FOR PUBLIC DISTRIBUTION IN THE U.S., HONG KONG, SINGAPORE AND AUSTRALIA. FOR INSTITUTIONAL, PROFESSIONAL, QUALIFIED INVESTORS AND QUALIFIED CLIENTS IN OTHER PERMITTED COUNTRIES.

Weekly commentary

BlackRock.

December 13, 2021

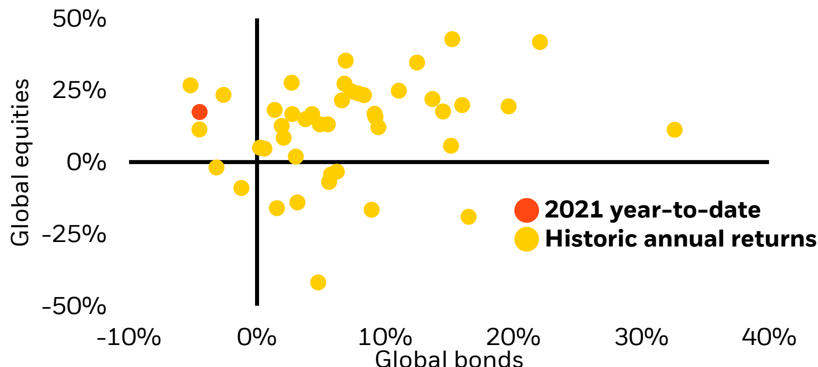
Highlights of our 2022 outlook

- We see 2022 heralding a new market regime by delivering global stock gains and bond losses for a second year in a row - a first in about half a century.
- Stocks rallied back to near record levels and yields rose last week as worries of Omicron dissipated. China's central bank loosened policy to shore up growth.
- The focus this week is on central banks, with potential clues on tapering (Fed), rates (Bank of England) and more accommodation (European Central Bank).

We are entering a new market regime unlike any in the past half century: We expect another year of positive global stocks returns coupled with a down year for bonds. Central banks are set to start raising rates but remain more tolerant of inflation as the restart rolls on. We see inflation settling above pre-Covid trends; we're going to be living with inflation. We favor equities over fixed income as a result, but have dialed back our risk-taking given the wide range of potential outcomes in 2022.

Rare combination

Annual returns for global equities and fixed income, 1977-2021



Past performance is not a reliable indicator of current or future results. Indexes are unmanaged and not subject to fees. It is not possible to invest directly in an index. Sources: BlackRock Investment Institute, with data from Refinitiv Datastream and Bloomberg, December 2021. Notes: The chart shows annual returns for global equities and bonds in U.S. dollar terms from 1977-2021. Index proxies are the MSCI All-Country World index for equities (MSCI World before 1988) and Bloomberg Global Aggregate index for bonds (U.S. Aggregate before 1991).

We see 2022 heralding a new regime by delivering global stock gains and bond losses for a second year – what would be a first since data started in 1977. This unusual outcome is the next phase of our *new nominal* theme that is still playing out: Central banks and bond yields are slower to respond to higher inflation than in the past. That should keep real, or inflation-adjusted, bond yields historically low and underpin equities valuations. It's rare for global stock returns to be positive and bonds negative in any one calendar year (the top left quadrant in the chart), let alone two years in a row. Why did this happen in 2021? The powerful restart of economic activity resulted in severe inflation pressures and supply bottlenecks. Most DM central banks did not respond, a stark departure from the usual pre-emptive tightening of the past. This was the *new nominal* in action and marked the start of the regime shift. Nominal government bond yields edged up and prices fell, but real yields stayed historically low amid rising inflation and supported stocks. Corporate earnings surged as the restart rolled on, driving outsized equities gains.

