

The growing high-net-worth practice

Attract and serve today's high-net-worth clients

BlackRock[®]

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Attract and serve today's high-net-worth clients.

Industry insight:

High-net-worth investors represent a growing segment of the wealth market, presenting a significant opportunity for advisors.

How to win in the high-net-worth space:

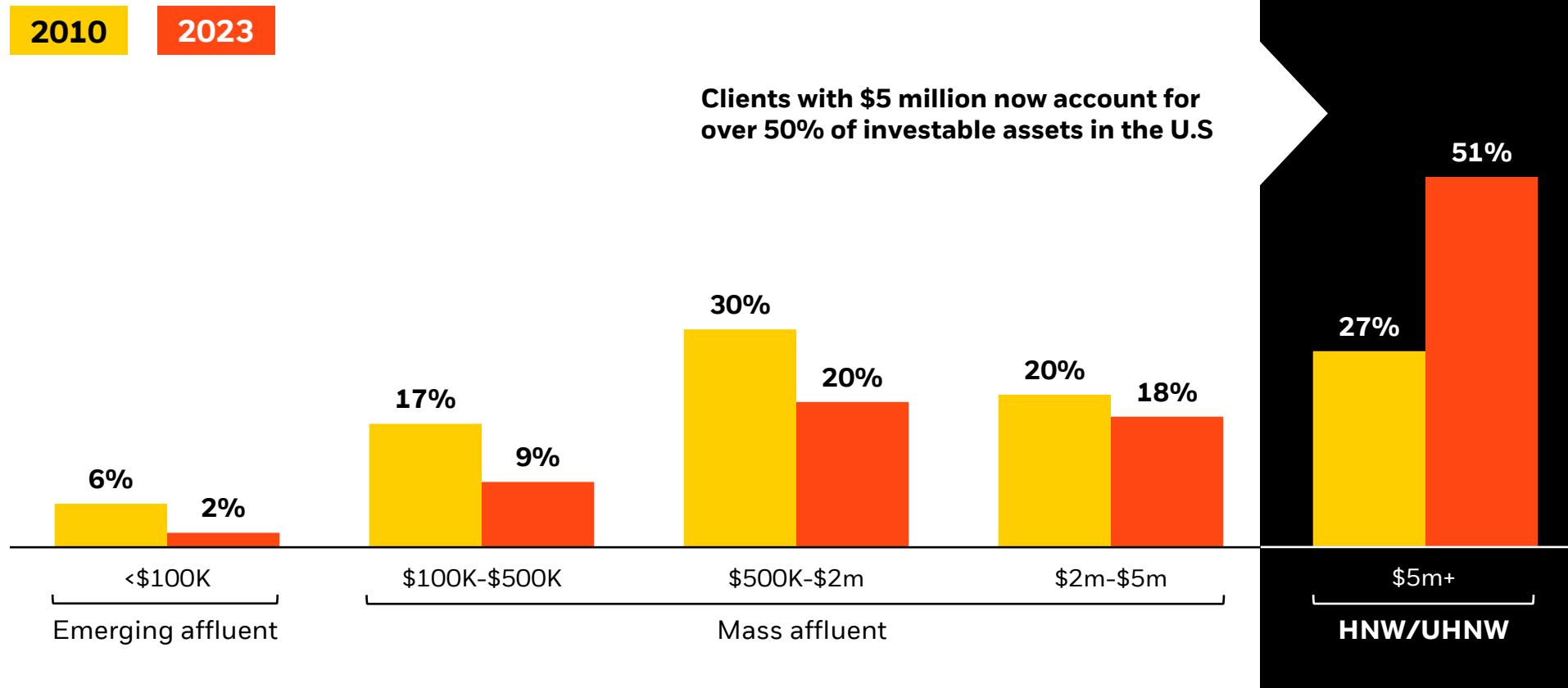
Enhance your practice	Evolve your process	Expand your products	Engage the UHNW space
<div>Enhance your practice</div>	<div>Evolve your process</div>	<div>Expand your products</div>	<div>Engage the UHNW space</div>

INDUSTRY INSIGHT

Wealth continues to concentrate up market

The clients you have built your business on are not the ones who will double it moving forward.

Investable assets by investor net worth segments¹

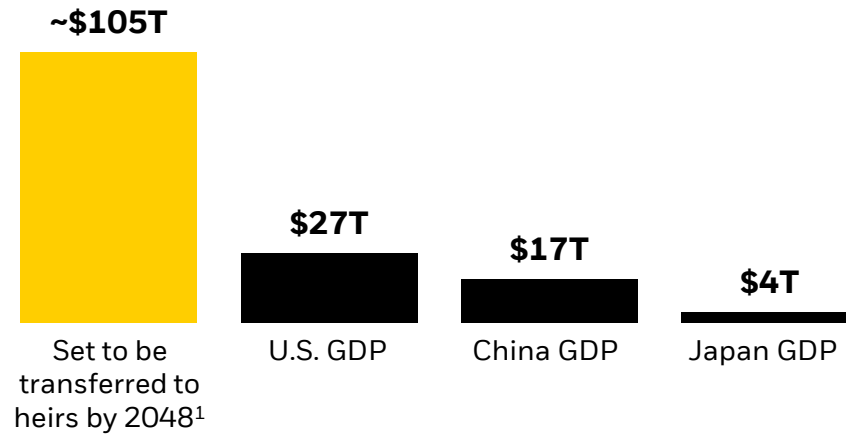


1. Cerulli U.S. High-Net Worth and Ultra High-Net Worth Markets, 2024

ENHANCE YOUR PRACTICE

Focus on where assets are going

Pay attention to where assets are today and where they are moving in the future.



