

Investment Directions

BlackRock

Autumn 2025: Exposures for today's markets

The macro environment has held strong through most of 2025 – but policy and geopolitical uncertainty persist below the surface, with potential knock-on effects for the global economy. Where some clarity has emerged – for example, on trade policy – the ultimate impact remains opaque.

Against this backdrop, with equity dispersion and rate uncertainty set to stay elevated and markets continuing to hit all-time highs, we're seeking growth and income opportunities across asset classes. At the same time, investors are grappling with portfolio challenges that have emerged or accelerated this year, like FX volatility and unstable correlations – leading us to rethink portfolio allocations for today and the future.

Over the following pages, we highlight opportunities across asset classes and strategies for autumn 2025, connected by an overarching view on positioning portfolios for today's markets.

Theme 1

Opportunities for growth

We see ample opportunities for upside amid the dispersion at play in markets. We continue to tilt towards taking risk into year-end – but do so selectively across developed (DM) and emerging market (EM) equities (p.2-3) and differentiated drivers of return in gold and gold beta plays (p. 4).

Theme 2

Opportunities for income

Investors are seeking income across asset classes – we focus on the opportunity in spread assets in EM (p. 5) and DM (p. 6) as well as systematic equity income strategies (p. 6).

Theme 3

Rethinking portfolios

We highlight four key changes gaining momentum this year – and how we're addressing them in portfolios: shifting stock-bond correlations (p. 7); rising FX volatility (p. 8); new challenges for alpha generation (p. 9); and a changing investible universe with the rise of private markets (p. 9).

All figures are in US dollars, unless stated otherwise.

Any opinions or forecasts represent an assessment of the market environment at a specific time and is not a guarantee of future results. This information should not be relied upon by the reader as research, investment advice or a recommendation.

Opportunities for growth

We see ample opportunities for upside amid the dispersion at play in markets. We continue to tilt towards taking risk selectively into year-end.

- We favour two approaches to capture opportunities in equities: building granular exposure to **developed market sectors** and **single-country emerging market** exposures, or leveraging skilled alpha-seeking strategies to identify potential winners in DM and EM.
- Unstable stock-bond correlations (see p. 7) have **brought differentiated drivers of return** into focus – today, we look to defensive assets that can access them.

Growth in equities

European equity was H1's leading ETP flow story, with domestic and international investors allocating at pace. US equity has staged a comeback among international investors into H2, supported by steady domestic buying – though we don't see a crowded trade.¹ This has spurred a healthy debate over where to add equity market risk, but Europe remains in favour for EMEA investors (see RHS chart). FX risks are also in focus: our Global Tactical Asset Allocation (GTAA) team is bearish on the USD into year end, on expectations for global rebalancing – see p. 8 for more on currency hedging in equities.

We expect equity dispersion to stay elevated into 2026, given structurally higher geopolitical and domestic policy uncertainty. In Europe, sector dispersion has reached 52% in 2025 YTD, with gains concentrated in banks and defence. In the US, dispersion has hit 38% since the 2 April tariff announcements, led by tech and banks.² We lean into these areas of concentration, backed by fundamentals.

Against this backdrop, we see room for **European equities** to run selectively into year-end, favouring an indexed sector approach or systematic or fundamental alpha-seeking strategies to tap into longer-term drivers.

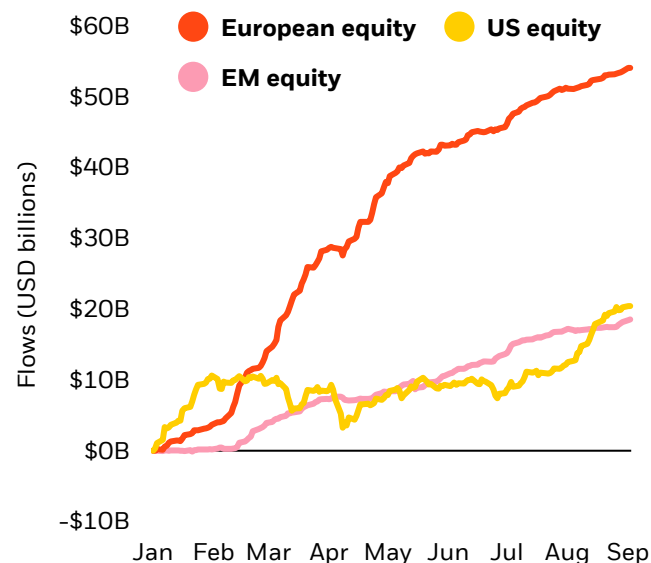
We see a role for both US and European equities in portfolios, as regional diversification remains key. Dispersion is high: the gap between sector leaders and laggards has widened in both regions since Liberation Day, calling for selectivity. Alongside shifting US policy, this creates a great environment for skilful alpha generation.