Jean Boivin
Head – BlackRock Investment Institute

Wei Li
Global Chief Investment Strategist – BlackRock Investment Institute

Alex Brazier
Deputy Head – BlackRock Investment Institute

Elga Bartsch
Head of Macro Research — BlackRock Investment Institute

Vivek Paul
Senior Portfolio Strategist – BlackRock Investment Institute

Visit BlackRock Investment Institute for insights on global economy, markets and geopolitics.

BlackRock **Investment** Institute

The big change in 2022: Central banks will be withdrawing some monetary support as the restart does not need stimulus. We see more moderate equities returns as a result. We expect the Fed to kick off rate hikes but remain more tolerant of inflation than it has been in the past. The Fed has long achieved its inflation target, so the timing and pace of higher rates will depend on how it interprets its "broad and inclusive" employment mandate. The European Central Bank faces a weaker inflation outlook and is likely to stay even easier on policy. We had flagged inflation, and now we're **Living with inflation** – our first 2022 investment theme. We see inflation settling at levels higher than pre-Covid even as supply bottlenecks ease.

Our second theme is **Cutting through confusion** that is gripping markets. Our base case aims to do exactly that. We expect new virus strains to delay, but not derail, the restart thanks to effective vaccine campaigns. We could see a short-term macro and sectoral impact, but the big picture is unchanged: Less growth now is more later. We are, however, dealing with a confluence of events that have no historical parallels: the unique restart, new virus strains and untested central bank frameworks. This means our new market regime view could be wrong about the policy response or the growth outlook – and increases the range of potential outcomes. We are trimming risk-taking as a result.

Playing into the inflation and confusion themes is the race for the world to reach net-zero emissions by 2050. Climate change is real, and we believe the net-zero transition will brighten the economic outlook. Yes, it's a decades-long supply shock contributing to higher inflation, but less so than any of the alternatives: no climate action or a disorderly transition. **Navigating net zero** – our third theme – aims to capture the opportunities this transition will bring. This is not just a long-term story – it's happening *now*. Supply shocks and the tectonic shift toward sustainable investing are already playing out.

How to thrive in the new market regime? We prefer equities in the inflationary backdrop of the strong restart. We favor developed market (DM) stocks over emerging markets (EM) as we dial down risk slightly amid rising risks to our base case. We are underweight DM government bonds – we see yields gradually heading higher but staying historically low. We prefer inflation-linked bonds, partly as portfolio diversifiers. Our strategic asset views – a broad preference for equities over nominal government bonds and credit – have been stable through the noisy economic restart. We also like private markets for their diversification and return potential. For more details, visit our refreshed directional and granular asset class views.

Market backdrop

Risk assets rallied back to near record levels last week as worries of the Omicron virus strain dissipated. The People's Bank of China cut bank reserve requirements to help the flow of credit. We see this as a sign that policymakers are prepared to shore up growth – albeit sparingly as the long-term focus is on increasing the *quality* of growth. We expect the Fed's interpretation of its employment objective to set the timing of the kick-off on rate hikes and their pace. We see inflation settling at a level higher than pre-COVID even as pressures from supply bottlenecks ease, as we expect a muted policy response to inflation.

Assets in review

Selected asset performance, 2021 year-to-date and range

Past performance is not a reliable indicator of current or future results. Indexes are unmanaged and do not account for fees. It is not possible to invest directly in an index.
Sources: BlackRock Investment Institute, with data from Refinitiv Datastream as of Dec. 10, 2021. Notes: The two ends of the bars show the lowest and highest returns at any point this year to date, and the dots represent current year-to-date returns. Emerging market (EM), high yield and global corporate investment grade (IG) returns are denominated in U.S. dollars, and the rest in local currencies. Indexes or prices used are, in descending order: spot Brent crude, MSCI USA Index, MSCI Europe Index, ICE U.S. Dollar Index (DXY), MSCI Emerging Markets Index, Bank of America Merrill Lynch Global High Yield Index, J.P. Morgan EMBI Index, spot gold, Refinitiv Datastream Italy 10-year benchmark government bond index, Bank of America Merrill Lynch Global Broad Corporate Index, Refinitiv Datastream Germany 10-year benchmark government bond index and Refinitiv Datastream U.S. 10-year benchmark government bond index.