An opportunity to gain and retain assets:

70% of adult children are likely to leave their parents' advisor when they receive their inheritance.²

Wealth transfer planning considerations

What are you doing today to provide durable, intergenerational support for your clients and their families?

Develop multigenerational wealth transfer plans

Recruit younger advisors to build multigenerational relationships

Consider different investment vehicles for wealth transfer events (e.g., 529s)

1. Cerulli U.S. High-Net Worth and Ultra High-Net Worth Markets, 2024. GDP data sourced from World Bank: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>.

2. Cerulli, "The Cerulli Edge: U.S. Advisor Edition," 3Q 2021

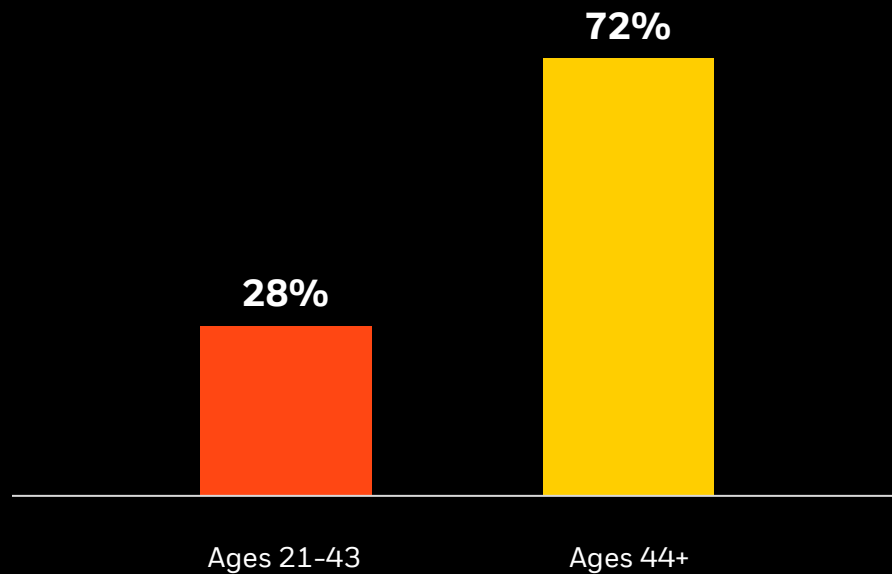
ENHANCE YOUR PRACTICE

Appeal to the next generation of investors

Younger wealthy people have fundamentally different mindsets on portfolios and investing.

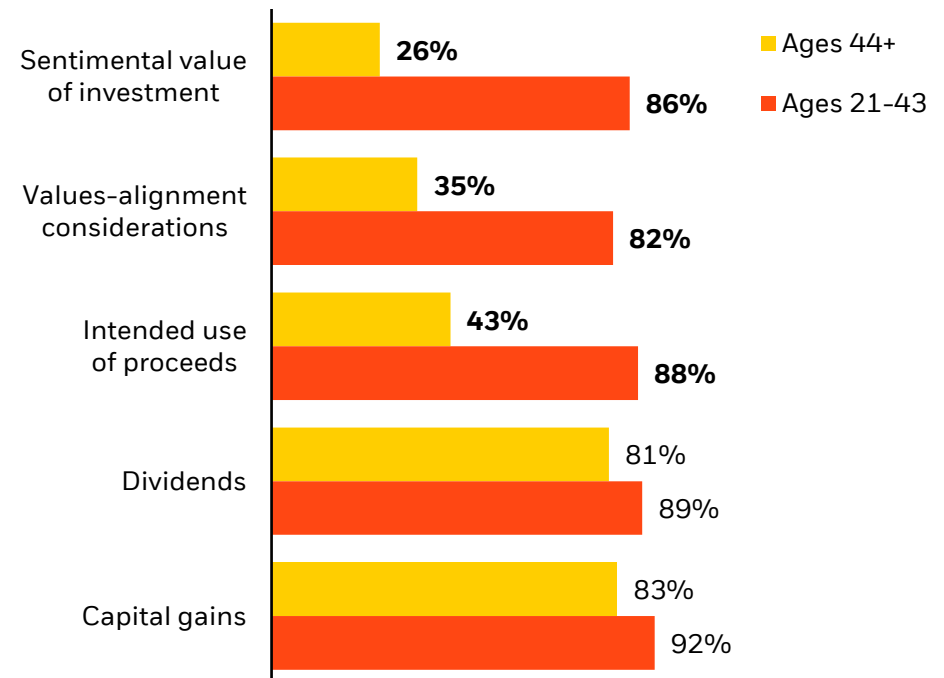
Younger investors are skeptical of traditional investments...

% of investors who believe it's possible to achieve above-average returns investing solely in traditional stocks and bonds



... and place more emphasis on the sentiment of investments and how they align with their values

Investment decision considerations



Source: 2024 Bank of America Private Bank Study of Wealthy Americans. Research represents American adults with \$3 million or more in investable assets.

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ENHANCE YOUR PRACTICE

Expand your service offering

Continue searching for ways to enhance your value proposition to new and existing clients.