Helen Jewell
CIO, Fundamental
Equities EMEA

2025 has seen persistent buying of Europe...

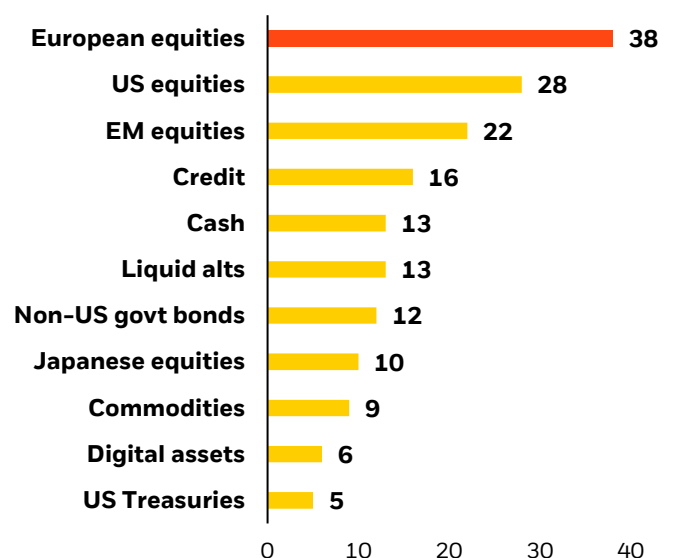
Cumulative flows into EMEA-listed US, European, and EM equity ETPs, 2025 YTD



Source: BlackRock and Markit, as of 2 September 2025.

...and our clients tell us there's more to come

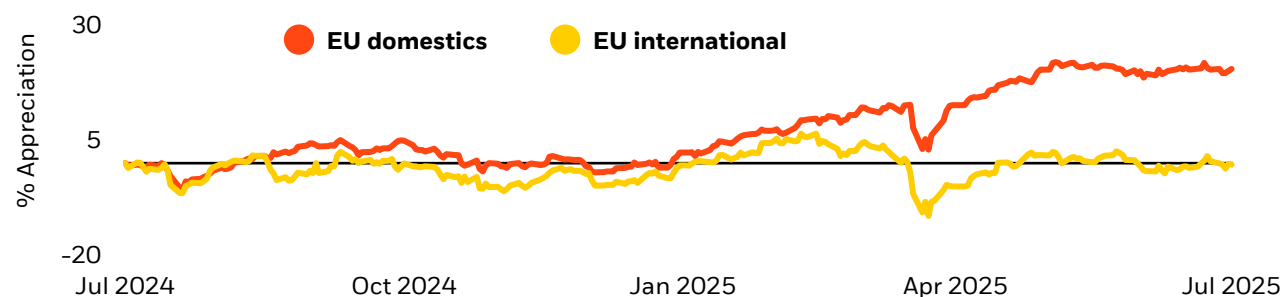
Responses to the question, *Where do you plan to add exposure over the next 3 months?*



Source: BlackRock, as of 5 August 2025. Results based on 801 EMEA survey submissions. This question is multi select – respondents were able to select multiple answers, so figures don't sum to 100.

Dispersion in Europe is increasing – we look to identify potential winners

Return difference between European domestically- and internationally-exposed firms



Source: Bloomberg, as of 23 July 2025.

- **Defence** remains the major structural growth story in Europe. Investors have looked through still-elevated valuations, adding a record \$4.6B to the European aerospace and defence sector YTD.³ Valuation concerns may ease as fiscal awards begin to flow from September, driving the fundamental trade. Our Fundamental Equity (FE) team highlights two underpriced trends: a growing share of defence spend going to equipment vs. personnel, and to European rather than US names.
- **European banks** should continue to drive sentiment and earnings into year-end. Profitability looks resilient even as the European Central Bank (ECB) approaches the end of its cutting cycle: banks have largely hedged their interest rate exposure, with earnings momentum also driven by growth in deposits, loans and fees businesses. Our FE team notes that European banks remain cheap on a capital-adjusted basis vs. history – while maintaining strong capital return programmes.

In the **US**, we see a brighter earnings outlook in H2 – though we stay alert to cracks at the macro level. Across regional equities, the US market offers the highest quality – which we seek to harness by leaning into earnings strength, via precision indexed sector exposure.

- **US banks** have continued to deliver on earnings this year, with profitability from increased dealmaking activity – albeit off a low base – and continued strong trading revenue, given volatile markets.⁴
- **US healthcare** earnings have improved after a bruising 2024, while valuations look overpunished on tariff uncertainty⁵ – particularly since levies would impact US healthcare names less than their international peers.