FOR PUBLIC DISTRIBUTION IN THE U.S., HONG KONG, SINGAPORE AND AUSTRALIA. FOR INSTITUTIONAL, PROFESSIONAL, QUALIFIED INVESTORS AND QUALIFIED CLIENTS IN OTHER PERMITTED COUNTRIES.

Macro insights

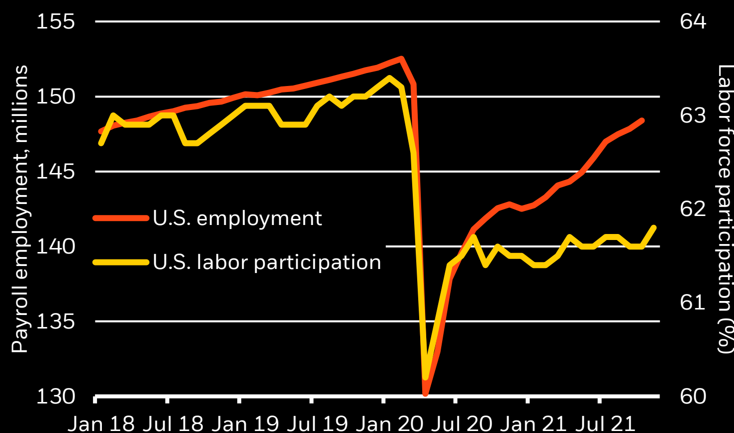
When will the Federal Reserve kick off its interest rate hikes? With its inflation objective met, it all depends on the labor market. The Fed's goal is "broad and inclusive" full employment – but it hasn't defined what that means.

The unemployment rate is steadily falling back to its pre-Covid level of 3.5%, but the Fed will also be paying close attention to the labor participation rate (the share of the working-age population either with or actively looking for work). This fell sharply at the start of the pandemic – see the chart – as many people retired early or stopped looking for a job. This has helped lower the unemployment rate as those people are no longer counted. The labor participation rate is still well below pre-Covid levels, however, so the Fed may want to wait for a upward turn. It also may want to see less divergence in participation rates across ethic groups.

What is clear: The Fed will need to explain what it thinks "full employment" means – and soon. See our macro insights hub.

What does full employment mean?

U.S. employment and labor participation, 2018-2021



Sources: BlackRock Investment Institute and U.S. Bureau of Labor Statistics, with data from Refinitiv Datastream, December 2021. Notes: The chart shows total U.S. nonfarm payrolls (orange line) and the U.S. labor force participation rate (yellow line). The labor force participation rate is the percentage of the working age population that is working or actively looking for work.

Investment themes

1 Living with inflation

- We expect inflation to be persistent and settle above pre Covid levels. We expect central banks to kick off rate hikes but remain more tolerant of price pressures, keeping real interest rates historically low and supportive of risk assets.
- Inflation is being driven by the unusual restart dynamics of extraordinary demand bumping up against supply bottlenecks. We expect many supply-demand imbalances to resolve next year.
- The policy response to rising inflation isn't uniform. The Fed and the European Central Bank (ECB) are more tolerant of inflation, even as the Fed has started to warn of inflation risks.
- Other developed market (DM) central banks have signaled policy rate paths with steeper initial increases, and many of their emerging market (EM) counterparts have already lifted off.
- The Fed has started tapering bond purchases by $15 billion a month and indicated it may speed up this timeline. The central bank has achieved its new inflation goal to make up for past misses; the key now is how it interprets its more ambitious full employment mandate.
- We expect the Fed to start raising rates in 2022 –albeit not as soon as market pricing. But what matter are the rate trajectory and destination, not the timing of the first hike. We expect a historically muted policy response to inflation.
- **Investment implication**: We prefer equities over fixed income and remain overweight inflation-linked bonds.