Services commonly offered by U.S. advisors¹

- ✓ Retirement income planning
- ✓ Retirement accumulation planning
- ✓ Education funding
- ✓ Insurance
- ✓ Cash management budgeting
- ✓ Intergenerational wealth planning
- ✓ Elder care planning
- ✓ Estate planning
- ✓ Tax planning
- ✓ Charitable planning
- ✓ Business planning
- ✓ Trust services
- ✓ Third-party lending product evaluation
- ✓ Concierge and lifestyle services

~7

average number of services offered

42%

of advisors offer intergenerational wealth planning



**Don't add services for the sake of adding them.
Be intentional to add scale while differentiating
your service model.**

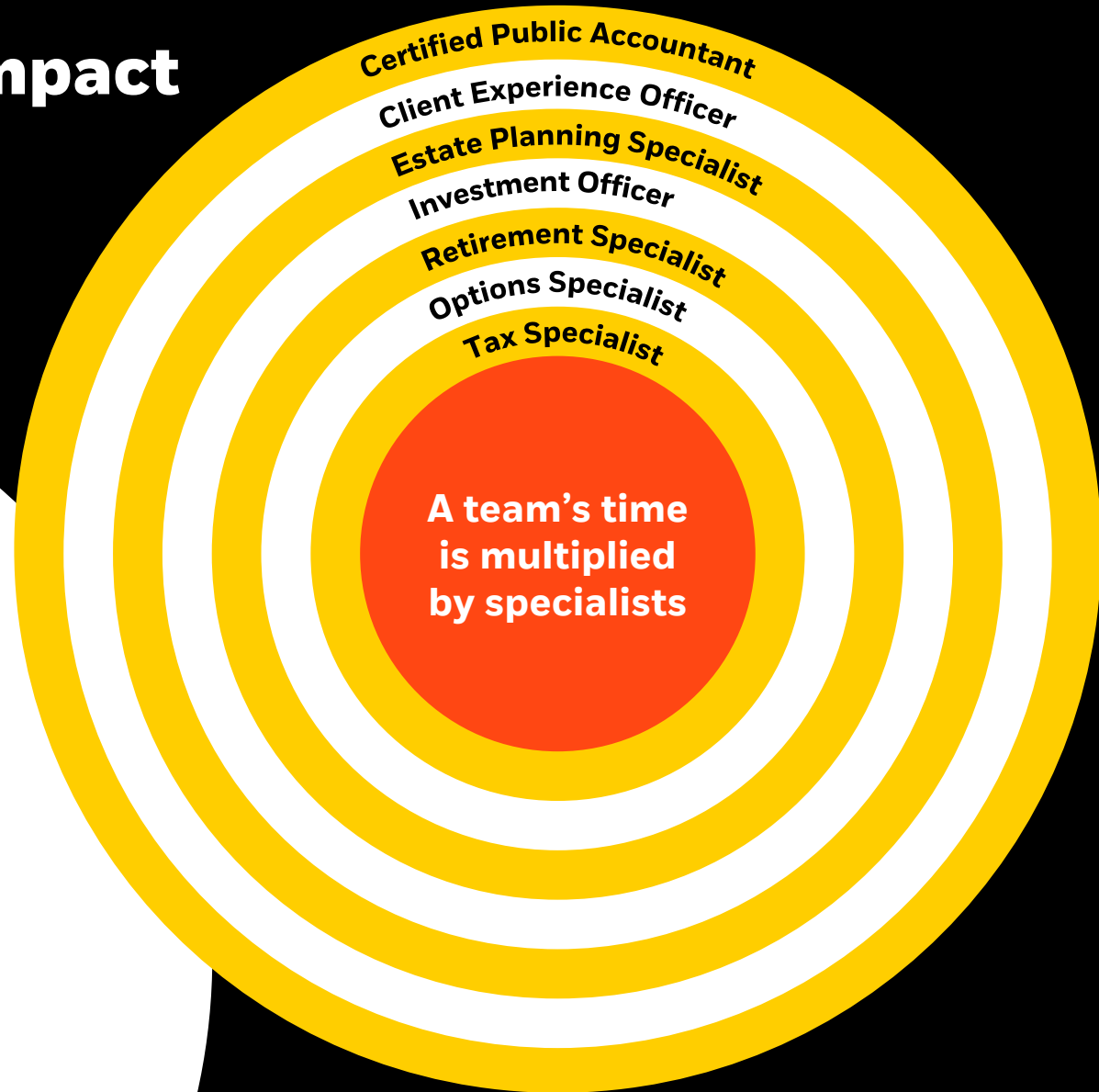
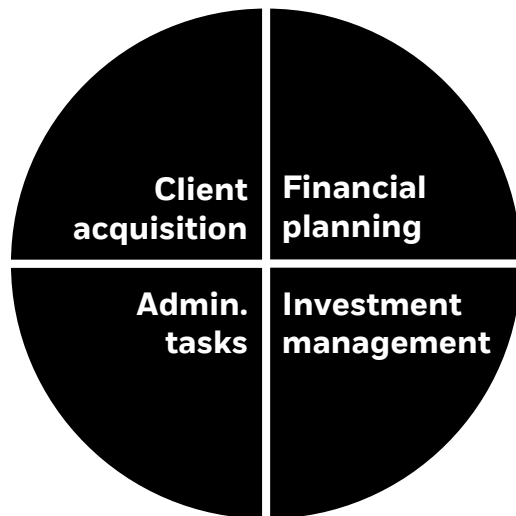
1. Cerulli U.S. Advisor Metrics 2024. Average number of services offered includes financial planning and advanced planning services.

