

TARGET ALLOCATION ETF MODELS

BLACKROCK®

Q3 2018 Allocations

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Key Takeaway: Growth continues yet risks loom.

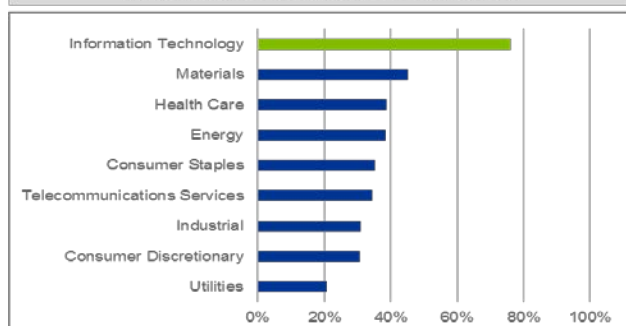
- **Reducing risk amidst global trade tensions.** Tough talk on trade has now been bolstered with tariffs. We are exercising caution by moderately reducing equity exposure although we see a “risk-off” descent into global protectionism as unlikely. For now, we think the outcome will be defined by regional winners and losers. Both market prices and the earnings outlook suggest that the pain will be felt disproportionately by emerging markets, particularly the largest exporters.

(Continued on page 2)

Technology looks to be a potential source of portfolio resilience...

Companies with conservative balance sheets tend to be well positioned for resilience. In our financial analysis of global technology companies, we see that the level of earnings before income taxes relative to the amount of debt outstanding is the highest of any sector within the global stock market. Additionally, the balance sheet leverage of global technology companies is the lowest of any sector within the global stock market.

Ability to repay: EBITDA / Debt Outstanding

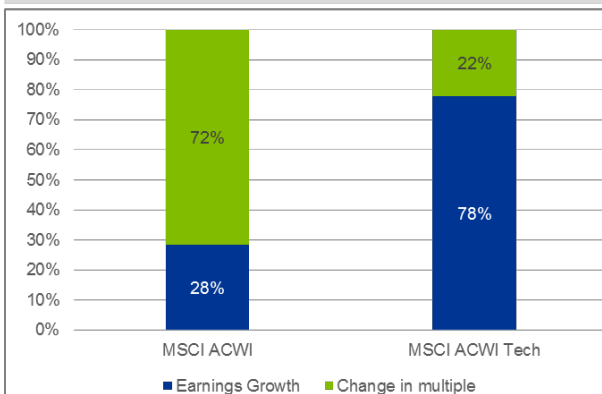


Source: Bloomberg, BlackRock, June 30, 2018. Information Technology is represented by the S&P Global 1200 Information Technology Sector GICS Level 1 Index. Consumer Discretionary is represented by the S&P Global 1200 Consumer Discretionary Sector GICS Level 1 Index. Health Care is represented by the S&P Global 1200 Health Care Sector GICS Level 1 Index. Energy is represented by the S&P Global 1200 Energy Sector GICS Level 1 Index. Consumer Staples is represented by the S&P Global 1200 Consumer Staples Sector GICS Level 1 Index. Telecommunications Services is represented by the S&P Global 1200 Telecommunications Services Sector GICS Level 1 Index. Utilities is represented by the S&P Global 1200 Utilities Sector GICS Level 1 Index. Materials is represented by the S&P Global 1200 Materials Sector GICS Level 1 Index. Industrial is represented by the S&P Global 1200 Industrial Sector GICS Level 1 Index. EBITDA- Earnings before interest, tax, depreciation and amortization.

...And recent performance reflects strong fundamentals.

While the price return of the broader market over the last decade can be largely attributed to multiple expansion, the story looks very different for the technology sector. Robust earnings growth has been the primary driver of price return within technology and increases our conviction in the sector.

Components of Price Return since 2008



Source: MSCI, Thomson Reuters, BlackRock, June 2018. MSCI ACWI represents the MSCI ACWI. MSCI ACWI Tech represents the MSCI ACWI Information Technology Index. Change in multiple represents % change in Price to 12 Month Backward Earnings from 7/31/2008 to 6/29/2018. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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Key Takeaway: Growth continues yet risks loom. (continued from page 1)

- **Buying Tech for the Long Run.** We see our investment in global technology as a way to tap into an economic growth engine that has far reaching, cross-industry impact. In contrast to the technology stocks that characterized the dot com bubble, many companies are now generating a significant amount of free cash flow with quality balance sheets. Furthermore, growth rates in the technology sector are far outpacing the broader market. Although historically we have avoided targeted sector exposures we view this position as an attractive, longer term opportunity.
- **Potential inflation catalysts coming into play.** Meaningful fiscal stimulus is being delivered, oil prices have moved markedly higher over the past year, and increased tariffs could result in higher prices passed on to U.S. consumers. This feeds into our outlook for interest rates, and is keeping us shy on duration.
- **Rates poised to climb higher.** We believe the Fed will continue to raise rates, given the relative ease with which markets absorbed higher yields on the benchmark 10-year treasury. The rise in short-term rates seem to be largely priced in however we expect interest rates will continue to rise across the curve. We are cautious on duration and prefer the front end of the curve where investors look to be better compensated.