2 Cutting through confusion

- A unique mix of events - the restart of economic activity, virus strains, supply driven inflation and new central bank frameworks - could cause markets and policymakers to misread the current surge in inflation.
- We keep the big picture in mind: We see the restart rolling on, inflation meeting a muted central bank response, and real rates remaining historically low.
- We do see increasing risks around this base case: Central banks could revert to their old policy response, and growth could surprise on the upside or disappoint.
- There's also a risk markets misread China's policy. The country has emphasized social objectives and quality growth over quantity in regulatory crackdowns that have spooked some investors. Yet policymakers can no longer ignore the growth slowdown, and we expect incremental loosening across three pillars - monetary, fiscal and regulatory.
- **Investment implication:** We have trimmed risk-taking amid an unusually wide range of outcomes.

3 Navigating net zero

- Climate risk is investment risk, and the narrowing window for governments to reach net-zero goals means that investors need to start adapting their portfolios today. The net-zero journey is not just a 2050 story, it's a now story.
- Sustainability cuts across multiple dimensions: the outlook for inflation, geopolitics and policy. The green transition comes with costs and higher inflation, yet the economic outlook is unambiguously brighter than a scenario of no climate action or a disorderly transition. Both would generate lower growth and higher inflation, in our view.
- Risks around a disorderly transition are high – particularly if execution fails to match governments' ambitions to cut emissions.
- We favor sectors with clear transition plans. Over a strategic horizon, we like the sectors that stand to benefit more from the transition, such as tech and healthcare, because of their relatively low carbon emissions.
- **Investment implication**: We favor DM equities over EM as we see them as better positioned in the green transition.

FOR PUBLIC DISTRIBUTION IN THE U.S., HONG KONG, SINGAPORE AND AUSTRALIA. FOR INSTITUTIONAL, PROFESSIONAL, QUALIFIED INVESTORS AND QUALIFIED CLIENTS IN OTHER PERMITTED COUNTRIES.

Week ahead

Dec. 12	Japan Tankan manufacturing outlook	**Dec. 16**	European Central Bank and Bank of England decisions, Flash PMIs
Dec. 14-15	U.S. Federal Reserve policy meeting	**Dec. 17**	Bank of Japan policy decision

The focus this week is on policy announcements by the U.S. Federal Reserve, Bank of England (BoE) and European Central Bank (ECB) to indicate whether they are ready to end asset purchases earlier (Fed) start raising rates (BoE) or set out plans for more accommodation next year (ECB). The spread of Omicron may cause some policymakers to hold back from tightening, and December flash PMI data will give an early read on the variant's impact on business sentiment.

Directional views

Strategic (long-term) and tactical (6-12 month) views on broad asset classes, December 2021

Underweight | Neutral | Overweight

Change in view: Previous → New

Asset	Strategic view	Tactical view	
Equities	+1	+1	We keep our overweight on equities on a strategic horizon. We see the combination of low real rates, strong growth and reasonable valuations as favourable for the asset class. Incorporating climate change in our expected returns brightens the appeal of developed market equities given the large weights of sectors such as tech and healthcare in benchmark indices. Tactically, we are overweight equities amid solid economic fundamentals and historically low real rates.
Credit	-1	Neutral	We stay underweight credit on a strategic basis as valuations are rich, and we prefer to take risk in equities instead. On a tactical horizon, we are neutral credit given low spreads across sectors and prefer EM local markets to high yield.
Govt bonds	-1	-1	We are strategically underweight nominal government bonds given their diminished ability to act as portfolio ballasts with yields near lower bounds. Within the underweight on nominal DM government bonds, we prefer shorter-dated over long-dated maturities. Rising debt levels may eventually pose risks to the low rate regime. We prefer inflation-linked bonds. Tactically, we keep our significant U.S. Treasuries underweight on expectations of rising yields into the Fed's taper and rate kick-off. We prefer inflation-linked bonds for interest rate exposure and as a portfolio diversifier.
Private markets	Neutral	—	We believe non-traditional return streams, including private credit, have the potential to add value and diversification. Our neutral view is based on a starting allocation that is much larger than what most qualified investors hold. Many institutional investors remain underinvested in private markets as they overestimate liquidity risks, in our view. Private markets are a complex asset class and not suitable for all investors.