ENHANCE YOUR PRACTICE

Multiply your impact with specialists

- Internal partners
- External partners

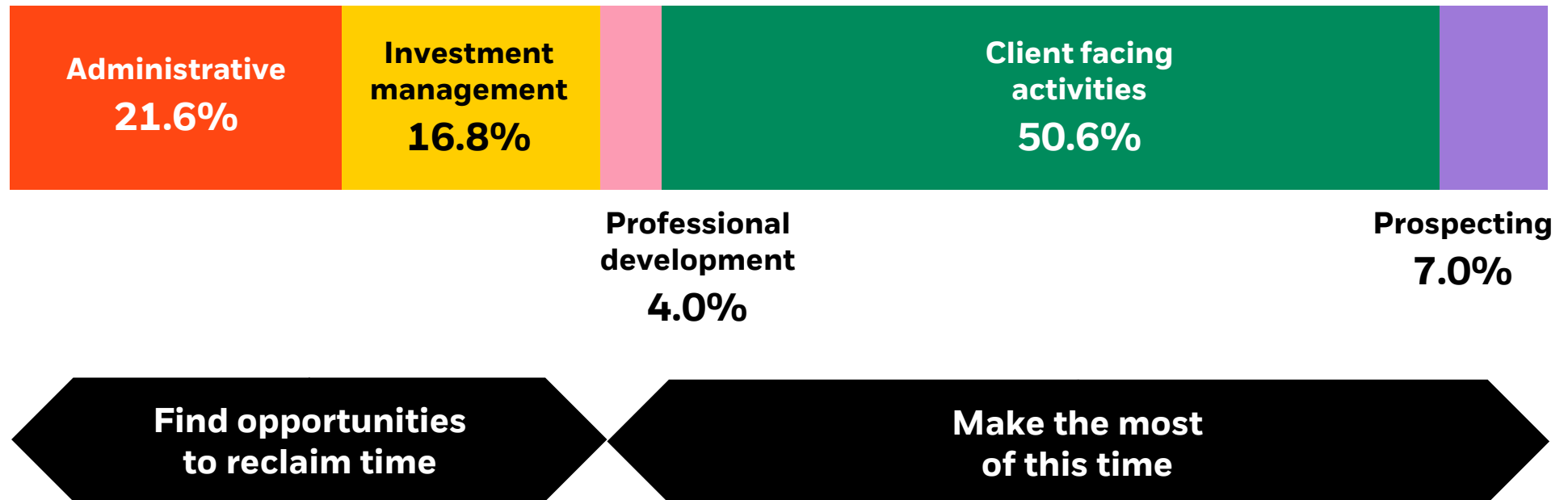
A sole practitioner's time is often divided



ENHANCE YOUR PRACTICE

Reallocate your time to growth-focused activities

Reinvest your time where it matters most – with your clients and building your team.



Source: Cerulli U.S. Advisor Metrics 2024.

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EVOLVE YOUR PROCESS

Embrace a new model of portfolio management

Many advisors are reluctant to outsource portfolio management as they see it as central to their competitive positioning.

“

**My value is tied
intrinsically to my security
selection skills”**

**Forward-thinking
advisors:**

**But
according to
industry...**

...client satisfaction is driven by other areas

Reason for satisfaction with primary advisor for clients with \$5m+

74%

Reputation/trust,
service and advice

21%

Investment
performance

**“My value is tied
to time I spend
with clients and
building my
business”**

Source: Cerulli U.S. High-Net Worth and Ultra High-Net Worth Markets, 2024. For clients with over \$5m in investable assets, reputation/trust was ranked as the largest contributor to satisfaction with their primary advisor, followed by service and then advice and investment performance.



EVOLVE YOUR PROCESS

The opportunity cost of managing portfolios: what could you do with 200 hours?

Structuring your investment framework can help transform your practice by giving you back more than 200+ hours a year.¹

“Is my time better spent building portfolios or building my business?”

Let's say you have \$100m in AUM and your book of business grows 5% each year...

- Benchmark (do nothing)
- You build portfolios and generate 1% alpha
- You build your business and bring in \$5m/year
- - - You build portfolios and underperform by 1%

AUM at year 20

\$430,659,541

\$320,713,547

\$265,329,771

\$219,112,314

\$100,000,000

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

Year

1. Cerulli Associates, "The Cerulli Report | U.S. Asset Allocation Model Portfolios 2022. The study reports that advisors using model portfolios can reduce investment management and admin from 51 to 40% of their time and increase client-facing activities from 44 to 53% of their time. Time savings estimation assumes 10%-time savings x a 45hr work week x 50 weeks per year = 225hrs saved.

EVOLVE YOUR PROCESS

Choose how you scale portfolios

Find the right balance for your practice. You can buy our models off-the-shelf, customize them or build them yourself.