In the alpha-seeking space, we look to fundamental strategies with active tilts align to our US sector calls, focused on idiosyncratic single-stock stories. Skilled alpha managers may be better-placed to stay ahead of shifts in conviction – see p. 8 for more on blending fundamental and systematic US equity strategies.

We're also building exposure to the **AI mega force** in the US, where Q2 earnings reaffirm its role as the near-term AI innovation leader. Our FE team estimates the AI infrastructure buildout could surpass \$1T in the coming years,⁶ with opportunities broadening across areas from enterprise AI to consumer apps and robotics. This momentum points to active strategies that allocate dynamically across the AI tech stack.

We see value opportunities in DM through the **sustainable energy** theme, where valuations have cratered since their late-2020 peak.⁸ The sector should benefit from AI power demand tailwinds and a renewed focus on energy security across regions. With valuations now too cheap to ignore – and allocations still low – we see scope to rotate into fundamental alpha-seeking strategies to capture long-term winners, alongside broader index exposure to the nuclear energy sub-theme.

We see an improving backdrop for **EM equities**. De-escalating US-China trade tensions have fuelled a relief rally from April lows, yet EM equities still trade at moderate valuations relative to their own history.⁹ Foreign investor flows have picked up from a multi-year plateau (see chart on p.2), creating a second catalyst for re-rating. To navigate this complex asset class, we favour a core allocation to a high-conviction alpha-seeking strategy with a dynamic, high-tracking error approach, tending towards an anti-momentum bias.

We see scope to complement a core EM allocation with tactical positions in China and India. Many investors have rotated between the two in recent years as key return drivers in EM – but we see scope for allocations to both.

- Onshore China equities remain underowned, having lagged in Asia amid trade tensions and domestic growth concerns. We see room to catch up, favouring **China A-shares** to capture policy upside – though we note the A-H spread is back at discounted levels, with H-shares boosted by this year's China tech rally. The CSI 300 now sits 14% below 2021 highs and 20% below its 2007 record.¹⁰
- In **India**, we turned constructive in March, when earnings improved and MSCI India fell to its cheapest level in two years (c.20x forward P/E). Valuations have risen but remain reasonable, in our view, unless forward P/E approaches 27x or earnings falter.¹¹
- We stay alert to geopolitical and tariff risks to both markets, including off the back of their oil trade with Russia – but high domestic revenue generation in Chinese (84.7%) and Indian equities (74.9%) should limit the impact on our view.¹²

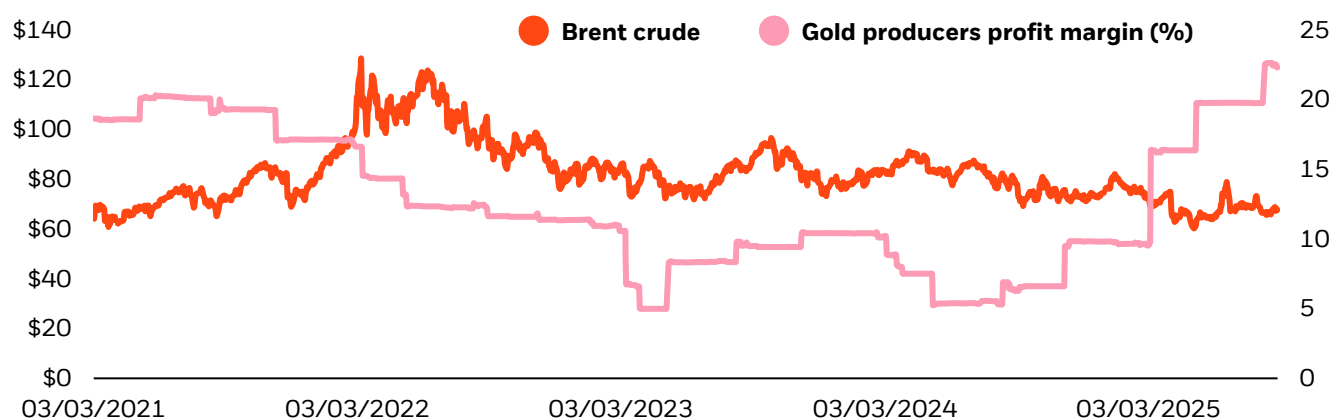
Seeking upside through differentiated drivers of return

While shifting stock-bond correlations have kept differentiated return drivers front of mind (see p. 7), some also offer room for potential upside in 2025:

- **Gold** remains the geopolitical hedge of choice after 18 months, with no sign of slowdown among its demand drivers. Prices are high – but we think downside should be cushioned by continued central bank purchases, while any escalation in geopolitical tensions could push prices even higher. We look for potential upside from indirect gold exposure – **gold producers**, where we see upside convergence potential, or **silver**, which has continued to gather flows post-technical snapback. With energy accounting for 20–30% of gold producers' costs, subdued oil prices into year-end may also be a tailwind for miners – see chart.