Trade Rationale

- Asset Allocation: We remain overweight equity but are seeking to reduce risk by slightly trimming our allocation. While global growth remains strong, we believe markets could see an uptick in volatility amidst geopolitical uncertainty.
- U.S. Equities: We are further increasing exposure to U.S. equities. Our increased conviction is supported by strong earnings momentum and continued fiscal stimulus, both of which should continue to drive growth. We see the technology sector as continuing to benefit from strong free cash flows and quality balance sheets. As a result, we are initiating a position in global technology which has a strong U.S. bias. We still favor momentum stocks but are reducing exposure to help fund the technology sector position.
- International Developed Equities: We continue to maintain a domestic bias and are further reducing exposure to international developed equities. Earnings forecasts have improved somewhat but still significantly lag versus regional counterparts. We expect volatility will remain elevated as the region is impacted by political instability and new trade policies.
- Emerging Market Equities: Our view on emerging markets has declined from overweight to neutral. Due to deteriorating earnings momentum and the effect of global trade war on emerging market economies we are reducing our exposure. Although valuations currently appear reasonable, they do not look nearly as attractive when considering how newly implemented trade tariffs could potentially drag on corporate earnings.
- Fixed Income: We are further reducing duration and prefer investing at the short end of the curve, where we believe markets have largely priced in future rate hikes. We are increasing exposure to short maturity credit and initiating an allocation to high quality floating rate bonds funded out of TIPS. With respect to TIPS, we believe that for the time being, inflation risk should be managed largely through duration adjustments rather than specialized positions. Finally, numerous index changes are slated to take effect next month and we are taking into account the impact of these change (mainly, extension of duration) by considerably reducing our allocation to intermediate-term credit.

Performance Highlights

Equity markets were broadly positive for the quarter, supported by strong corporate earnings and macroeconomic data. However, rising interest rates coupled with widening investment grade corporate credit spreads contributed to the continued decline in the fixed income market. Almost all of the models posted positive performance for the period, with the equity heavy portfolios posting higher absolute returns. Returns for the fixed income heavy portfolios, specifically 0/100, 10/90, and 20/80, were negative for the period.

Consistent with the market environment, the models continued to benefit from overweight equity positioning. Within the equity allocation, exposure to U.S. stocks was the largest contributor as domestic markets outperformed their international counterparts. Exposure to momentum-oriented stocks, which continued to post strong results, particularly benefited performance. Emerging market stocks suffered as trade tensions escalated and the U.S. dollar strengthened. As a result, our allocation to the region was the largest detractor for the period. Within fixed income, negative returns in emerging market debt and investment grade corporate credit weighed on performance.

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Tactical Asset Allocation: Views and Rationale