Note: Views are from a U.S. dollar perspective, December 2021. This material represents an assessment of the market environment at a specific time 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 any particular funds, strategy or security.

FOR PUBLIC DISTRIBUTION IN THE U.S., HONG KONG, SINGAPORE AND AUSTRALIA. FOR INSTITUTIONAL, PROFESSIONAL, QUALIFIED INVESTORS AND QUALIFIED CLIENTS IN OTHER PERMITTED COUNTRIES.

Granular views

Six to 12-month tactical views on selected assets vs. broad global asset classes by level of conviction, December 2021

Underweight | Neutral | Overweight

Change in view: Previous → New

	Asset	Underweight	Overweight	
Equities	**Developed markets**		■	We are overweight developed market equities. We see still solid growth and low real yields supporting valuations. We prefer to diversify our exposure.
Equities	United States		■	We are overweight U.S. equities on still strong earnings momentum. We do not see gradual policy normalization posing significant headwinds.
Equities	Europe		■	We stay modestly overweight European equities given attractive valuations. We believe the rise in Covid infections may stall but not derail the restart
Equities	UK			We are neutral UK equities. We see the market as fairly valued and prefer European equities.
Equities	Japan			We have a small overweight in Japanese equities. We see a global cyclical rebound boosting earnings growth following underperformance in 2021.
Equities	**China**		■	We stay moderately positive on Chinese equities as we see a shift to a slightly easier policy. We expect the regulatory clampdown to last but not intensify.
Equities	**Emerging markets**			We are neutral EM equities and prefer DM equities, given more challenged restart dynamics and tighter policies in EM.
Equities	Asia ex-Japan			We are neutral Asia ex-Japan equities. We prefer more targeted exposure to China relative to the broad region.
Fixed Income	U.S. Treasuries	■■		We are underweight U.S. Treasuries primarily on economic fundamentals and valuations. We see risks tilted toward higher yields into the Fed taper and subsequent lift-off.
Fixed Income	Treasury Inflation-Protected Securities		■	We stay overweight U.S. TIPS as we expect inflation to be persistent and settle at a higher level than pre-Covid. We prefer TIPS for interest rate exposure and diversifiers.
Fixed Income	European government bonds	■ (Neutral → Underweight)		We turn underweight European government bonds. We see yields heading higher. Current market pricing points to no substantive change in monetary policy for several years.
Fixed Income	UK gilts			We are neutral UK Gilts. We see UK policy rates rising before DM peers, yet believe market expectations of the subsequent pace are overdone amid constrained supply.
Fixed Income	China government bonds		■	We are overweight Chinese government bonds. Potentially easier monetary policy alongside the relative stability of interest rates and potential income brighten their appeal.
Fixed Income	Global investment grade	■		We stay underweight investment grade credit. We see little room for further yield spread compression and remain concerned about interest rate risk.
Fixed Income	Global high yield			We are neutral high yield. We do not see compression in high yield spreads yet still find the carry attractive. We prefer to take risk in equities.
Fixed Income	Emerging market – hard currency			We are neutral hard-currency EM debt. We expect it to gain support from the vaccine-led global restart and more predictable U.S. trade policies.
Fixed Income	Emerging market – local currency		■	We are modestly overweight local-currency EM debt on attractive valuations and potential income. Higher yields already reflect EM monetary policy tightening, in our view.
Fixed Income	Asia fixed income		■	We stay overweight Asia fixed income. We find valuations in China compelling relative to risks. Outside China, we like Asian sovereigns and credit for income and carry.