Lower oil prices are supporting margins for miners

Brent crude price (LHS) and gold producers' profit margins (RHS), March 2021 to August 2025



Source: Bloomberg, as of 28 August 2025.

Opportunities for income

Duration is looking less attractive in the US – and elsewhere in DM – according to our investment platform: as duration fails to serve as a reliable hedge in risk-off periods and global fiscal developments weigh on holding long maturities, our Fundamental Fixed Income (FFI) and GTAA teams are short long-end US Treasuries. Yet ample opportunity persists for clients targeting income generation. We lean into spread over duration in fixed income and high-income assets in equities.

- We favour spread assets for income with lower duration risk: our analysis of yield per unit of modified duration (see chart on p. 6) shows **CLOs** lead the pack, followed by **EM debt** and **DM credit**.² We view EM and DM assets as complementary, with EMD supported by a weakened USD and both benefiting from resilient fundamentals.
- Clients tell us they're using **income-focused active bond ETFs** to implement a preference for income assets and more active asset allocation.
- Beyond fixed income, active **equity high-income** strategies can offer elevated yields alongside downside management in multi-asset portfolios.

Fixed income

Despite spread tightening and front-end bids on both sides of the Atlantic, global bond yields remain at elevated levels, offering opportunity for income without excessive duration or credit quality risk.

As the monetary, fiscal and FX stars align for emerging economies, our FFI EM team maintains a preference for local EMD.

- EMD saw a strong H1 despite a flurry of economic shocks. While spreads have compressed, they are wider than in DM.³ Moreover, we see potential for carry to continue into 2026, even if US growth slows more than expected.
- With US Federal Reserve (Fed) asymmetries tilted towards easier policy, our FFI EM team expects EM central banks to continue cutting rates: US tariffs are disinflationary for EM, given the impact on US demand and potential oversupply of Chinese products. Alongside an easier policy path, local EMD should be supported by a weakened USD and persistent investor demand.
- The BlackRock Investment Institute (BII)'s model points to an optimal EMD allocation of 13% – EMEA portfolios (at 5% on average) are still well below that level,⁴ but the tide has begun to turn: EMD ETPs have amassed \$59.1B of inflows globally YTD, including a record \$16.6B in June – see chart below.
- We look to implement broad local EMD exposure through ETFs or – given single-country dispersion – via active strategies.

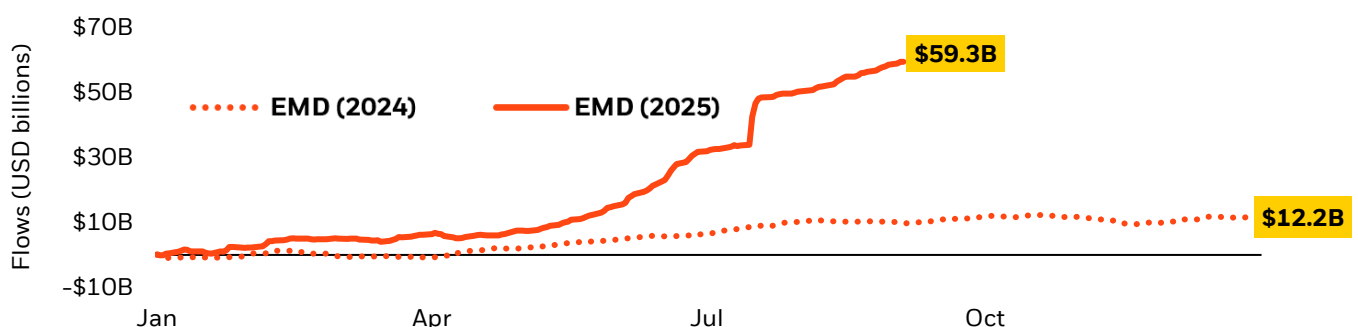
The 'income' in fixed income is back – just as more clients are telling us they're seeking income and ETF innovation makes access easier than ever. We see a strong opportunity set in spread assets today – matched by investor sentiment, with fixed income on track for a record year in ETP flows.¹



Brett Pybus
Co-Head of European
iShares

Flows surge into EMD this year

Cumulative flows into EMD ETPs globally, 2024 and 2025 YTD



Source: BlackRock and Markit, as of 6 August 2025.

In DM, spreads have narrowed significantly YTD, but we still see a case for holding EUR IG for attractive volatility-adjusted income – see chart below. For investors seeking high-quality income, broad EUR IG ETFs offer the most efficient access to holding market beta.