BlackRock Portfolio Design Services: deliver models your way to free-up capacity

You want to be hands on (0% outsourced)

You want to be hands off (100% outsourced)

Build

Customize

Buy

Build your own models and consult with BlackRock's portfolio design team to fill in the gaps

Align BlackRock's asset allocation to your product preferences/market views, with the ability to white label marketing

Choose from 150+ BlackRock models and keep clients informed with surround sound marketing support



Experienced team



Aladdin® risk management technology



Institutional insights

Click here to learn more about BlackRock's Models platform

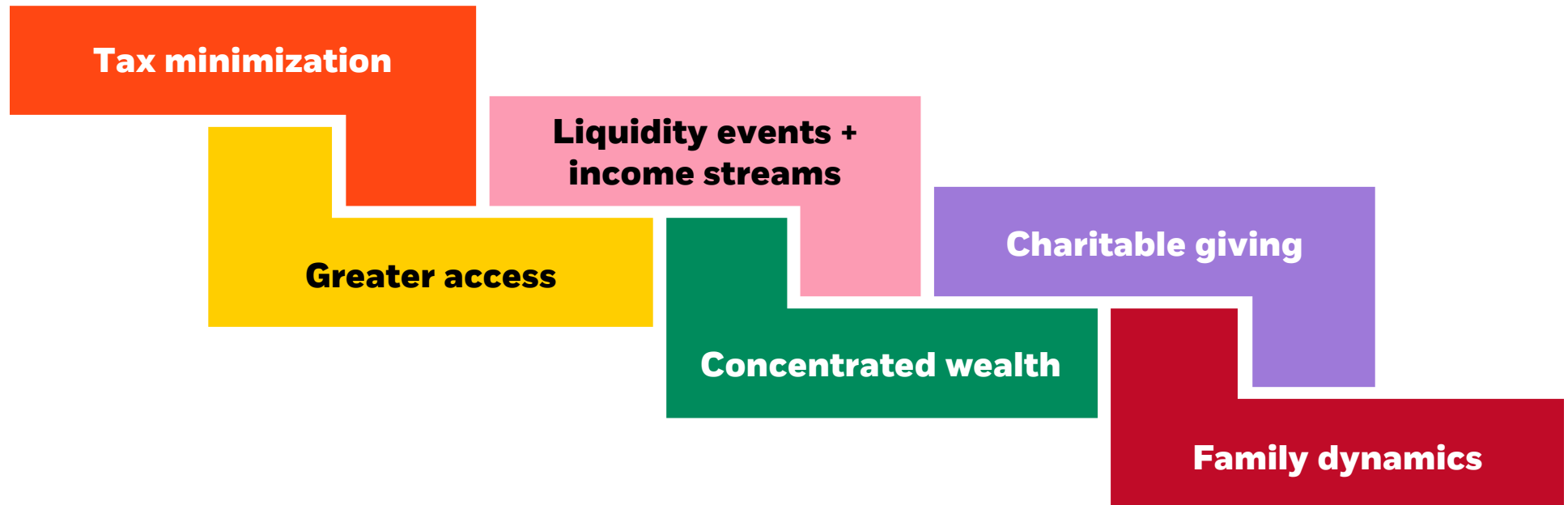


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EXPAND YOUR PRODUCTS

Various interests of high-net-worth clients

By freeing up capacity, you can devote more time to solving a very specific set of client challenges.



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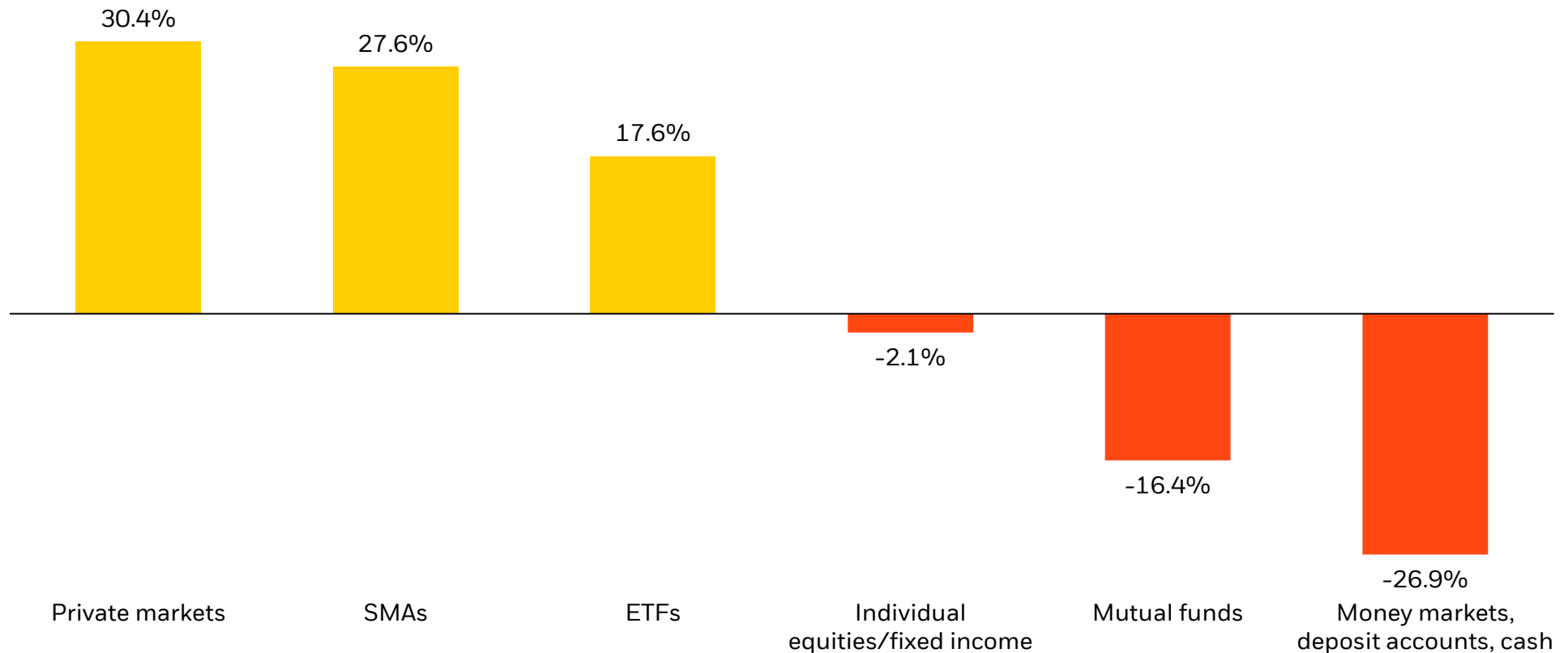
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EXPAND YOUR PRODUCTS

Assets are moving to more efficient structures

Advisors are moving to investment vehicles better suited to meet their clients' needs.

