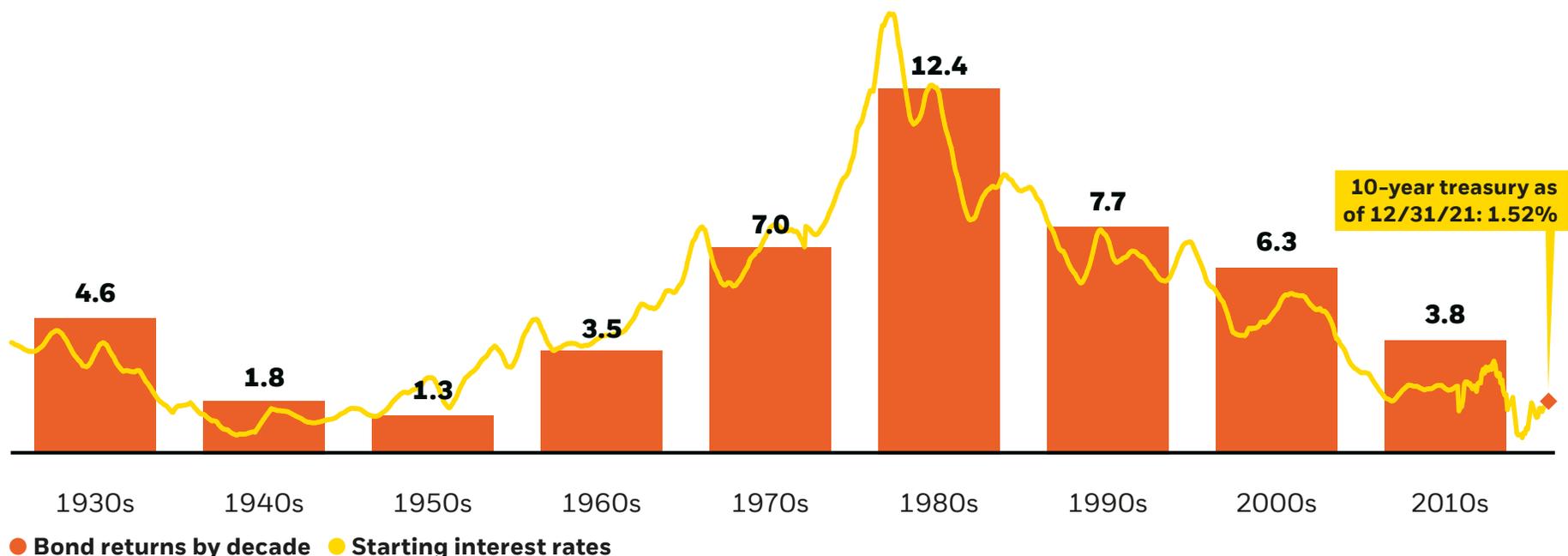


Prepare for lower bond returns

Over long enough timeframes, bond returns tend to mirror the direction of interest rates. With rates historically low, we can expect bond returns to remain low for the foreseeable future. This can cause problems for some investors, particularly for those nearing or in retirement and relying on investment income.

U.S. bond returns follow interest rates

(Avg. annual 10-year returns since 1930)