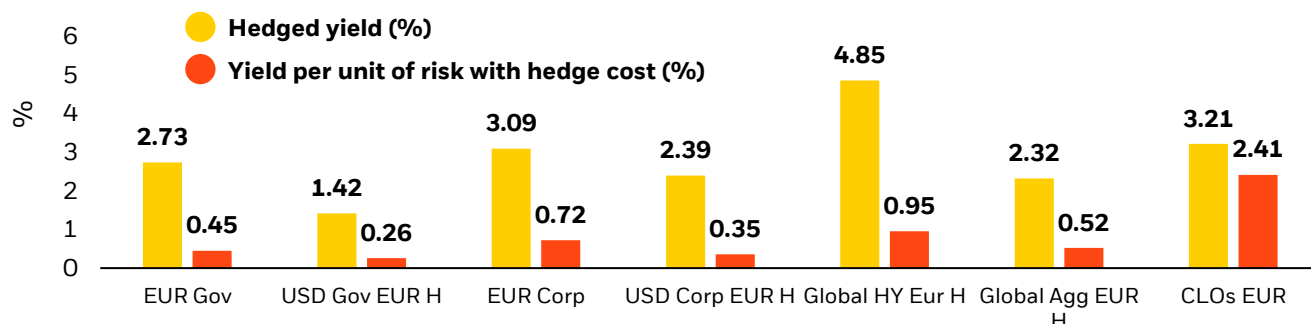
For investors seeking further upside, we see room to get more selective via an unconstrained active approach: we look for greater income and diversification via flexible income solutions that blend core IG exposure with ‘plus sectors’ such as high yield, EMD and securitised credit – balancing high credit quality, high income and short duration in a single, actively-managed strategy. These strategies can deliver compelling yields with a similar risk profile and significantly shorter duration vs. EUR IG, underscoring their robust duration-adjusted income potential in portfolio construction..

In Q3 2025, senior and high-quality mezzanine **CLO** tranches are trading at tighter spreads than before the June rally, while mid-tier mezzanine remains slightly wider, creating targeted opportunities within a strongly-performing, high-grade asset class. This bifurcation is reflected in index prices at YTD highs (98pts) but fatter tails, with a greater proportion of loans trading below 80pts⁵ – making the case for an active approach.

Sentiment towards high-quality CLOs is reflected in robust investor demand, with over \$2.1B added to AAA-focused CLO ETFs in July and \$2.4B in August.⁶ For standalone access to high-quality structured credit products for income, we favour active ETF solutions to benefit from tactical credit selection in an effective liquidity sleeve.

Bang for EUR buck: spread assets offer higher yields per unit of risk

Hedged yield and yield per unit of risk (%)



There is no guarantee that stress testing will eliminate the risk of investing in this fund or strategy. Source: BlackRock, Aladdin as of 30 June 2025. Currency: EUR.

Equity income

Investors seeking diversified income may also look to equity high-income strategies, particularly as traditional fixed income vehicles today may offer less effective downside management in a multi-asset portfolio.

- We favour a modern systematic solution for income-seeking investors, blending yield, diversification, and lower volatility without sacrificing long-term returns.

Rethinking portfolios

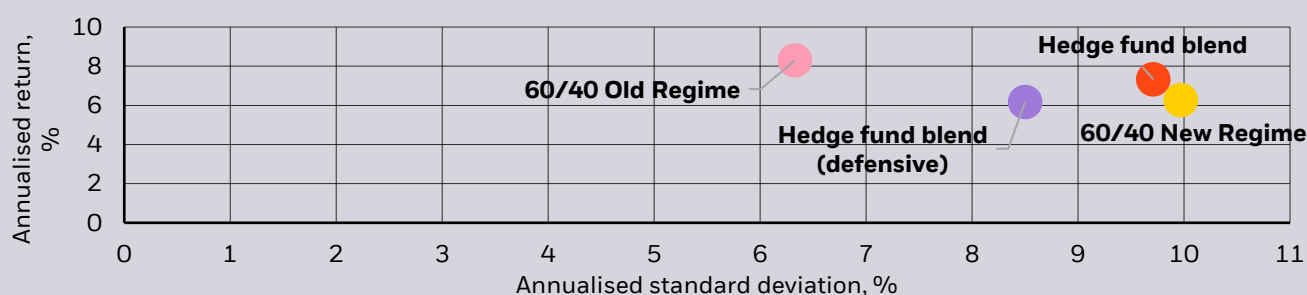
In 2025, many long-held market assumptions have been challenged – from shifting stock-bond correlations to the USD's weaker defensive role in risk-off periods. As these dynamics evolve, we think portfolio construction must adapt.

