

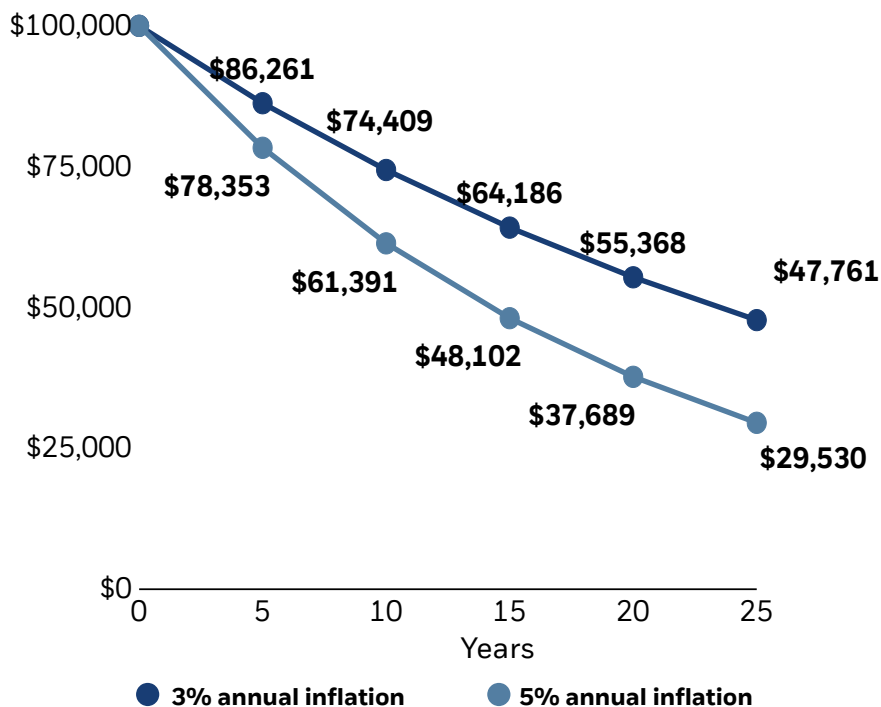
Feeling safe may be risky



Inflation affects money in two major ways. Over time, the true value of money diminishes, while the price of goods gradually increases. Not taking inflation into account could result in underestimating how much money might be truly needed in the future.

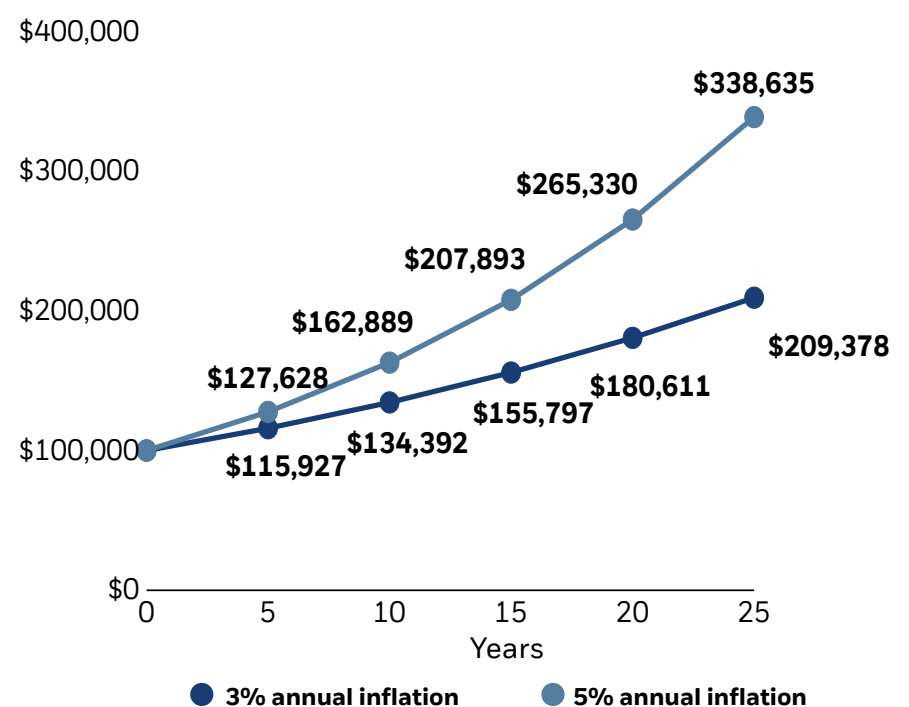
Erosion of purchasing power

Having \$100,000 today would be worth the same as \$47,761 in 25 years assuming 3% annual inflation, or \$29,530 assuming 5% annual inflation.



Increase in prices

The same item that costs \$100,000 today will cost \$209,378 in 25 years assuming 3% annual inflation, or \$338,635 assuming 5% annual inflation.