Advisor-reported product mix percent change, 2024 vs 2026E¹





1. Cerulli Associates. U.S. Advisor Edition, 4Q24 (Issue #85). The percentage changes reflected above represent the reported percentage point change for each asset class divided by their current (2024) percentage of the portfolio. Forecasts are subject to change and not guaranteed.

EXPAND YOUR PRODUCTS

A “one size fits all” approach is not enough

SMAs and alternatives can help deliver more personalized solutions and new sources of alpha that can set you apart. We simplify our HNW products by seeking to match them to what’s important to each investor.

		HNW client needs					
		Tax alpha	Personal -ization	Manage low basis stock	New sources of alpha	Enhanced income	Targeted downside protection
BlackRock SMAs							
aperio	A leader in direct indexing with a 20+ year heritage of service, innovation and personalization	✓	✓	✓			
BlackRock Bond SMAs							
Your personal PM customizes, oversees in-kind transitions and taps into BlackRock’s institutional scale for Munis and TFI alike		✓	✓		✓	✓	
 SPIDERROCK	Professionally managed options portfolios seeking to deliver better, more personalized outcomes	✓	✓	✓		✓	✓
Alternatives							
 Global Infrastructure Partners	An industry leader in infrastructure investments, a structural diversifier to private equity				✓	✓	
BlackRock Private Credit							
					✓	✓	

Source: U.S. Retail Investor Solutions 2025.

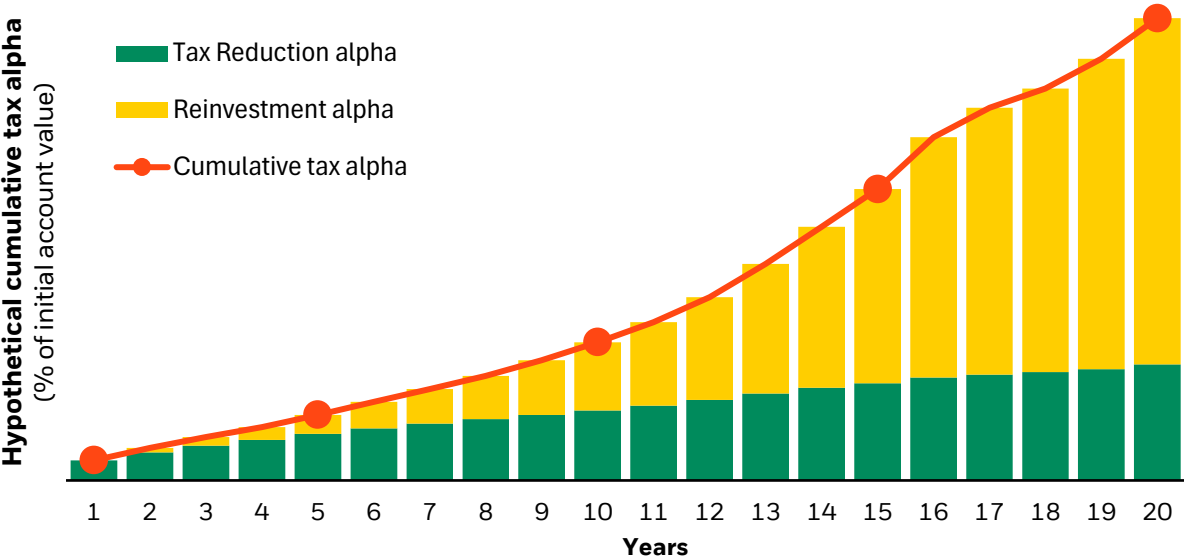
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EXPAND YOUR PRODUCTS

Deliver tangible tax benefits with direct indexing

Direct indexing allows for tax loss harvesting which can reduce tax impact across client portfolios, offsetting capital gains and reinvesting proceeds elsewhere in the portfolio seeking to generate tax alpha.

Hypothetical back-test cumulative tax alpha for a \$10-million cash-funded account to illustrate TLH decomposition of tax alpha into Tax Reduction alpha & Reinvestment alpha¹



Did you know?

Households with greater than \$5 million in investable assets are projected to pay

\$4.2T

in taxes on their estates and transfers to heirs over the next 25 years.²

Learn how BlackRock is helping advisors deliver tax-efficient solutions through Aperio

Averages (\$10M portfolio)	1 year	5 years	10 years	15 years	20 years
Cumulative tax alpha as % of initial value	5%	16%	34%	73%	115%
Cumulative tax alpha in dollars	\$500,000	\$1,600,000	\$3,400,000	\$7,300,000	\$11,150,000
(dollar estimates based on rounded percentages)					

