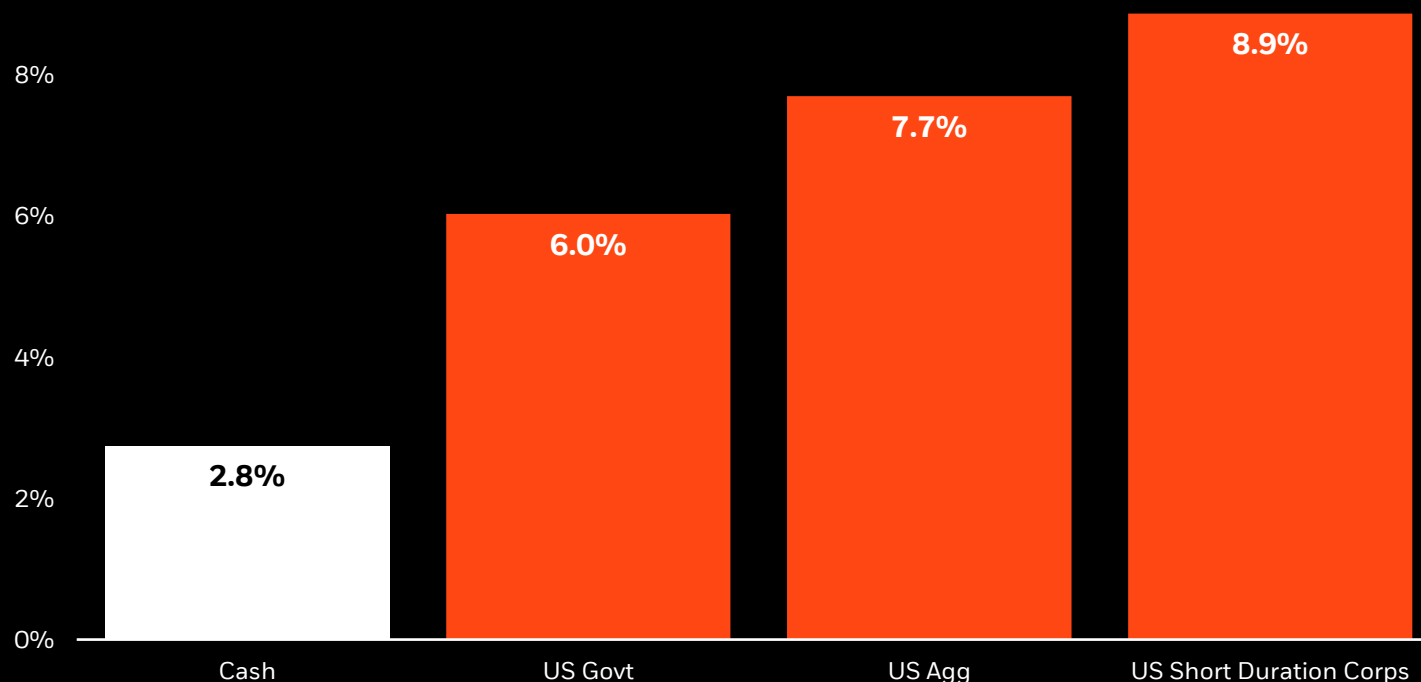
Global cash allocations have reached historic highs. By year-end 2025, global money market balances climbed to nearly **\$12 trillion**, adding more net new assets than any other asset class in the past 3 years, and growing more than 2X in the last decade.⁵

While elevated policy rates and macro volatility may have incentivized defensive positioning, the rise in cash appears to be more than cyclical. As capital markets deepen and expand, structural liquidity pools will likely grow alongside them, suggesting that elevated cash balances may persist even as conditions normalize.

The key question for investors is not whether holding liquidity has been prudent—but whether it remains optimal as the rate cycle evolves. History can provide some perspective. As depicted in the chart, in prior rate-cutting cycles, the one-year average return on cash after cuts began following a pause of 3 months or longer was approximately **2.8%**, reflecting the rapid repricing of short-term yields. By contrast, bonds have historically delivered **7–9%** over the same period,⁶ benefiting from both higher income and price appreciation as yields declined. The asymmetry is notable: cash yields reset downward almost immediately, while fixed income captured duration-driven upside.

Historical performance after the Fed resumes cutting interest rates

1-year average return after rate cuts resumed following a pause of 3 months or longer, 1/1/1990 - 1/31/2026