Stock-bond correlations have shifted

Fixed income's (FI) role in multi-asset portfolios has changed as stock-bond correlations have become less dependable: once a reliable hedge in the standard 60/40, duration's ability to offset equity drawdowns has deteriorated – while equity (and FI) volatility has risen. This puts multi-asset portfolios like the 60/40 under strain: as the chart shows, portfolio risk is up over 35% in the new regime (yellow dot) vs. the old (pink dot), alongside a c.50% drop in returns, as macro risk has become a bigger performance drag post-pandemic. Static factors, BII analysis shows, may now detract from returns – see p. 9.¹

A route back to the 'good old days'?

Annualised risk vs. standard deviation of 60/10/10/10/10 and 40/30/10/10/10 equity/bond/tactical HF/systematic hedge fund portfolios (2020-25) vs. 60/40 equity/bond portfolio for the old (2010-20) and new regime (2020-25)



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
60-40 Old Regime	14.21	0.12	10.83	10.15	14.12	5.88	7.78	5.75	-3.06	19.06					
60/40 New Regime											6.67	14.99	-13.06	12.61	15.53
HF Blend 60/20/10/10											6.15	15.68	-10.32	12.65	17.75
HF Blend (def) 50/30/10/10											5.96	12.67	-10.35	11.31	15.35

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. All historical fund performance is net. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. This information demonstrates, in part, the firm's Risk/Return analysis. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action. Source: BlackRock, MPI and Morningstar, as of 31/07/25. Data Frequency: month. Rebalance: quarter. Currency: EUR. 60/40: 60% MSCI ACWI Index, 40% Bloomberg Barclays Global Aggregate Index EUR hedged; HF Blend 60/20/10/10 and HF Blend 50/30/10/10 portfolios allocate 10% to a tactical market-neutral strategy, funded from the FI sleeve, and 10% to a systematic market-neutral strategy funded from the FI sleeve (60/20/10/10) or the equity sleeve (50/30/10/10).

We focus on two approaches to navigate back towards higher returns and lower risk. First, we look to manage equity drawdowns with buffer strategies, allowing investors stay invested through market turbulence – without changing their asset allocation:

- Outcome-based **buffer ETFs** track an underlying index up to a cap while providing downside protection within a buffer range. We look to 'deep' buffer strategies with quarterly rolls to cushion US equity corrections of -5 to -20% – a risk we can't rule out. We also see a case for 'max' buffer strategies, offering 100% downside protection over one year, with a lower upside cap. Our analysis shows a 10-15% max buffer allocation in the equity sleeve can significantly reduce down tails without materially lowering the Sharpe ratio.²

Second, in today's high macro and price dispersion environment, we see room to evolve asset allocation by adding long-short liquid alternatives to portfolios. High-quality market-neutral strategies can deliver differentiated returns as well as portfolio diversification and the cushion previously delivered by duration. We look to strategies that capitalise on the global opportunity set.

Our analysis shows that adding a tactical market-neutral strategy and systematic market-neutral strategy to a 60/40 portfolio can improve outcomes – delivering potential for higher returns with lower volatility. Sourcing both from core FI (orange dot on p.7 chart) may lower portfolio volatility while lifting returns closer to 'old regime' 60/40 levels. For a more defensive tilt, sourcing the systematic strategy from the equity sleeve and tactical from core FI (purple dot) significantly lowers portfolio volatility while maintaining 'new regime' 60/40 returns.³

Finally, unreliable stock-bond correlations underpin the case for a broader array of diversifiers (see p.4), including new diversifiers like **digital assets** – where we've seen \$81.2B added to bitcoin ETPs since the start of 2024.⁴ For investors concerned about US fiscal risks and the USD, a modestly-sized allocation to bitcoin may be a logical part of a broader diversification strategy – our analysis shows a <0.5% correlation between bitcoin and the rest of the public and private investible universe.⁵

FX volatility has increased

As FX volatility has risen this year, USD weakness has sharpened investor focus on currency moves and their impact on returns. In the old regime, USD currency exposure served as a diversifier against equity volatility, tending to push higher when the equity market fell. In 2025, we've seen that correlation flip its sign, with the USD falling alongside equities – see chart. As long as this trend persists, the USD can't be relied on as a portfolio hedge.