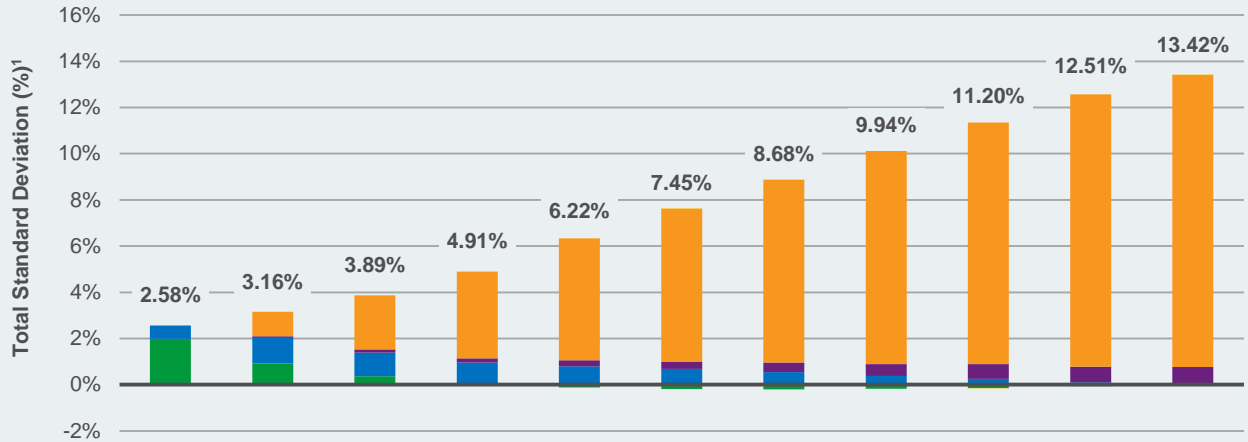
Asset Class	Views	Rationale
Global Equities		
Equities (vs. Fixed Income)	Over	We are moderately reducing our equity allocation while remaining overweight vs fixed income. This reduction is in response to weakening sentiment in our big-data reads of the financial press, and looming trade war uncertainty.
U.S. Equities	Over	U.S. growth outlook and earnings momentum remains strong and we remain overweight. We are introducing an allocation to global technology. This is a U.S. heavy position with strong quality and growth characteristics and appears inexpensive relative to the free-cash flow generated by the companies in it.
Non-U.S. Developed Equities	Under	Earnings momentum and economic activity are weak relative to both domestic and emerging markets, and market volatility will likely remain elevated in the region.
Emerging Markets	Neutral	We have reduced our Emerging Markets (EM) view to neutral due to the recent reduction in earnings outlook momentum there. Also, adjustments in global capital flows in response to Fed's policy tightening have the potential to weaken EM economies.
U.S. Equities		
Large Cap	Under	We believe that both Smart Beta and smaller cap stocks offer better strategic and tactical opportunity.
Small/Mid Cap	Over	We continue to believe that small and mid-cap could continue to benefit from stimulus and policy that is primarily aimed at domestic growth.
Smart beta	Over	Strategic stance rooted in the diversification potential of smart beta factors, and a tactical view that momentum stocks are poised for potentially better than market returns over the near term.
Fixed Income		
U.S. Investment Grade	Over	Borrowers' ability to repay remains strong given current debt levels, low rates and solid economic growth. Recent widening in investment grade credit (IG) yield spreads over similar duration treasuries make IG currently appear attractive, and within IG we prefer short term and floating rate exposure.
Treasuries	Under	We see rates continuing to rise across the U.S. Treasury curve, and at this time prefer investing at the short end of the curve. The longer maturity exposures we maintain serve as source of diversification vs. equity and credit risk.
High Yield	Neutral	Recent performance has been strong, but the reward to risk prospects for U.S. high yield relative to U.S. investment grade within keep us Neutral on this asset class.
Emerging Market Bonds (USD)	Neutral	Emerging market debt valuations are more attractive following the recent sell off, but we remain cautious given continuing currency weakness and U.S. led trade conflicts.

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Risk Analysis

RISK CONTRIBUTION

These portfolios seek to provide a range of risk and return levels by diversifying across a wide variety of factors that can impact investments, such as interest rates, credit spreads and foreign exchange. This chart leverages BlackRock's proprietary risk management system – Aladdin® – to show the contribution of individual risk factors.



		0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
	Rate Risk	1.98%	0.92%	0.37%	0.06%	-0.12%	-0.19%	-0.20%	-0.18%	-0.14%	-0.06%	-
	Credit Risk	0.59%	1.11%	1.02%	0.90%	0.80%	0.68%	0.55%	0.38%	0.26%	0.10%	-
	FX Risk	-	0.07%	0.14%	0.18%	0.26%	0.32%	0.41%	0.51%	0.63%	0.68%	0.77%
	Equity Risk	-	1.05%	2.34%	3.76%	5.28%	6.63%	7.91%	9.23%	10.46%	11.79%	12.64%
	Other Risk	0.01%	0.01%	0.02%	0.01%	-	0.01%	0.01%	-	-0.01%	-	0.01%
	Total Standard Deviation¹	2.58%	3.16%	3.89%	4.91%	6.22%	7.45%	8.68%	9.94%	11.20%	12.51%	13.42%

RISK EXPOSURES - BETAS

Betas for these portfolios are estimated based on underlying fund holdings and risk factor exposures. They are intended to convey expected longer-term relationships and offer relative comparisons. A positive beta indicates a tendency for co-movement with the benchmark, while a negative beta indicates that the portfolio and the benchmark tend to move in opposite directions.