1. For illustrative purposes only and not reflective of any actual account. The hypothetical cumulative tax benefit chart shows both the Tax Reduction benefit and the Reinvestment benefit of 39 overlapping 20-year back-test periods from June 30, 1995 to January 31, 2025. **Back-test assumptions & settings:** Aperio used its After-Tax Back-Testing Analysis Tool (ATBAT) to evaluate the performance of hypothetical portfolios; ATBAT uses historical data to perform optimization and calculate portfolio metrics. Back-test period is June 30, 1995 to January 31, 2025, with hypothetical portfolios of \$10M cash launched quarterly with monthly rebalancing. Back-test hypothetical portfolio returns are net of management fees assumed to be 0.22% and net of transaction costs estimated at 4 bps per transaction. Benchmark is S&P 500®. Highest federal tax rates are used as of the date of this document (40.8% short-term and 23.8% long-term), and no state taxes are used. 2. Cerulli. U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021

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EXPAND YOUR PRODUCTS

Bonds remain the anchor for HNW portfolios

Deliver the income and capital preservation your clients demand through more efficient vehicles.

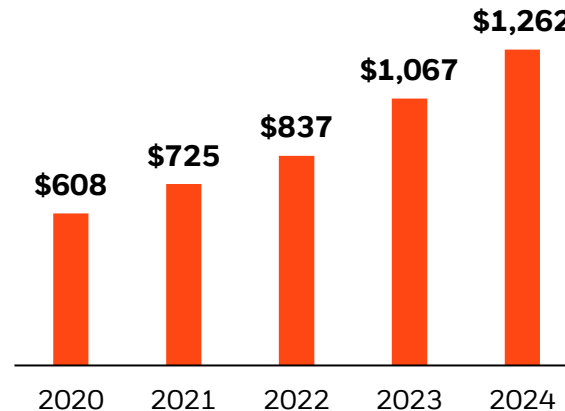


73%

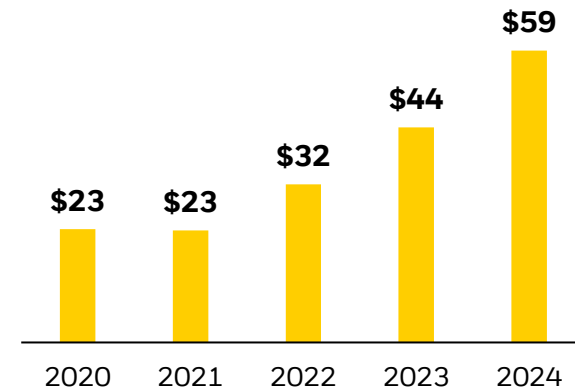
of high-net-worth households identify wealth preservation as their most important investment objective.¹

Scale your bond management with SMAs and term-maturity ETFs

Bond SMA AUM (\$bn)²



Term maturity ETF AUM (\$bn)³



BlackRock's fixed income platform is designed to help you manage bond portfolios for your clients at scale.

Built for you

Bond SMAs

Built by you

iBonds ETFs

¹ Cerulli U.S. High-Net Worth and Ultra High-Net Worth Markets, 2024. ² Cerulli U.S. Managed Accounts as of 12/31/2024. ³ BlackRock GBI.

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EXPAND YOUR PRODUCTS

New strategies to manage concentrated stock risk

Option overlays can be used to help your clients better manage the risk of concentrated stock in a tax-efficient manner.

The risk of holding concentrated stock:

Over the past 37 years

42%

of the stocks in the
Russell 3000 went down
by at least 50%
and never recovered*



Learn how BlackRock option overlay SMAs can help you deliver concentrated stock solutions tailored to your clients' needs.

Option overlays as a solution:

Option overlays sit on top of existing holdings and can be used to reduce risk while tax-efficiently liquidating concentrated positions.

1. Manage risk

Modestly reduce risk, protect against losses or swap single stock risk for market risk.

2. Divest tax-efficiently

Use option gains or losses to help strategically liquidate concentrated positions.

Reduce the risk of
a single stock

Covered Call
Strategy

Collar
Strategy

Swap single stock
risk for market risk

Exchange Fund Replication

Source: Aperio, MSCI. Risk management processes seek to mitigate, but cannot eliminate, risk, nor do they imply low risk.

*Never recovered is defined as the stock remaining below the 50% impairment level in price.

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EXPAND YOUR PRODUCTS

Active ETFs: the “next frontier” of ETF innovation

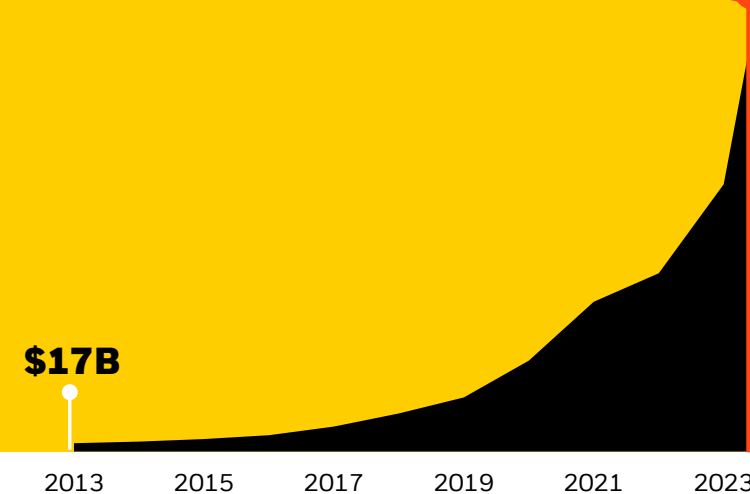
Combine the most useful features of ETFs with active management to solve for unique needs of HNW clients.