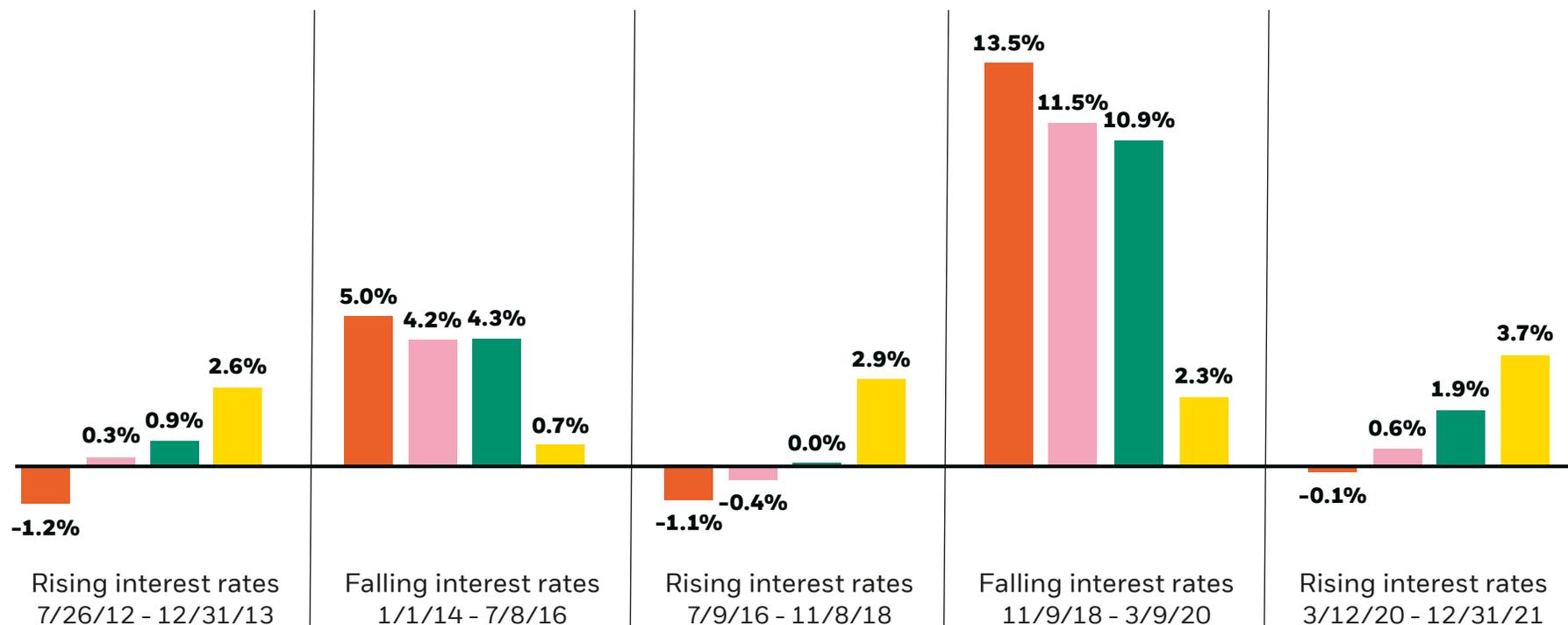


Source: Morningstar and U.S. Treasury as of 12/31/21. U.S. Bonds represented by the IA US IT Govt Tr index before 1979 and by the Bloomberg US Agg Bond index after 1979. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

While returns may follow rates over the long-term, bond prices and interest rates are often negatively correlated in the short-term. As rates fall, bond prices increase, and vice versa. This dynamic may create short-term opportunities within your longer-term horizon.

Bond category returns during periods of rising or falling interest rates

Average annual returns for each time period



● Core bond index ● Intermediate core bond ● Intermediate core-plus bond ● Nontraditional bond

Source: Morningstar, St. Louis Federal Reserve as of 12/31/21. Core bond index represented by the Bbg Barc US Agg Bond TR Index. Intermediate core bonds represented by the Morningstar US Intermediate Core Bond Category Average. Intermediate core-plus bonds represented by the Morningstar US Intermediate Core-Plus Bond Category Average. Nontraditional bonds represented by the Morningstar US Nontraditional Bond Category Average. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

Investing involves risks, including possible loss of principal. The opinions expressed 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. **Past performance is no guarantee of future results.** There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader. The strategies discussed are strictly for illustrative and educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategies discussed will be effective.

© 2022 BlackRock, Inc. All Rights Reserved. **BLACKROCK** is a trademark of BlackRock, Inc. All other trademarks are those of their respective owners.

Prepared by BlackRock Investments, LLC, member FINRA. This material is provided for educational purposes only. BlackRock is not affiliated with any third party distributing this material.

Not FDIC Insured • May Lose Value • No Bank Guarantee

OE12107T-0221