	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
Beta to 10-Year Treasury Rates	-2.54	-1.57	-0.75	0.12	1.10	1.97	2.83	3.72	4.60	5.62	6.27
Beta to 2-Year Inflation Expectations	0.35	1.74	2.23	2.75	3.37	3.96	4.53	5.11	5.73	6.31	6.71
Beta to Investment Grade Credit Spreads	-0.84	-2.97	-4.40	-5.98	-7.97	-9.61	-11.21	-13.04	-14.65	-16.47	-17.38
Beta to S&P 500 Index	0.06	0.18	0.28	0.37	0.49	0.59	0.70	0.81	0.92	1.03	1.11
Beta to USD _X (US Dollar Currency Index)	-0.11	-0.21	-0.28	-0.35	-0.44	-0.53	-0.62	-0.72	-0.83	-0.93	-1.01

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Performance Details

PORTFOLIO PERFORMANCE (As of 06/30/2018)

	Q2 2018	Year To Date	One Year	Since Last Rebalance	Since Inception	2017
0/100 Model Portfolio	-0.62%	-2.09%	-0.77%	-0.50%	1.58%	4.03%
0/100 Benchmark*	-0.27%	-1.67%	-0.28%	-0.27%	1.99%	4.09%
10/90 Model Portfolio	-0.42%	-1.68%	0.91%	-0.17%	2.58%	6.03%
10/90 Benchmark*	-0.10%	-1.46%	0.88%	-0.10%	2.51%	5.89%
20/80 Model Portfolio	-0.23%	-1.50%	2.21%	0.09%	3.17%	8.05%
20/80 Benchmark*	0.06%	-1.24%	2.05%	0.07%	3.03%	7.71%
30/70 Model Portfolio	0.04%	-1.10%	3.52%	0.48%	3.77%	9.52%
30/70 Benchmark*	0.23%	-1.03%	3.22%	0.24%	3.54%	9.56%
40/60 Model Portfolio	0.30%	-0.76%	4.85%	0.86%	4.34%	11.27%
40/60 Benchmark*	0.40%	-0.81%	4.40%	0.42%	4.05%	11.43%
50/50 Model Portfolio	0.51%	-0.39%	6.23%	1.14%	4.95%	13.06%
50/50 Benchmark*	0.56%	-0.60%	5.59%	0.59%	4.55%	13.32%
60/40 Model Portfolio	0.83%	-0.02%	7.59%	1.53%	5.62%	14.89%
60/40 Benchmark*	0.73%	-0.38%	6.79%	0.76%	5.05%	15.24%
70/30 Model Portfolio	1.09%	0.39%	8.98%	1.89%	6.08%	16.65%
70/30 Benchmark*	0.90%	-0.17%	8.00%	0.93%	5.54%	17.18%
80/20 Model Portfolio	1.26%	0.63%	10.28%	2.15%	6.62%	18.52%
80/20 Benchmark*	1.06%	0.05%	9.21%	1.10%	6.03%	19.14%
90/10 Model Portfolio	1.47%	1.03%	11.66%	2.46%	7.10%	20.13%
90/10 Benchmark*	1.23%	0.26%	10.44%	1.27%	6.52%	21.12%
100/0 Model Portfolio	1.44%	1.05%	12.14%	2.49%	7.33%	21.00%
100/0 Benchmark*	1.39%	0.48%	11.67%	1.45%	6.99%	23.13%

*The equity portion of the benchmark is represented by 70% MSCI ACWI Index and 30% MSCI USA Index, and the fixed income portion is represented by 100% Bloomberg Barclays US Universal Index. For example, the 10/90 benchmark is represented by 7% MSCI ACWI Index, 3% MSCI USA Index, and 90% Bloomberg Barclays US Universal Index. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