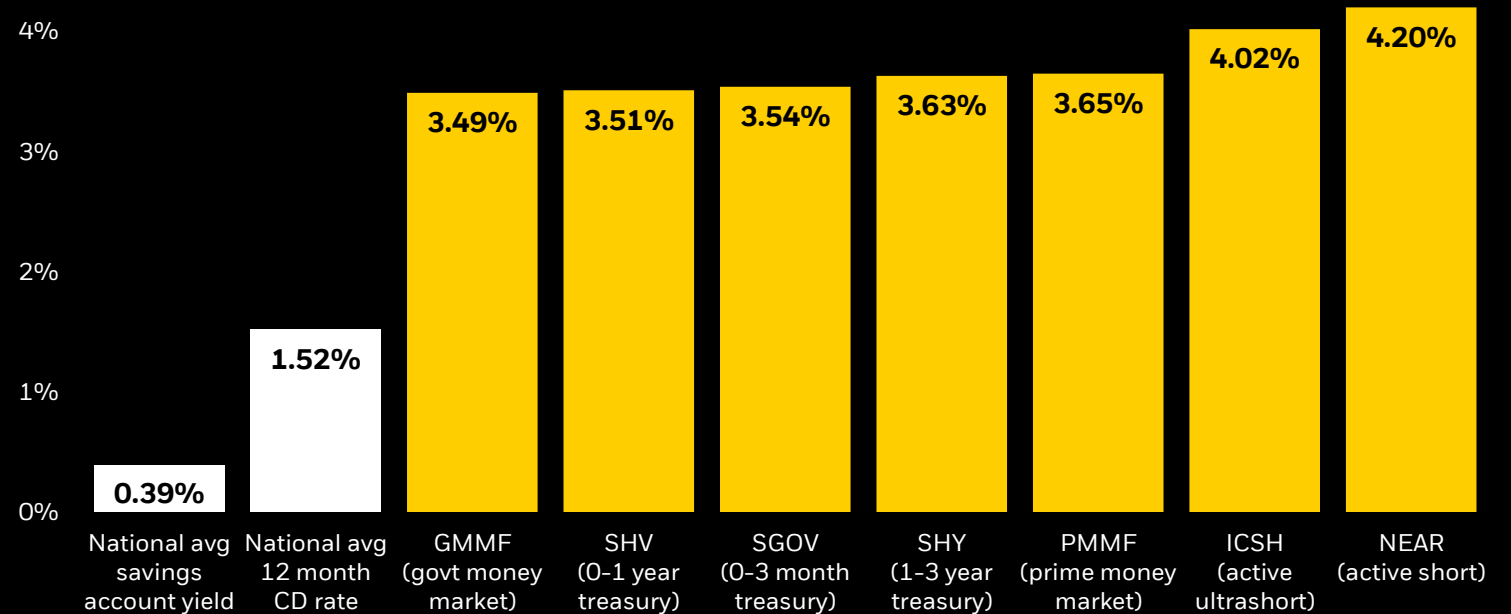
Source: BlackRock, Bloomberg. Cash represented by Bloomberg US T-Bills 1-3 Month Index; US Govt represented by Bloomberg US Treasury Index; USD Agg represented by Bloomberg USD Aggregate Index; USD Short Duration Corps represented by Bloomberg US Corporate 1-5 Year Index. Average 1yr total returns for the post-rate hike periods 30/10/1990-30/10/1991, 10/04/1992-10/04/1993, 20/12/1995 - 19/12/1996, 26/06/2003 - 25/06/2004, 19/10/2008 - 19/10/2009, 04/03/2020 - 04/03/2021. **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. Past performance does not guarantee future results.**

For investors seeking to redeploy excess liquidity while managing risk, bond ETFs, particularly short-duration or term-maturity strategies, such as iBonds® ETFs, may offer a scalable bridge. These vehicles can provide incremental yield pickup and the ability to seek today's still-elevated rates, while maintaining daily liquidity and flexibility.

In an environment where cash has grown both tactically and structurally, the opportunity cost of remaining sidelined could be rising. For some investors, bond ETFs may offer an efficient path from idle liquidity toward more durable total return potential.

Short duration bond ETFs to help manage excess cash allocations

30-Day SEC Yields of select iShares fixed income ETFs, %



Source: BlackRock, FDIC, iMoneyNet, as of 31 March 2026. National average savings account yield represents average interest rate paid on savings deposit accounts at U.S. insured depository institutions. National average 12-month CD rate is the average interest rate on 12-month certificates of deposit (CDs) with balances less than \$100 million offered by insured U.S. depository institutions (banks and credit unions). iShares ETF yields are 30-Day SEC yields. It's important to note that there are material differences between Savings accounts, CDs and ETFs, including investment objectives, risks, fees, and expenses. CDs are fixed income investments that generally pay a set rate of interest over a fixed time period until maturity, whereupon the principal is typically returned plus any interest earned. Early withdrawal from CDs may result in interest penalties. Most savings accounts pay compound interest, meaning earnings are added to the balance to create a larger base on which future interest is paid. Most savings accounts allow you to add or withdraw money at any time without incurring a fee. Both Savings accounts and CDs principal investments are insured by the FDIC up to applicable FDIC limits, while ETFs are not FDIC insured and may lose value. Most ETFs seek to track an index, before fees and expenses. ETFs trade on exchanges intraday and may incur brokerage commissions. ETF shares can be sold at market price, which may be higher or lower than NAV, and are not individually redeemable from the fund. Diversification may not protect against market risk. Transactions in shares of ETFs may result in brokerage commissions and tax consequences. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained. Short term bond ETFs may experience greater volatility than cash equivalents.

Performance data represents past performance and does not guarantee future results. Investment return and principal value will fluctuate with market conditions and may be lower or higher when you sell your shares. Current performance may differ from the performance shown. For standardized performance and most recent month end performance, click on the fund's ticker symbol: [GMMF](#) | [SHV](#) | [SGOV](#) | [SHY](#) | [PMMF](#) | [ICSH](#) | [NEAR](#).