Past performance is not a reliable indicator of current or future results. It is not possible to invest directly in an index. Note: views are from a U.S. dollar perspective. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast or guarantee of future results. This information should not be relied upon as investment advice regarding any particular fund, strategy or security.

BlackRock Investment Institute

The BlackRock Investment Institute (BII) leverages the firm's expertise and generates proprietary research to provide insights on the global economy, markets, geopolitics and long-term asset allocation – all to help our clients and portfolio managers navigate financial markets. BII offers strategic and tactical market views, publications and digital tools that are underpinned by proprietary research.

General disclosure: This material is intended for information purposes only, and does not constitute investment advice, a recommendation or an offer or solicitation to purchase or sell any securities to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. The opinions expressed are as of Dec. 13, 2021 and are subject to change without notice. Reliance upon information in this material is at the sole discretion of the reader. Investing involves risks.

In the **U.S. and Canada**, this material is intended for public distribution. **In EMEA** Until 31 December 2020, issued by BlackRock Investment Management (UK) Limited, authorized and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: + 44 (0)20 7743 3000. Registered in England and Wales No. 2020394, has issued this document for access by Professional Clients only and no other person should rely upon the information contained within it. For your protection telephone calls are usually recorded. Please refer to the Financial Conduct Authority website for a list of authorized activities conducted by BlackRock. From 1 January 2021, in the event the United Kingdom and the European Union do not enter into an arrangement which permits United Kingdom firms to offer and provide financial services into the European Union, the issuer of this material is:(i) BlackRock Investment Management (UK) Limited for all outside of the European Union; and(ii) BlackRock (Netherlands) B.V. for in the European Union, BlackRock (Netherlands) B.V. is authorized and regulated by the Netherlands Authority for the Financial Markets. Registered office Amstelplein 1, 1096 HA, Amsterdam, Tel: 020 – 549 5200, Tel: 31-20-549-5200. Trade Register No. 17068311 For your protection telephone calls are usually recorded. **In Switzerland,** for qualified investors in Switzerland: This document is marketing material. Until 31 December 2021, this document shall be exclusively made available to, and directed at, qualified investors as defined in the Swiss Collective Investment Schemes Act of 23 June 2006 ("CISA"), as amended. From 1 January 2022, this document shall be exclusively made available to, and directed at, qualified investors as defined in Article 10 (3) of the CISA of 23 June 2006, as amended, at the exclusion of qualified investors with an opting-out pursuant to Art. 5 (1) of the Swiss Federal Act on Financial Services ("FinSA"). For information on art. 8 / 9 Financial Services Act (FinSA) and on your client segmentation under art. 4 FinSA, please see the following website: www.blackrock.com/finsa. **For investors in Israel:** BlackRock Investment Management (UK) Limited is not licensed under Israel's Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995 (the "Advice Law"), nor does it carry insurance thereunder. **In South Africa**, please be advised that BlackRock Investment Management (UK) Limited is an authorized financial services provider with the South African Financial Services Board, FSP No. 43288. **In the DIFC** this material can be distributed in and from the Dubai International Financial Centre (DIFC) by BlackRock Advisors (UK) Limited — Dubai Branch which is regulated by the Dubai Financial Services Authority (DFSA). This material is only directed at 'Professional Clients' and no other person should rely upon the information contained within it. Blackrock Advisors (UK) Limited - Dubai Branch is a DIFC Foreign Recognised Company registered with the DIFC Registrar of Companies (DIFC Registered Number 546), with its office at Unit 06/07, Level 1, Al Fattan Currency House, DIFC, PO Box 506661, Dubai, UAE, and is regulated by the DFSA to engage in the regulated activities of 'Advising on Financial Products' and 'Arranging Deals in Investments' in or from the DIFC, both of which are limited to units in a collective investment fund (DFSA Reference Number F000738). **In the Kingdom of Saudi Arabia,** issued in the Kingdom of Saudi Arabia (KSA) by