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Performance Details












MONTHLY PERFORMANCE

	Jun 2018	May 2018	Apr 2018	Mar 2018	Feb 2018	Jan 2018	Dec 2017	Nov 2017	Oct 2017	Sep 2017	Aug 2017	Jul 2017
0/100 Model Portfolio	-0.19%	0.34%	-0.77%	0.38%	-1.02%	-0.84%	0.38%	-0.17%	0.02%	-0.33%	0.85%	0.61%
0/100 Benchmark*	-0.15%	0.55%	-0.67%	0.50%	-0.95%	-0.96%	0.44%	-0.15%	0.12%	-0.35%	0.86%	0.50%
10/90 Model Portfolio	-0.21%	0.53%	-0.73%	0.20%	-1.46%	-0.01%	0.50%	0.19%	0.35%	-0.03%	0.80%	0.79%
10/90 Benchmark*	-0.15%	0.57%	-0.52%	0.22%	-1.28%	-0.30%	0.54%	0.09%	0.32%	-0.12%	0.81%	0.70%
20/80 Model Portfolio	-0.23%	0.63%	-0.62%	0.09%	-1.82%	0.47%	0.56%	0.47%	0.65%	0.18%	0.81%	1.04%
20/80 Benchmark*	-0.15%	0.60%	-0.38%	-0.06%	-1.60%	0.36%	0.65%	0.34%	0.52%	0.11%	0.76%	0.91%
30/70 Model Portfolio	-0.23%	0.86%	-0.57%	-0.11%	-2.16%	1.15%	0.68%	0.66%	0.88%	0.53%	0.71%	1.13%
30/70 Benchmark*	-0.16%	0.62%	-0.23%	-0.34%	-1.92%	1.02%	0.75%	0.58%	0.72%	0.35%	0.71%	1.11%
40/60 Model Portfolio	-0.24%	1.03%	-0.48%	-0.37%	-2.47%	1.82%	0.77%	0.93%	1.14%	0.74%	0.69%	1.25%
40/60 Benchmark*	-0.16%	0.65%	-0.09%	-0.62%	-2.24%	1.69%	0.85%	0.82%	0.92%	0.58%	0.65%	1.32%
50/50 Model Portfolio	-0.26%	1.12%	-0.35%	-0.47%	-2.76%	2.40%	0.87%	1.11%	1.39%	1.07%	0.59%	1.43%
50/50 Benchmark*	-0.16%	0.67%	0.06%	-0.89%	-2.55%	2.35%	0.95%	1.06%	1.13%	0.81%	0.60%	1.53%
60/40 Model Portfolio	-0.24%	1.25%	-0.17%	-0.59%	-3.10%	2.94%	1.02%	1.32%	1.61%	1.33%	0.49%	1.61%
60/40 Benchmark*	-0.17%	0.70%	0.20%	-1.17%	-2.86%	3.01%	1.05%	1.30%	1.33%	1.04%	0.55%	1.73%
70/30 Model Portfolio	-0.27%	1.41%	-0.05%	-0.74%	-3.37%	3.54%	1.12%	1.54%	1.80%	1.67%	0.40%	1.74%
70/30 Benchmark*	-0.17%	0.72%	0.35%	-1.44%	-3.17%	3.67%	1.15%	1.54%	1.53%	1.27%	0.50%	1.94%
80/20 Model Portfolio	-0.30%	1.49%	0.07%	-0.92%	-3.63%	4.08%	1.21%	1.78%	2.06%	1.96%	0.32%	1.90%
80/20 Benchmark*	-0.18%	0.75%	0.49%	-1.71%	-3.47%	4.34%	1.25%	1.77%	1.73%	1.50%	0.45%	2.14%
90/10 Model Portfolio	-0.35%	1.64%	0.19%	-1.15%	-3.81%	4.72%	1.28%	2.03%	2.26%	2.30%	0.19%	2.04%
90/10 Benchmark*	-0.18%	0.77%	0.63%	-1.98%	-3.77%	5.00%	1.35%	2.01%	1.93%	1.73%	0.40%	2.35%
100/0 Model Portfolio	-0.40%	1.63%	0.21%	-1.28%	-3.94%	5.05%	1.29%	2.17%	2.37%	2.49%	0.08%	2.13%
100/0 Benchmark*	-0.18%	0.79%	0.78%	-2.24%	-4.06%	5.66%	1.44%	2.25%	2.13%	1.95%	0.34%	2.55%

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


Allocations as of July 10th, 2018

		Asset Allocation (% Equity / Fixed Income)										
		0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
												