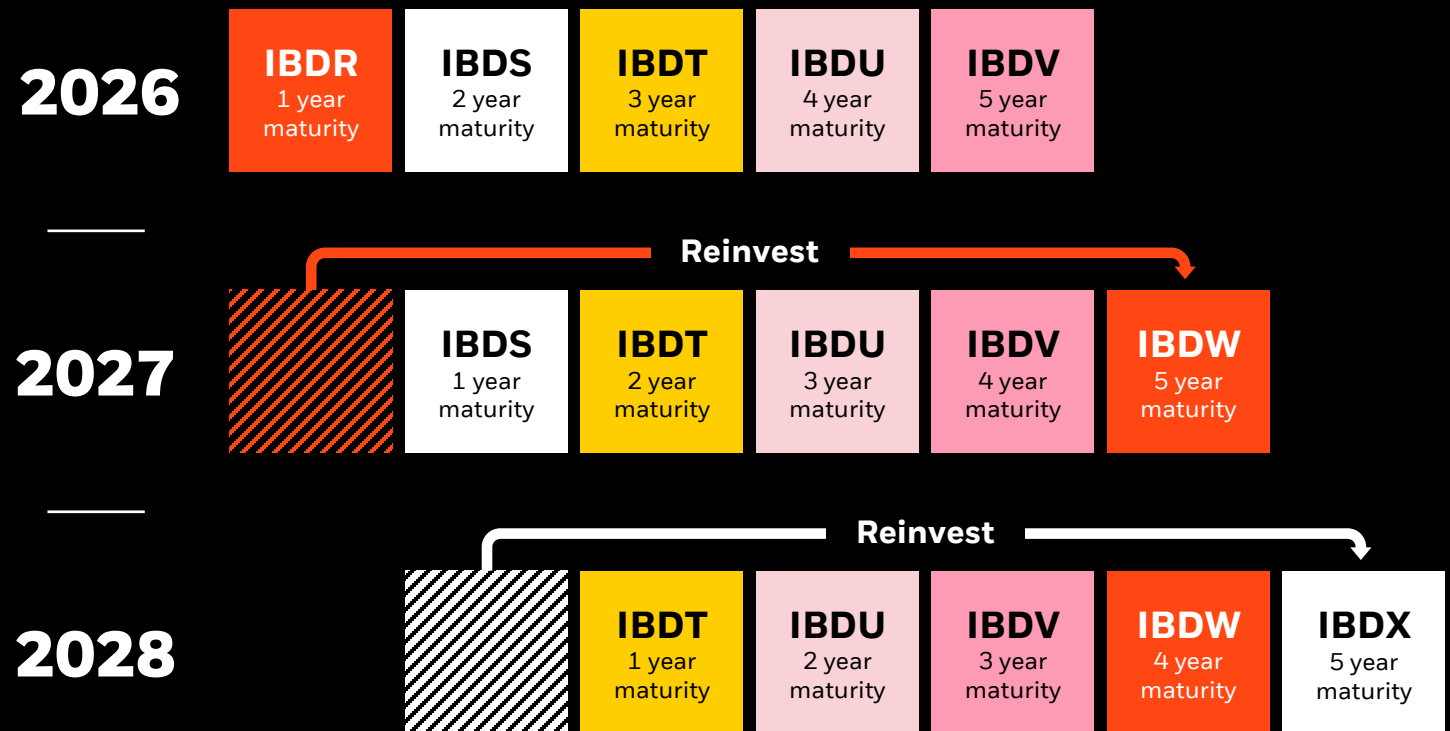
Term maturity bond ETFs

Term Maturity bond ETFs such as iShares iBonds ETFs allow investors to seek today's yields with a stated, defined maturity, similar economically to term deposits but with the ability to trade out of the exposure before maturity.

By holding a diversified portfolio of bonds that mature in a specific calendar year, iBonds ETFs seek to provide regular income distributions along the way and return proceeds at maturity — similar to individual bonds, but with the efficiency and liquidity of an ETF. iBonds ETFs can be particularly attractive for investors sitting in cash instruments who want to increase yield potential and move beyond rollover/ reinvestment risk in T-Bills or money market funds, while still having certainty around the timing of maturing proceeds. iBonds ETFs can help investors put cash to work, seek yields for a known time horizon, and plan for future liquidity needs.

5-year corporate bond ladder

Made easy with iBonds ETFs





Beyond traditional beta – seeking income through an expanded fixed income ETF toolkit

In a market where inflation uncertainty, episodic volatility, and shifting rate paths can quickly reprice both duration and credit, investor demand has coalesced around a simple goal: **income that is reliable, resilient, and repeatable**. The challenge is that “more income” is often pursued in the least resilient ways, by extending duration into rate-shock risk or by drifting down the credit spectrum into spread-widening risk.

Bond ETFs can help solve this problem not just through low-cost market exposures, but through a broader toolkit of implementation. Active fixed income ETFs remain a minority of ETF fixed-income assets (**20% globally**),⁷ yet momentum has accelerated rapidly. Active fixed income ETFs grew \$215B in 2025, capturing **32% of global fixed income ETF flows**,⁷ signaling that investors likely want portfolio-manager discretion delivered in an ETF wrapper.

Flexible active bond managers can help to rebalance the income/risk equation. In the Morningstar **US Fund Multisector Bond** category, the average effective duration was **~4.1 years** with a **~5.0% 30 day SEC yield**,⁸ versus the Bloomberg US Aggregate Bond Index with **5.8 years** of effective duration and **~4.1% 30 day SEC yield**, illustrating how dynamic tilts can potentially support investors to enhance portfolio yield while reducing rate sensitivity.⁹