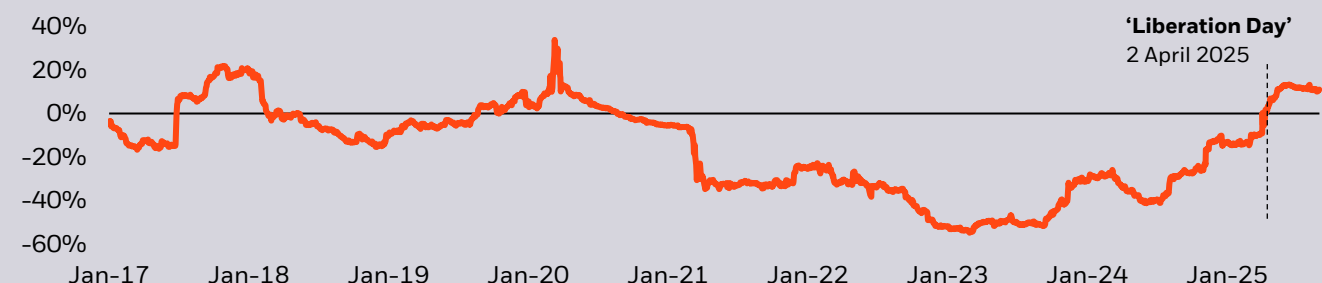
Against this backdrop, we see less value in unhedged equity exposure in 2025: for example, unhedged EUR returns for the S&P 500 have yielded -3.1% YTD vs. 9.9% for USD investors.⁶

We favour a proactive approach to monitoring and managing currency risk:

- More granular share class selection – such as using **currency-hedged share classes** across ETFs – can help. In the UCITS space, flows into currency-hedged US equity ETFs in 2025 YTD are already more than double 2024 levels.⁷
- Some active strategies also embed FX management, actively assessing correlations with asset risk and return.

No longer a reliable hedge?

12-month rolling correlation, DXY Index and S&P 500 Index



Source: Aladdin, BlackRock, as of 29 August 2025. Based on daily index observations for DXY Index and S&P 500 Index in the period 01/01/2017 to 29/08/2025. Ccy: USD.

Opportunity to diversify alpha

Macro and market volatility, persistent inflation and elevated rates have lowered expected returns for broad market exposures in 2025. In contrast to the 'old regime', static exposure to factors like growth, inflation or style factors has become a drag on returns. Meanwhile, dispersion has risen in performance – creating greater opportunity for alpha generation through skilful security selection, as noted by the BII. Top-performing active managers who can manage or harness macro risk are now better rewarded, their research finds.⁸

Higher-alpha fundamental strategies often carry greater short-term volatility and tracking error,⁹ which could deter portfolio constructors. We look to blend benchmark-aware systematic and fundamental active strategies for a more holistic, resilient approach to excess returns: with complementary styles, they exploit different market inefficiencies for broadly uncorrelated alpha streams.

- *Systematic strategies* can deliver consistent, repeatable alpha by harnessing alternative data and generating an array of signals, expanding the opportunity set and embedding greater risk discipline.
- *Fundamental strategies* seek to generate alpha by leaning into high-conviction views, combining qualitative and quantitative insights rooted in macro and bottom-up analysis to uncover idiosyncratic opportunities.

Blending systematic and fundamental strategies may offer the most efficient uplift to return vs. a benchmark – and help ensure allocations to active strategies are optimised for the portfolio's risk/return profile.

The investible universe has changed

Private markets are expanding rapidly, with assets under management expected to exceed \$19.6T by 2029, according to Preqin analysis.¹⁰ This growth is driven by companies staying private longer – the average IPO age rose from eight years in 2004 to 14 in 2024¹¹ – and private capital stepping in where governments can't, such as funding over \$1T in data centre buildout.¹² Today, 88% of global companies with yearly revenue over \$100m are private.¹³ As they stay private for longer, companies are also relying on private lenders more for financing – driving momentum in private debt.

Private markets now make up over 5% of the investible universe¹⁴ – yet EMEA client portfolios remain structurally underweight, with an average allocation of c.1% to private markets, concentrated in private equity.¹⁵ Wealth clients increasingly tell us they want to close this gap. The average allocation to private markets in EMEA portfolios is expected to shift from 0–5% to 5–20% by 2030,¹⁶ as a wide range of long-term investors look to private assets to enhance portfolio returns and diversification.

We look to access private assets through ELTIF 2.0-wrapped Part II SICAVs, including multi-alternative and private equity exposures.