Standard Deviation ¹		2.58%	3.16%	3.89%	4.91%	6.22%	7.45%	8.68%	9.94%	11.20%	12.51%	13.42%
Weighted Average Expense Ratio ²		0.22%	0.21%	0.18%	0.17%	0.17%	0.16%	0.15%	0.14%	0.14%	0.13%	0.13%
U.S. Fixed Income		86.0%	74.0%	67.0%	58.0%	49.0%	41.0%	32.0%	25.0%	17.0%	7.0%	-
IGIB	iShares Intermediate-Term Corporate Bond ETF	14.0%	14.0%	14.0%	12.0%	10.0%	8.0%	7.0%	3.0%	-	-	-
FLOT	iShares Floating Rate Bond ETF	7.0%	7.0%	7.0%	4.0%	-	-	-	-	-	-	-
GOVT	iShares U.S. Treasury Bond ETF	10.0%	8.0%	7.0%	7.0%	5.0%	3.0%	3.0%	2.0%	-	-	-
HYG	iShares iBoxx \$ High Yield Corporate Bond ETF	9.0%	6.0%	3.0%	-	-	-	-	-	-	-	-
IEF	iShares 7-10 Year Treasury Bond ETF	3.0%	-	-	-	-	-	-	-	-	-	-
LQD	iShares iBoxx \$ Investment Grade Corporate Bond ETF	9.0%	10.0%	11.0%	11.0%	12.0%	12.0%	9.0%	10.0%	10.0%	4.0%	-
MBB	iShares MBS ETF	9.0%	7.0%	5.0%	3.0%	-	-	-	-	-	-	-
NEAR	iShares Short Maturity Bond ETF	25.0%	22.0%	20.0%	21.0%	22.0%	18.0%	13.0%	10.0%	7.0%	3.0%	-
International Fixed Income		14.0%	14.0%	11.0%	10.0%	8.0%	6.0%	5.0%	2.0%	-	-	-
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	14.0%	14.0%	11.0%	10.0%	8.0%	6.0%	5.0%	2.0%	-	-	-
U.S. Equity		-	10.0%	18.0%	27.0%	36.0%	44.0%	51.0%	58.0%	64.0%	72.0%	76.0%
IJH	iShares Core S&P Mid-Cap ETF	-	2.0%	2.0%	2.0%	2.0%	4.0%	5.0%	6.0%	8.0%	9.0%	9.0%
IJR	iShares Core S&P Small-Cap ETF	-	-	-	2.0%	2.0%	2.0%	2.0%	3.0%	3.0%	5.0%	5.0%
IVE	iShares S&P 500 Value ETF	-	-	-	-	-	-	2.0%	4.0%	6.0%	8.0%	9.0%
IVV	iShares Core S&P 500 ETF	-	3.0%	7.0%	12.0%	19.0%	23.0%	24.0%	24.0%	24.0%	24.0%	25.0%
IVW	iShares S&P 500 Growth ETF	-	-	-	-	-	-	2.0%	4.0%	6.0%	8.0%	9.0%
IXN	iShares Global Tech ETF	-	-	-	2.0%	4.0%	5.0%	5.0%	6.0%	6.0%	7.0%	7.0%
MTUM	iShares Edge MSCI USA Momentum Factor ETF	-	2.0%	5.0%	5.0%	5.0%	6.0%	7.0%	8.0%	8.0%	9.0%	10.0%
USMV	iShares Edge MSCI Min Vol USA ETF	-	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%
International Equity		-	2.0%	4.0%	5.0%	7.0%	9.0%	12.0%	15.0%	19.0%	21.0%	24.0%
IEFA	iShares Core MSCI EAFE ETF	-	-	2.0%	3.0%	4.0%	5.0%	7.0%	9.0%	12.0%	14.0%	16.0%
IEMG	iShares Core MSCI Emerging Markets ETF	-	2.0%	2.0%	2.0%	3.0%	4.0%	5.0%	6.0%	7.0%	7.0%	8.0%

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Allocation Changes

Since last trade of April 3rd, 2018

		Asset Allocation (% Equity / Fixed Income)										
		0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
												