Active fixed income ETF asset growth

Assets under management, 2016-2026

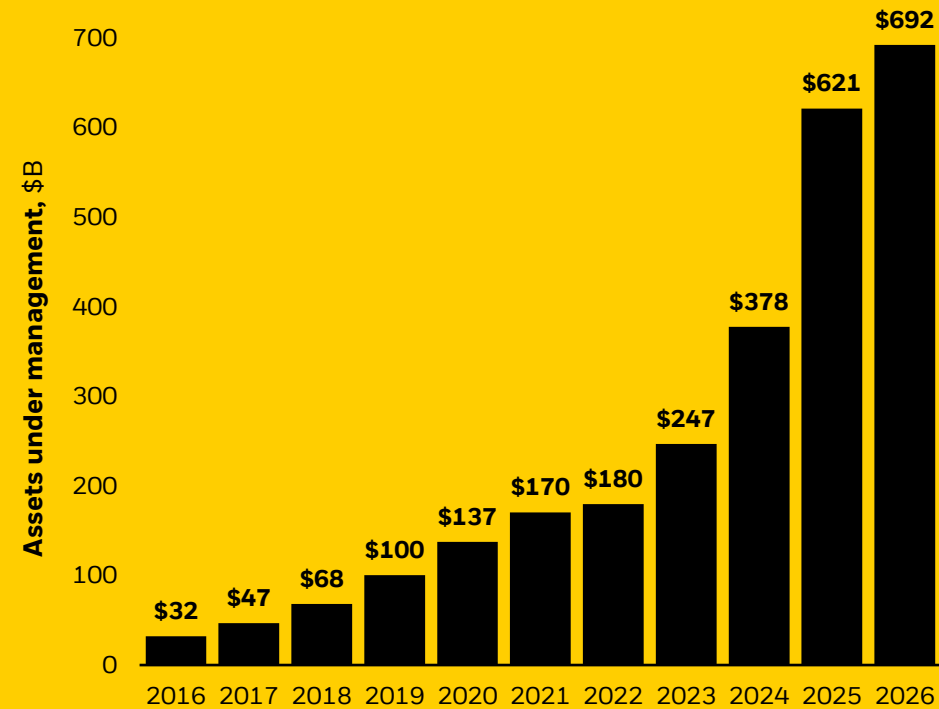


Chart 1 Source: BlackRock Global Business Intelligence, as of March 31, 2026.

Rebalancing the income-risk trade-off in fixed income

Duration and yield comparison, Morningstar US Multisector Bond category vs Bloomberg US Aggregate Bond Index

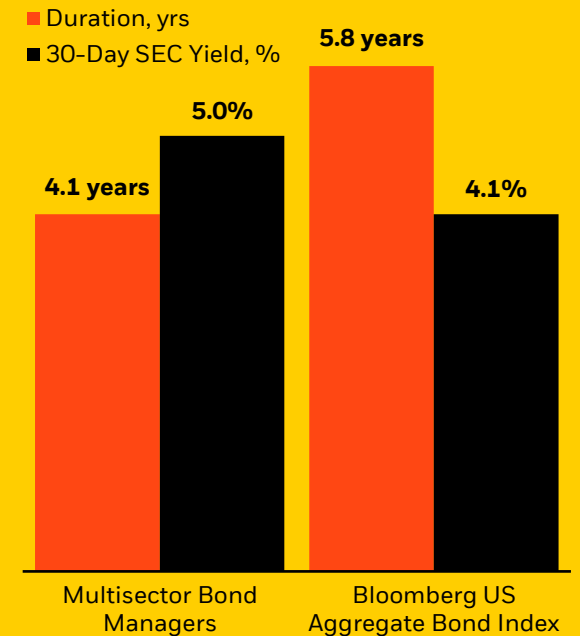


Chart 2 Source: BlackRock, Morningstar, as of February 27, 2026. Based on largest share class average, and unsubsidized 30-Day SEC yields. The Morningstar US Fund Multisector Bond category comprises 50 ETFs and 90 mutual funds. As defined by Morningstar, multisector-bond portfolios seek income by diversifying their assets among several fixed-income sectors, usually US government obligations, US corporate bonds, foreign bonds, and high-yield US debt securities. These portfolios typically hold 35% to 65% of bond assets in securities that are not rated or are rated by a major agency such as S&P or Moody's at the level of BB (considered speculative for taxable bonds) and below. **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. Past performance does not guarantee future results.**

As portfolios become more sophisticated, bond ETFs are no longer just broad market exposure vehicles, they can also be tools for core exposure, systematic tilts, and outcome-oriented income.

Employed together, indexed, outcome-oriented, systematic and active bond ETFs create a cohesive ecosystem within a portfolio. Investors can:

- Maintain a core allocation
- Add targeted tilts
- Access differentiated potential income streams
- Adjust risk exposures without leaving the ETF structure

Leveraging active and systematic bond ETFs to expand the income opportunity set

The iShares platform illustrates how the income toolkit has evolved:

Alpha-seeking strategies

- BINC (iShares Flexible Income Active ETF)
- CLOA (iShares AAA CLO Active ETF)
- HIMU (iShares High Yield Muni Active ETF)

These strategies provide access to diversified potential income sources and sectors that had previously been more difficult to access efficiently within an ETF structure. By doing so, managers can dynamically allocate across credit tiers, securitized markets and duration profiles.

Systematic strategies

- SYSB (iShares Systematic Bond ETF)
- IGEB (iShares Investment Grade Systematic Bond ETF)
- HYDB (iShares High Yield Systematic Bond ETF)

These approaches apply rules-based methodologies to refine credit exposure, manage duration or seek incremental yield – offering alternatives to traditional market-cap-weighted exposures.

Outcome-oriented strategies

- TLTW (iShares 20+ Year Treasury Bond BuyWrite Strategy ETF)
- LQDI (iShares Inflation Hedged Corporate Bond ETF)
- LQDH (iShares Interest Rate Hedged Corporate Bond ETF)

BuyWrite strategies aim to boost portfolio income by pairing bonds with a disciplined covered-call strategy that seeks to generate additional cash flow, while hedged strategies seek to insulate credit returns from interest rate and or inflation risk.