BlackRock Saudi Arabia (BSA), authorized and regulated by the Capital Market Authority (CMA), License No. 18-192-30. Registered under the laws of KSA. Registered office: 29th floor, Olaya Towers – Tower B, 3074 Prince Mohammed bin Abdulaziz St., Olaya District, Riyadh 12213 – 8022, KSA, Tel: +966 11 838 3600. The information contained within is intended strictly for Sophisticated Investors as defined in the CMA Implementing Regulations. Neither the CMA or any other authority or regulator located in KSA has approved this information. The information contained within, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Any distribution, by whatever means, of the information within and related material to persons other than those referred to above is strictly prohibited. **In the United Arab Emirates** this material is only intended for -natural Qualified Investor as defined by the Securities and Commodities Authority (SCA) Chairman Decision No. 3/R.M. of 2017 concerning Promoting and Introducing Regulations. Neither the DFSA or any other authority or regulator located in the GCC or MENA region has approved this information. **In the State of Kuwait,** those who meet the description of a Professional Client as defined under the Kuwait Capital Markets Law and its Executive Bylaws. **In the Sultanate of Oman,** to sophisticated institutions who have experience in investing in local and international securities, are financially solvent and have knowledge of the risks associated with investing in securities. In **Qatar**, for distribution with pre-selected institutional investors or high net worth investors. **In the Kingdom of Bahrain**, to Central Bank of Bahrain (CBB) Category 1 or Category 2 licensed investment firms, CBB licensed banks or those who would meet the description of an Expert Investor or Accredited Investors as defined in the CBB Rulebook. The information contained in this document, does not constitute and should not be construed as an offer of, invitation, inducement or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. **In Singapore**, this is issued by BlackRock (Singapore) Limited (Co. registration no. 200010143N). This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. **In Hong Kong**, this material is issued by BlackRock Asset Management North Asia Limited and has not been reviewed by the Securities and Futures Commission of Hong Kong. **In South Korea**, this material is for distribution to the Qualified Professional Investors (as defined in the Financial Investment Services and Capital Market Act and its sub-regulations). **In Taiwan**, independently operated by BlackRock Investment Management (Taiwan) Limited. Address: 28F., No. 100, Songren Rd., Xinyi Dist., Taipei City 110, Taiwan. Tel: (02)23261600. **In Japan**, this is issued by BlackRock Japan. Co., Ltd. (Financial Instruments Business Operator: The Kanto Regional Financial Bureau. License No375, Association Memberships: Japan Investment Advisers Association, the Investment Trusts Association, Japan, Japan Securities Dealers Association, Type II Financial Instruments Firms Association.) For Professional Investors only (Professional Investor is defined in Financial Instruments and Exchange Act). **In Australia**, issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975 AFSL 230 523 (BIMAL). The material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. **In China**, this material may not be distributed to individuals resident in the People's Republic of China ("PRC", for such purposes, excluding Hong Kong, Macau and Taiwan) or entities registered in the PRC unless such parties have received all the required PRC government approvals to participate in any investment or receive any investment advisory or investment management services. **For Other APAC Countries**, this material is issued for Institutional Investors only (or professional/sophisticated /qualified investors, as such term may apply in local jurisdictions). **In Latin America,** for institutional investors and financial intermediaries only (not for public distribution). This material is for educational purposes only it is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of your relevant jurisdiction. The securities regulators of any country within Latin America have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America. **In Mexico,** these materials are being shared in the understanding that the addressee is an Institutional or Qualified investor as defined under Mexican Securities (Ley del Mercado de Valores).

©2021 BlackRock, Inc. All Rights Reserved. **BLACKROCK** is a trademark of BlackRock, Inc., or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

BlackRock.

Not FDIC Insured • May Lose Value • No Bank Guarantee