Annual flows into global ETPs by exposure type, 2020 – 2025 to date

	2020	2021	2022	2023	2024	2025 YTD
European equities	\$7.7B	\$27.6B	-\$16.5B	\$7.6B	\$7.1B	\$47B
US equities	\$199.8B	\$578.3B	\$343.6B	\$362.3B	\$829.0B	\$367.2B
Emerging market equities	\$18.7B	\$103.3B	\$123.9B	\$132.1B	\$218.9B	\$57.2B
European aerospace & defence	\$0.0B	\$0.0B	\$0.0B	\$0.0B	\$0.0B	\$4.6B
EM debt	\$16.4B	\$17.8B	-\$6.9B	\$10.5B	\$12.3B	\$59.1B
AAA CLOs*	\$0.1B	\$0.3B	\$1.5B	\$3.7B	\$13.7B	\$12.8B
Bitcoin	\$0.0B	\$5.1B	\$0.3B	\$1.6B	\$58.1B	\$23.1B
Ccy-hedged US equity* (UCITS only)	\$0.1B	\$0.4B	\$3.1B	\$0.1B	\$3.1B	\$8.7B

Source: BlackRock and Markit, as of 4 September 2025. *Source (currency-hedged US equities & AAA CLOs): BlackRock GPS Business Intelligence, as of 31 August 2025. **Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product.**

Notes

Past performance is not a reliable indicator of current or future results. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise - or even estimate - of future performance.

Opportunities for growth

- 1 Source: BlackRock and Markit, as of 4 September 2025.
- 2, 10 Source: Bloomberg, as of 4 September 2025.
- 3 Source: BlackRock and Markit, as of 31 August 2025.
- 4, 7 Source: BlackRock, as of 31 August 2025.
- 5 Source: BlackRock, Refinitiv, as of 2 September 2025.
- 6 Source: BlackRock Thematics Outlook H225, July 2025.
- 8, 9, 11 Source: BlackRock, Bloomberg, as of 3 Sept 2025.
- 12 Source: MSCI, March 2024.

Opportunities for income

- 1, 6 Source: BlackRock and Markit, as of 4 September 2025.
- 2 Source: BlackRock, Aladdin as of 30 June 2025. Ccy: EUR.
- 3 Source: Bloomberg as of 31 August 2025.
- 4 Source: BlackRock Investment Institute, with data from LSEG Datastream and Bloomberg, 25/04/25; BlackRock Investment and Portfolio Solutions EMEA, BlackRock Aladdin, Morningstar. Portfolio average allocation based on 193 EMEA moderate risk multi-asset portfolios reviewed in Q1 of 2025 as at 31/03/2025 positioning. For illustrative purposes only. Subject to change.
- 5 Source: BlackRock, as of 31 August 2025.

Rethinking portfolios

- 1 Source: BlackRock Investment Institute, 'More room for hedge funds', August 2025.
- 2 Source: BlackRock, MPI, Morningstar. Time Period: 01/05/15 - 30/04/25. Data Frequency: month. Currency: EUR. All historical fund performance is net. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. This information demonstrates, in part, the firm's risk/return analysis. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

3 Source: BlackRock, MPI and Morningstar, as of 31/07/25. Data Frequency: month. Rebalance: quarter. Currency: EUR. 60/40: 60% MSCI ACWI Index, 40% Bloomberg Barclays Global Aggregate Index EUR hedged; HF Blend 60/20/10/10 and HF Blend 50/30/10/10 portfolios allocate 10% to BlackRock Tactical Opportunities Fund EUR H, funded from the FI sleeve, and 10% to BSF BlackRock Systematic Global Equity Absolute Return funded from FI sleeve (60/20/10/10) or equity sleeve (50/30/10/10).

4, 7 Source: BlackRock and Markit, as of 4 September 2025.

5 Source: BlackRock, MPI, Morningstar. Time Period: 03/08/15 - 19/08/25. Data Frequency: daily. Currency: EUR. Rebalance: monthly.

6 Source: Bloomberg, as of 31 August 2025.

9 Source: BlackRock, MPI, Morningstar. Time Period: 02/01/20 - 31/07/25. Data Frequency: month. Ccy: USD. All historical fund performance is net. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Top 10 US Equity Fundamental managers based on Morningstar ranking 20/08/2020-19/08/2025, with comparable strategies.

10 Source: Preqin, 'The Future of Alternatives 2029' Report, September 2024. Values relate to end of year.

11 Source: BlackRock Investment Institute, University of Florida, with data from Jay R. Ritter, July 2025.

12 Source: Dell'Oro estimate as of July 2024.

13 Source: Capital IQ, BlackRock, as of 31 December 2023.

14 Source: S&P Cap IQ, Preqin, MSCI, FactSet, SIFMA, BIS, March 2024.

15 Source: BlackRock Investment and Portfolio Solutions EMEA, BlackRock Aladdin, Morningstar. Portfolio average allocation based on 193 EMEA moderate risk multi-asset portfolios reviewed in Q1 2025 as at 31/03/2025 positioning. For illustrative purposes only. Subject to change.

16 Source: The survey was conducted at BlackRock's Private Markets Wealth Summit in London on 27 March 2025, with 70 wealth professionals from 17 countries across Europe and the Middle East. There is no guarantee that any forecasts made will come to pass. For illustrative purposes only.

BlackRock Global Product Solutions

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