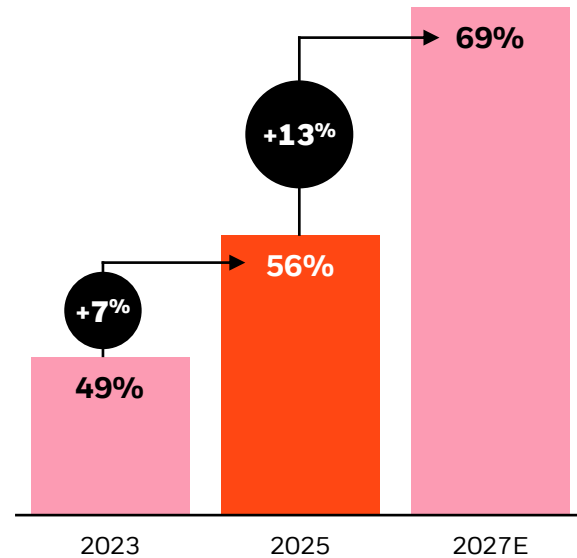


Interest in private markets has surged – liquidity must expand to meet investor needs

The adoption of private markets within portfolios has grown in recent years. Once the domain of large institutions, private equity, private credit, infrastructure and private real estate exposures have become increasingly accessible to wealth clients. **70%** of advisors say they expect to begin using private markets exposures by 2027.¹⁰ At the same time, we estimate investible opportunities across private equity, private credit and privately held infrastructure and real estate will expand to **\$32 trillion by 2030**, up from \$19 trillion today.¹¹

The pace of private markets adoption has accelerated

% of advisors using private markets



Source: 2026 BlackRock Advisor Insights Trends survey with data from 1,023 advisors as of Sept. 7, 2025. There is no guarantee that future forecasts will be realized.

This growth reflects a structural shift. Companies are staying private longer, capital formation has increasingly occurred outside public markets,¹² and investors are seeking differentiated sources of return and income. For institutional investors, private markets can offer potential return premia and diversification benefits. For wealth portfolios, they present access to new opportunity sets and potential income streams that were previously difficult to reach.

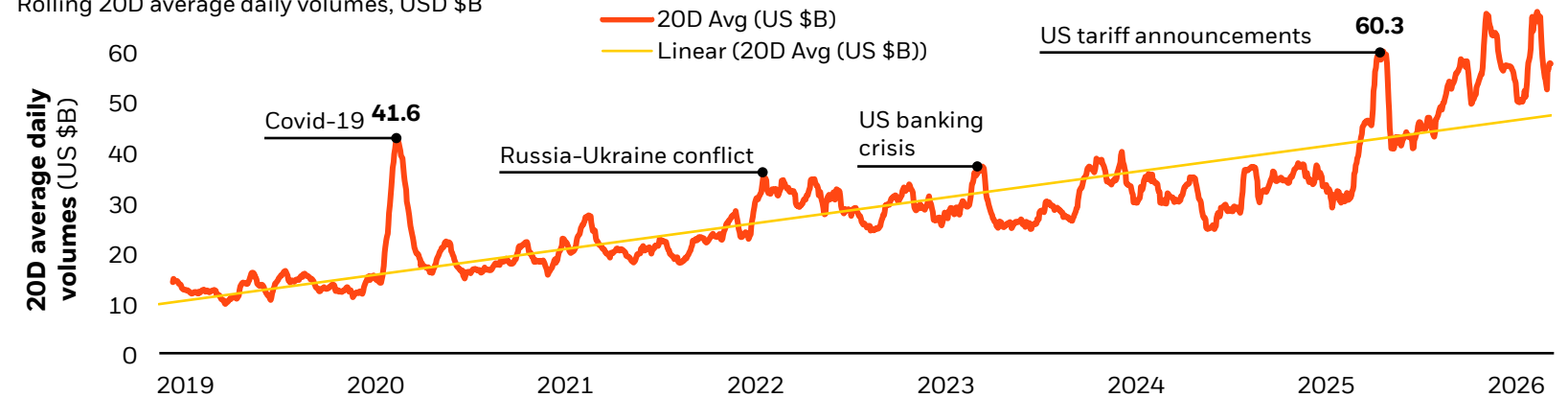
However, expanding private allocations requires thoughtful liquidity management and investor education. Many private assets are designed with longer investment horizons, with capital typically committed for extended periods. Capital calls can create variability in cash flows, and during stress periods when public assets may reprice more quickly than private valuations, portfolio weights can shift mechanically making liquidity management especially important. As portfolios incorporate greater private exposure, maintaining sufficient liquidity becomes an increasingly critical component of overall portfolio construction.

Bond ETFs can play a key role in that liquidity toolkit. Fixed income ETFs have demonstrated steadily expanding trading volumes over time, averaging **\$67 billion a day year-to-date**, up from \$20 billion in 2020, with activity often peaking during periods of market stress, precisely when liquidity is needed most.¹³ Trading volumes rose to \$58 billion during the April 2025 tariff-driven volatility and surged to \$84 billion in March 2026 amid the Iran conflict, versus a \$49 billion daily average for full-year 2025.¹⁴ Their exchange-based structure enables intraday trading and price transparency, even when underlying bond markets are strained.

In this way, bond ETFs can serve as a liquid ballast alongside growing private allocations, helping investors maintain flexibility, meet cash flow needs and rebalance portfolios efficiently while participating in the long-term growth potential of private markets.