U.S. Fixed Income		-	-	+1.0%	+1.0%	+1.0%	+1.0%	-1.0%	+1.0%	+1.0%	+1.0%	-
IGIB	iShares Intermediate-Term Corporate Bond ETF	-11.0%	-11.0%	-11.0%	-10.0%	-8.0%	-8.0%	-6.0%	-3.0%	-	-	-
FLOT	iShares Floating Rate Bond ETF	+7.0%	+7.0%	+7.0%	+4.0%	-	-	-	-	-	-	-
GOVT	iShares U.S. Treasury Bond ETF	-	-	-	-	-	-	-	-	-	-	-
HYG	iShares iBoxx \$ High Yield Corporate Bond ETF	-	-	-	-	-	-	-	-	-	-	-
IEF	iShares 7-10 Year Treasury Bond ETF	-7.0%	-7.0%	-5.0%	-5.0%	-5.0%	-3.0%	-	-	-	-	-
LQD	iShares iBoxx \$ Investment Grade Corporate Bond ETF	-	-	-	-	-	+2.0%	+2.0%	+4.0%	+5.0%	+2.0%	-
MBB	iShares MBS ETF	-	-	-	-	-2.0%	-	-	-	-	-	-
NEAR	iShares Short Maturity Bond ETF (Active)	+13.0%	+13.0%	+13.0%	+14.0%	+16.0%	+12.0%	+6.0%	+3.0%	-1.0%	-1.0%	-
TIP	iShares TIPS Bond ETF	-2.0%	-2.0%	-3.0%	-2.0%	-	-	-	-	-	-	-
TLT	iShares 20+ Year Treasury Bond ETF	-	-	-	-	-	-2.0%	-3.0%	-3.0%	-3.0%	-	-
International Fixed Income		-	+1.0%	-	-	-	-	+2.0%	-	-	-	-
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	-	+1.0%	-	-	-	-	+2.0%	-	-	-	-
U.S. Equity		-	-1.0%	-	+1.0%	+1.0%	+3.0%	+3.0%	+3.0%	+3.0%	+4.0%	+5.0%
IJH	iShares Core S&P Mid-Cap ETF	-	-	-	-	-	-	-	-	-	-	-
IJR	iShares Core S&P Small-Cap ETF	-	-	-	-	-	-	-	-	-	-	-
IVE	iShares S&P 500 Value ETF	-	-	-	-	-	-	-	-	-	-	-
IVV	iShares Core S&P 500 ETF	-	-	-	-	-	-	-	-	-	-	-
IVW	iShares S&P 500 Growth ETF	-	-	-	-	-	-	-	-	-	-	-
IXN	iShares Global Tech ETF	-	-	-	+2.0%	+4.0%	+5.0%	+5.0%	+6.0%	+6.0%	+7.0%	+7.0%
MTUM	iShares Edge MSCI USA Momentum Factor ETF	-	-1.0%	-	-1.0%	-3.0%	-2.0%	-2.0%	-3.0%	-3.0%	-3.0%	-2.0%
USMV	iShares Edge MSCI Min Vol USA ETF	-	-	-	-	-	-	-	-	-	-	-
International Equity		-	-	-1.0%	-2.0%	-2.0%	-4.0%	-4.0%	-4.0%	-4.0%	-5.0%	-5.0%
IEFA	iShares Core MSCI EAFE ETF	-	-	-	-	-	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
IEMG	iShares Core MSCI Emerging Markets ETF	-	-	-1.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-3.0%	-3.0%

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STANDARDIZED PERFORMANCE as of 06/30/2018 — for All Holdings in the Target Allocation ETF Model Portfolios

Ticker	ETF	Inception Date	Expense Ratio	1 Year Returns		5 Year Returns		10 Year Returns		Since Inception	
				NAV	Market Price	NAV	Market Price	NAV	Market Price	NAV	Market Price
IGIB	iShares Intermediate-Term Corporate Bond ETF	01/05/2007	0.06%	-0.54%	-0.65%	2.28%	2.25%	4.09%	3.99%	4.04%	4.02%
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	12/17/2007	0.40%	-2.75%	-2.52%	4.26%	4.15%	5.96%	5.79%	5.60%	5.60%
FLOT	iShares Floating Rate Bond ETF	06/14/2011	0.20%	1.93%	1.92%	1.08%	1.06%	-	-	1.13%	1.15%
GOVT	iShares U.S. Treasury Bond ETF	02/14/2012	0.15%	-0.81%	-0.85%	1.38%	1.39%	-	-	1.05%	1.06%
HYG	iShares iBoxx \$ High Yield Corporate Bond ETF	04/04/2007	0.49%	1.83%	1.22%	4.24%	4.15%	6.22%	6.06%	5.37%	5.28%
IEF	iShares 7-10 Year Treasury Bond ETF	07/22/2002	0.15%	-1.92%	-1.96%	1.92%	1.92%	4.03%	4.02%	4.49%	4.49%
IEFA	iShares Core MSCI EAFE ETF	10/18/2012	0.08%	7.84%	7.06%	7.23%	7.12%	-	-	7.68%	7.63%
IEMG	iShares Core MSCI Emerging Markets ETF	10/18/2012	0.14%	8.03%	7.57%	4.97%	5.00%	-	-	3.43%	3.38%
IJH	iShares Core S&P Mid-Cap ETF	05/22/2000	0.07%	13.48%	13.57%	12.61%	12.64%	10.69%	10.69%	9.64%	9.64%
IJR	iShares Core S&P Small-Cap ETF	05/22/2000	0.07%	20.48%	20.54%	14.55%	14.57%	12.18%	12.17%	10.65%	10.65%
IVE	iShares S&P 500 Value ETF	05/22/2000	0.18%	7.43%	7.45%	10.27%	10.29%	8.29%	8.29%	5.70%	5.70%
IVV	iShares Core S&P 500 ETF	05/15/2000	0.04%	14.33%	14.36%	13.37%	13.40%	10.12%	10.12%	5.49%	5.49%
IVW	iShares S&P 500 Growth ETF	05/22/2000	0.18%	20.40%	20.39%	15.78%	15.79%	11.50%	11.51%	5.27%	5.27%
LQD	iShares iBoxx \$ Investment Grade Corporate Bond ETF	07/22/2002	0.15%	-1.64%	-1.85%	3.66%	3.60%	5.47%	5.43%	5.20%	5.18%
MBB	iShares MBS ETF	03/13/2007	0.12%	-0.08%	-0.04%	2.02%	2.02%	3.24%	3.24%	3.41%	3.41%
MTUM	iShares Edge MSCI USA Momentum Factor ETF	04/16/2013	0.15%	24.72%	24.75%	17.92%	17.92%	-	-	17.01%	17.02%
NEAR	iShares Short Maturity Bond ETF	09/25/2013	0.25%	1.59%	1.57%	-	-	-	-	1.17%	1.18%
TIP	iShares TIPS Bond ETF	12/04/2003	0.20%	2.01%	1.99%	1.56%	1.59%	2.90%	2.87%	3.90%	3.90%
TLT	iShares 20+ Year Treasury Bond ETF	07/22/2002	0.15%	0.03%	-0.24%	4.78%	4.72%	6.09%	6.06%	6.33%	6.33%
USMV	iShares Edge MSCI Min Vol USA ETF	10/18/2011	0.15%	10.72%	10.74%	12.63%	12.64%	-	-	13.99%	14.00%
IXN	iShares Global Tech ETF	11/12/2001	0.48%	26.67%	26.65%	19.89%	19.94%	12.22%	12.24%	7.80%	7.81%