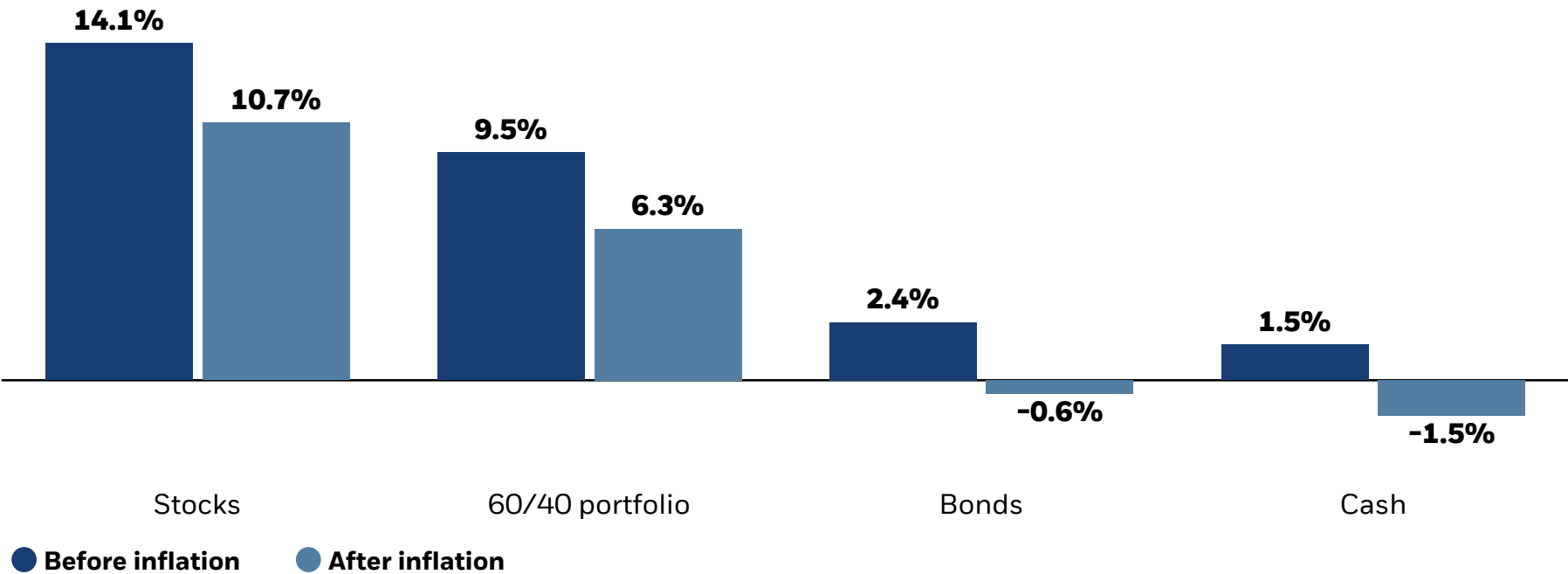


Investing involves risks, including possible loss of principal. Source: BlackRock. Hypothetical examples for illustration purposes only. Assumes constant annual inflation rates.

Much like it reduces the value of money in the future, inflation also affects the true return on our investments once we take it into account. If the return of an investment is less than the inflation rate, then a return that appears positive on paper could actually be negative in real value terms.

Inflation dramatically reduces investment returns

Average annual returns, past 15 years (2011 – 2025), adjusted for 3% annual inflation.



Sources: Morningstar, Bloomberg, BlackRock. Index performance shown as average annual return from 1/1/11–12/31/25. Inflation is assumed to be a constant 3% per year. **"Stocks"** are represented by the S&P 500 Index, an unmanaged index that consists of the common stocks of 500 large capitalization companies, within various industrial sectors, most of which are listed on the New York Stock Exchange. **"60/40 portfolio"** is represented by a hypothetical portfolio consisting of 60% of its portfolio represented by the S&P 500 Index and 40% of its portfolio represented by the Bloomberg U.S. Aggregate Bond Index. **"Bonds"** are represented by the by the Bloomberg U.S. Aggregate Bond Index, an unmanaged index that consists of investment-grade corporate bonds (rated BBB or better), mortgages, and U.S. treasury and government agency issues with at least one year to maturity. **"Cash"** is represented by the ICE BofA 3-month Treasury Bill Index, an unmanaged index based on the value of a 3-month Treasury Bill assumed to be purchased at the beginning of the month and rolled into another single issue at the end of the month. U.S. Treasury Securities are direct obligations of the U.S. Government and are backed by the "full faith and credit" of the U.S. Government if held to maturity. Stock and bond prices fluctuate and the value of your investment may change based on market conditions. Different investments such as bonds and stocks have different objectives, risk tolerance levels and time horizons. Individuals should consult their financial professional regarding their individual situation when comparing these various instruments. **Past performance does not guarantee or indicate future results.** Index performance is show for illustrative purposes only. You can not invest directly in an index.