Global bond ETF industry trading volumes

Rolling 20D average daily volumes, USD \$B



Source: BlackRock, Bloomberg, big xyt as of March 31, 2026. Rolling 20-day average daily volume is the average number of shares traded per day over the 20 trading days ending on the date referenced. Past performance does not guarantee future results. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained.

iShares at the center of Bond ETF liquidity

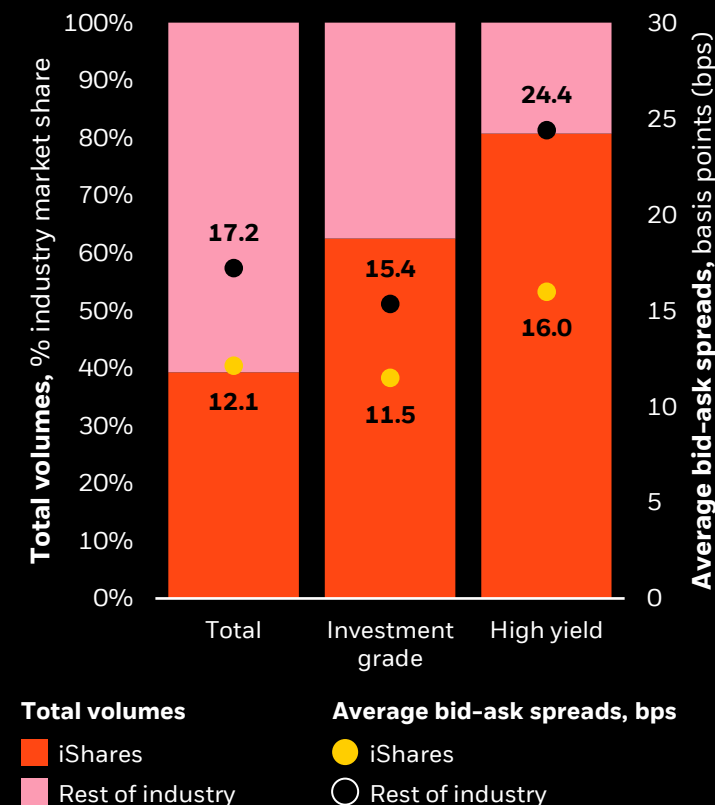
As shown in the chart, in 2025, iShares represented approximately 40% of total global bond ETF trading volume. In key segments such as investment grade, that figure reached as high as 60%, and in high yield, up to 80% of trading activity.¹⁵ Importantly, this scale was achieved while maintaining average bid-ask spreads roughly 25% or more below the broader industry average.¹⁶

The concentration of trading activity in iShares bond ETFs suggests that investors may be increasingly using these vehicles as core liquidity tools — for portfolio rebalancing, tactical positioning, and risk transfer.

Scale, liquidity, and cost efficiency have tended to reinforce one another. The 2025 trading data underscores how investors have turned to iShares fixed income ETFs not simply for exposure, but as part of their broader liquidity management toolkit.

Trading volumes and average bid-ask spreads

Global iShares fixed income ETFs vs industry, 2025 average



Source: BlackRock, Bloomberg, big xyt as of March 31, 2026. Left-hand side represents full year 2025 market share of bond ETF trading volumes for iShares and the rest of the industry. Right-hand side represents full year 2025 average bond ETF bid-ask spreads for iShares and the rest of the industry. An ETF's bid-ask spread is the gap between its trading buy price and sell price, and it represents a basic cost of trading the ETF. **Past performance does not guarantee future results.**



—

Portfolios with larger allocations to digital assets may need broader stabilizers

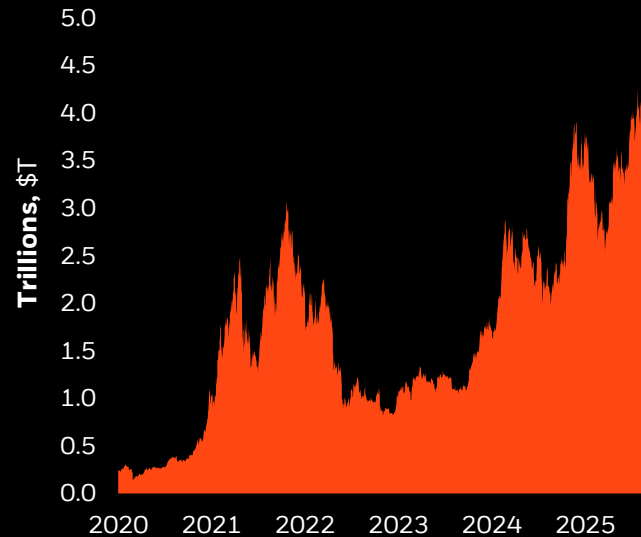
Digital assets have grown as more investors allocate to the asset class. Cryptocurrency assets as one example, have grown rapidly. The total crypto market cap is now **\$2.4 trillion**,¹⁷ while ETPs providing access to cryptocurrency have grown from \$4 billion to **\$120 billion** in just 3 years, with now **300+** listed ETPs.¹⁸ **>75%** of institutional investors are expected to increase allocations to digital assets and **59%** planned to allocate **>5% of AUM** to cryptocurrencies.¹⁹

Over the last five years ending March 2026, Bitcoin has behaved differently against bonds and equities, with 0.18 monthly correlation between Bitcoin and the US Aggregate Bond Index, compared with 0.43 for global equities.²⁰ With fixed income's lower correlation to Bitcoin than equity's, balancing Bitcoin allocations with bonds may be able to help balance overall performance across different market conditions.

Bond ETFs can help mitigate the impact of market volatility by ensuring diversified duration/credit exposure across a range of bonds, while consolidating exposure into a single vehicle to simplify investment. When allocations drift, bond ETFs can allow for rapid and cost-efficient resizing without the need to buy/sell individual bonds.