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.iShares.com. Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times. Performance shown may reflect fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown. Performance would have been lower without such waivers. Performance for periods longer than a year has been annualized using a geometric mean.

¹Standard deviation for the model portfolio is a statistical estimate measuring how dispersed returns are around an average. Standard deviation is estimated using the risk factor exposures and volatilities of the underlying funds, based on BlackRock Solutions multi-asset class risk models, and takes into account the correlations of these factors across the portfolio. Standard deviation is not meant to be a prediction of fund or model volatility and actual volatility of any portfolio based in whole or in part on the models shown will vary and may be higher. The standard deviation was calculated on 06/30/2018.

²If applicable, the net expense ratio has been applied to the calculation of the average weighted expense ratio.

Contribution to risk is an additive measure of risk. The contribution to risk of a factor exposure of the fund is calculated as the change in the total portfolio risk that results from a small incremental increase to that factor exposure. This risk measure takes into account correlations across exposures and captures the risk of these as well as how diversifying they are in the total portfolio. Risk contributions are designed to sum to equal the total volatility of the portfolio.

Risk contribution factor exposures are (1) Total Risk contribution is the total standard deviation of the portfolio and is the sum of the risk contributions across rate, credit, equity, FX and other risk. (2) Rate Risk contribution captures volatility associated with portfolio covariation with benchmark government interest rates. (3) Credit Risk contribution captures volatility associated with portfolio covariation with investment grade, high yield and distressed debt credit spreads over benchmark interest rates. (4) Equity Risk contribution captures volatility associated with portfolio covariation with equity market fluctuations. (5) FX Risk contribution captures volatility associated with portfolio covariation with foreign exchange rate fluctuations (6) Other Risk contribution captures the remaining portion of volatility that is idiosyncratic relative to Rate, Credit, Equity and FX Risk.

Beta to 10-year Treasury Rates measures the portfolio's sensitivity to changes in the 10-year maturity US Treasury bond interest rate.

Beta to 2-Year Inflation Expectations measures the portfolio's sensitivity to changes in the market interest rate spread between 2-year US Treasuries and the 2-year US Treasury Inflation Protected Security.

Beta to the S&P 500 Index measures the portfolio's sensitivity to changes in the value of the S&P 500 index.

Beta to Investment Grade Spreads measures the portfolio's sensitivity to changes in the credit spread of a diversified US investment grade bond index, as measured by the J.P. Morgan US Liquid Index.

Beta to USDX (US Dollar Currency Index) measures the portfolio's sensitivity to changes in the value of the US Dollar Index, which measures the average change in value of the USD versus major world currencies.

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A fund's use of derivatives may reduce a fund's returns and/or increase volatility and subject the fund to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. A fund could suffer losses related to its derivative positions because of a possible lack of liquidity in the secondary market and as a result of unanticipated market movements, which losses are potentially unlimited. There can be no assurance that any fund's hedging transactions will be effective.

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