Growth of digital assets

Market capitalization, USD \$T



Correlations of Bitcoin and traditional assets

Rolling correlations of Bitcoin and Fixed Income, Equity

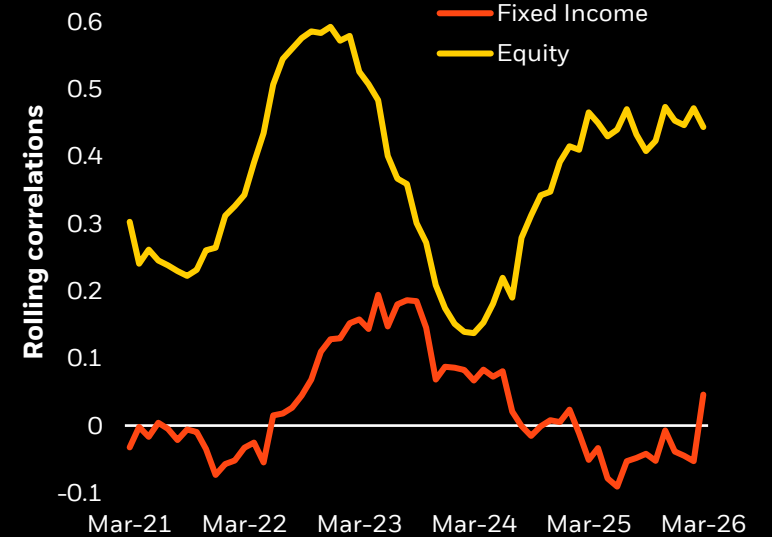


Chart 1 Source: CoinGecko, World Federation of Exchanges, Coinmetrics. Approximate total market cap, including stablecoins, cryptocurrency, and other tokenized assets as of October 2025. Investing in digital assets involves significant risks due to their extreme price volatility and the potential for loss, theft, or compromise of private keys. The value of the shares is closely tied to acceptance, industry developments, and governance changes, making them susceptible to market sentiment. Digital assets represent a new and rapidly evolving industry, and the value of the Shares depends on their acceptance. Changes in the governance of a digital asset network may not receive sufficient support from users and miners, which may negatively affect that digital asset network's ability to grow and respond to challenges. Investing in the Trust comes with risks that could impact the Trust's share value, including large-scale sales by major investors, security threats like breaches and hacking, negative sentiment among speculators, and competition from central bank digital currencies and financial initiatives using blockchain technology. A disruption of the internet or a digital asset network would affect the ability to transfer digital assets and, consequently, would impact their value. There can be no assurance that security procedures designed to protect the Trust's assets will actually work as designed or prove to be successful in safeguarding the Trust's assets against all possible sources of theft, loss or damage.

Chart 2 Source: BlackRock, Bloomberg as of March 31, 2026. Based on Bloomberg Bitcoin Index; Fixed income represented by the Bloomberg US Aggregate Bond Index and Equity represented by the MSCI ACWI Index. Correlation measures how two investments move relative to each other: a positive correlation means they tend to rise and fall together, a negative correlation means one often rises when the other falls, and a zero correlation means their movements are largely unrelated.

Conclusion

We believe many modern portfolios are now broader, more complex, and have different liquidity characteristics than in the past. Innovation should continue to expand the frontier of asset allocation. As portfolios evolve, the integrity of the core may become even more important.

Fixed income has moved from serving as a balancing allocation to a key part of the infrastructure that can offer support to the entire portfolio. Bond allocations can serve to anchor portfolio income, support liquidity management, and provide portfolio resiliency across macro regimes.

Fixed Income ETFs have emerged as a central implementation mechanism to help power a bond market revolution — translating the modernization

of fixed income markets into scalable, transparent, and efficient portfolio tools. Indexed bond ETFs can form the structural core, while alpha seeking, systematic, and outcome-oriented ETFs help extend access and offer enhanced flexibility for potentially higher returns.

We believe innovation will likely continue to accelerate, asset classes will evolve, and portfolios can endure best when they are built on durable foundations. In the modern allocation framework, fixed income ETFs are not simply a component of the portfolio — we believe they serve as the foundation to supporting the transformation in portfolios and the assets within them.



References

1 Source: SIFMA, 2024 Annual Capital Markets Outlook (published July 30, 2025); BlackRock Global Business Intelligence; Simfund; Broadridge data, as of December 31, 2025.

2 Source: BlackRock Investment Institute, with data from LSEG Datastream, February 2026.

3 Source: BlackRock Global Business Intelligence, as of March 31, 2026. Q1 2026 global bond ETF industry flows were \$172 billion vs \$134 billion in Q1 2025.

4 Source: Bloomberg. The Bloomberg U.S. Total Fixed Income Market Index captured \$41tn of the investable bond universe as of March 31, 2026.

5 Source: BlackRock Global Market Intelligence, as of December 31, 2025. Money market balances reached \$11.8T in 2025 compared with \$4.9T in 2015. Flows into money market funds between 2022-2025 totalled \$3.0T vs \$2.9T for Fixed Income managed assets.

6 Source: BlackRock, Bloomberg. Cash represented by Bloomberg US T-Bills 1-3 Month Index; US Govt represented by Bloomberg US Treasury Index; US Agg represented by Bloomberg USD Aggregate Index; Short duration USD IG Corps represented by Bloomberg US Corporate 1-5 Year Index. Average 1yr total returns for the post-rate hike periods 30/10/1990-30/10/1991, 10/04/1992-10/04/1993, 20/12/1995 – 19/12/1996, 26/06/2003 – 25/06/2004, 19/10/2008 – 19/10/2009, 04/03/2020 – 04/03/2021. **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. Past performance does not guarantee future results.**

7 Source: BlackRock Global Business Intelligence, as of March 31, 2026.

8 Source: BlackRock, Morningstar, as of February 27, 2026. Based on largest share class average, and unsubsidized SEC yields. The Morningstar US Fund Multisector Bond category comprises 50 ETFs and 90 mutual funds. As defined by Morningstar, multisector-bond portfolios seek income by diversifying their assets among several fixed-income sectors, usually US government obligations, US corporate bonds, foreign bonds, and high-yield US debt securities. These portfolios typically hold 35% to 65% of bond assets in securities that are not rated or are rated by a major agency such as S&P or Moody's at the level of BB (considered speculative for taxable bonds) and below. **Past performance is not indicative of future results.**

9 Source: BlackRock, Bloomberg as of February 27, 2026. Effective duration measures the average price sensitivity of the fund to a parallel change in interest rates. Index performance is for illustrative purposes only. "Tilt" means intentionally overweighting or underweighting certain bond characteristics relative to a benchmark in order to express a market view, manage risk, or seek better risk-adjusted returns. **Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

10 Source: 2026 BlackRock Advisor Insights Trends survey with data from 1,023 advisors as of September 7, 2025.

11 Source: Source: Preqin data, as published in "Private Markets in 2030" in October 2025. Private equity is inclusive of venture capital. The model has leveraged Preqin's closed-end fund dataset. Given that Preqin coverage of the open-ended fund universe is not yet suitable for modelling, BlackRock provided a top-down estimate of the private credit Business Development Company (BDC) universe. Business Development Companies (BDCs) are publicly traded investment companies that provide loans to small and mid sized U.S. businesses. Preqin added that estimate to the overall forecast to provide better context for the growth of the overall asset class. Although Preqin acknowledges that other fund structures, such as European long-term investment funds (ELTIFs) and long-term asset funds (LTAFs), are an important part of the growth story, Preqin is not yet incorporating these vehicles into forecasts – which may represent additional upside risk to our view. Note that, as a result, Preqin does not have corresponding forecasts for BDC fundraising and performance. There is no guarantee that any forecasts made will come to pass.

12 Source: The number of publicly held U.S. companies fell by 32% since the 1980s. Of the U.S. firms with revenue over \$100 million, 81% are private. Source: U.S. Census Bureau Center for Economic Studies - Business Dynamics Statistics (2022). U.S. Census Bureau Center for Economic Studies - Business Dynamics Statistics (2022), World Federation of Exchanges database. Represents latest data as of 2022, as derived on April 2, 2025. Denotes growth or decline for US public and private companies from 1988 to 2022; Capital IQ, BlackRock, as of December 31, 2024.

13,14 Source: BlackRock, Bloomberg, big xyt as of March 31, 2026.

15,16 Source: BlackRock, Bloomberg, big xyt as of March 31, 2026. 2025 Total Fixed Income ETF Trading Volume was \$12.8T, of which iShares made up \$5.0T. iShares average spreads were 12bps, vs competitors at 17bps. Investment Grade volumes totalled \$1.9T of which iShares was \$1.2T. iShares average spreads were 12bps, vs competitors at 15bps. High Yield volumes totalled \$1.3T of which iShares made up \$1.0T. iShares average spreads were 16bps, vs competitors at 25bps. Past performance does not guarantee future results.

17 Source: TradingView, as of March 31, 2026.

18 Source: BlackRock Global Business Intelligence, as of March 31, 2026.

19 Source: Coinbase & EY Parthenon Institutional Investor Digital Assets Survey, Jan 2025. Survey findings are based on responses from 352 institutional investors. <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-us/insights/financial-services/documents/ey-growing-enthusiasm-propels-digital-assets-into-the-mainstream.pdf>

20 Source: BlackRock, Bloomberg as of March 31, 2026. Based on Bloomberg Bitcoin Index; Bloomberg US Aggregate Bond Index and MSCI ACWI Index.



Important Information

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

Investing involves risk, including possible loss of principal.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in the value of debt securities. Credit risk refers to the possibility that the debt issuer will not be able to make principal and interest payments.

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

Actively managed funds do not seek to replicate the performance of a specified index, may have higher portfolio turnover, and may charge higher fees than index funds due to increased trading and research expenses. There is no guarantee an active fund will meet its investment objective.

iShares Prime Money Market ETF: You could lose money by investing in the Fund. Unlike a traditional money market fund, the Fund operates as an exchange traded fund (“ETF”). As an ETF, the Fund’s shares will be traded on an exchange and will generally fluctuate in accordance with changes in net asset value (“NAV”) per share as well as the relative supply of, and demand for, shares on the exchange. Because the share price and NAV of the Fund will fluctuate, when shares are sold (or redeemed, in the case of an Authorized Participant), they may be worth more or less than what was originally paid for them. The Fund may impose a fee upon sale of shares by Authorized Participants. The Fund generally must impose a fee when net sales of Fund shares exceed certain levels. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

iShares Government Money Market ETF: You could lose money by investing in the Fund. Although the Fund will seek to qualify as a “government money market fund,” it will not seek to maintain a stable net asset value (“NAV”) per share using the amortized cost method of valuation. Instead, the Fund will calculate its NAV per share based on the market value of its investments. In addition, unlike a traditional money market fund, the Fund operates as an exchange traded fund (“ETF”). As an ETF, the Fund’s shares will be traded on an exchange and will generally fluctuate in accordance with changes in NAV per share as well as the relative supply of, and demand for, shares on the exchange. Because the share price and NAV of the Fund will fluctuate, when shares are sold (or redeemed, in the case of an Authorized Participant), they may be worth more or less than what was originally paid for them. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

Diversification and asset allocation may not protect against market risk or loss of principal.

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

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are as of the date indicated and may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by BlackRock, its officers, employees or agents. This material may contain “forward-looking” information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any of these views will come to pass. Reliance upon information in this material is at the sole discretion of the viewer.

This material contains general information only and does not take into account an individual's financial circumstances. This information should not be relied upon as a primary basis for an investment decision. Rather, an assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a financial professional before making an investment decision.

Prepared by BlackRock Investments, LLC, member FINRA.

© 2026 BlackRock, Inc or its affiliates. All Rights Reserved. **BLACKROCK** and **iSHARES** are trademarks of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners.

Want to know more?

www.blackrock.com/stewardship

ContactStewardship@blackrock.com

BlackRock