Active ETFs are growing rapidly...

\$881B

...and can help deliver targeted client outcomes

U.S. Active ETF AUM¹



Tax management

Nearly three quarters (73%) of high-net-worth households identify tax minimization and wealth preservation as their most important investment objective.²

Wealth preservation

Generational wealth

41% of Gen Z and Millennials are interested in thematic investing to reflect their interest in emerging opportunities.³

Did you know?

Only 19% of U.S. Active Equity ETFs paid cap gains in the last 10 years, compared to 73% of U.S. Active MFs.⁴

BlackRock's active ETF lineup seeks to provide innovative, tax-efficient solutions to solve for investor preferences



¹ Source: Morningstar Direct, BlackRock GBI as of 12/31/2024. ² Source: Cerulli U.S. High-Net Worth and Ultra High-Net Worth Markets, 2024. ³ Source: Charles Schwab Modern Wealth Survey 2024 ⁴ Source: BlackRock GBI, Morningstar as of 12/31/2024. U.S. Equities universe includes all ETFs/mutual funds in the respective US Category Group on Morningstar direct. Analysis includes oldest share class mutual funds and U.S.-listed ETFs. Analysis includes U.S. mutual funds and U.S.-listed ETFs with available NAVs as of 11/30 in each applicable year. Past distributions are not indicative of future distributions. 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.

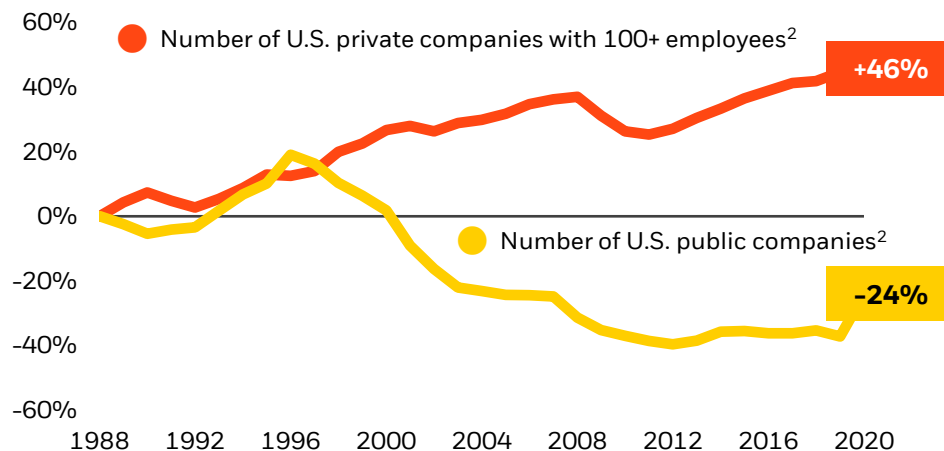
EXPAND YOUR PRODUCTS

Private markets represent a growing opportunity set for your clients

HNW investors lead adoption of private markets,¹ seeking to access a bigger pond with better fish representing the entire investible universe.

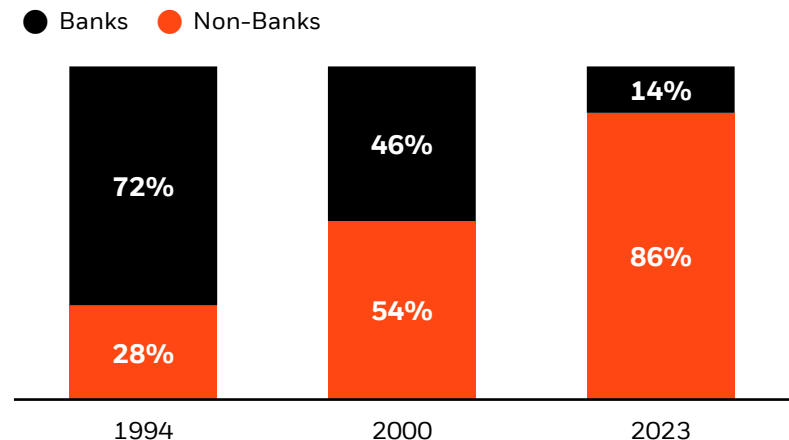
Fundamental changes in capital markets have led to a transformational shift from public to private markets:

Private equity



Private credit

Market share, leveraged loan market, 1994-2023³



Learn more about BlackRock's private equity and direct lending strategies.

— Private equity —

BPIF

— Private credit —

CREDX

BDEBT

¹. Oliver Wyman and Morgan Stanley Research Wealth and Asset Management Report, Competing for Growth. Published 2021 –most recent edition of this research published as of June 2023. ². Source: U.S. Census Bureau – Statistics U.S. Businesses, The World Bank Federation of Exchange databases as of December 2023. ³. S&P LCD as of 3/31/24. Chart reflects latest reported data. 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.

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EXPAND YOUR PRODUCTS

Client segmentation framework

Be strategic in how you segment clients to provide scale and personalization within your practice.

Cerulli breakdown of RIA industry AUM by client wealth segment



BlackRock end-to-end solutions

Solutions that seek to meet the needs of each wealth segment of your practice

BlackRock private markets

Separately managed accounts

(Direct indexing/option overlays/fixed income)

- After-tax investing
- Concentrated stock
- Values-aligned investing

Active ETFs

Tax overlays and trading

Build models with BlackRock's Portfolio Design Services

You choose how to scale up

- Build it
- Customize it, or
- Buy it

Source: Cerulli 2022. BlackRock estimates.

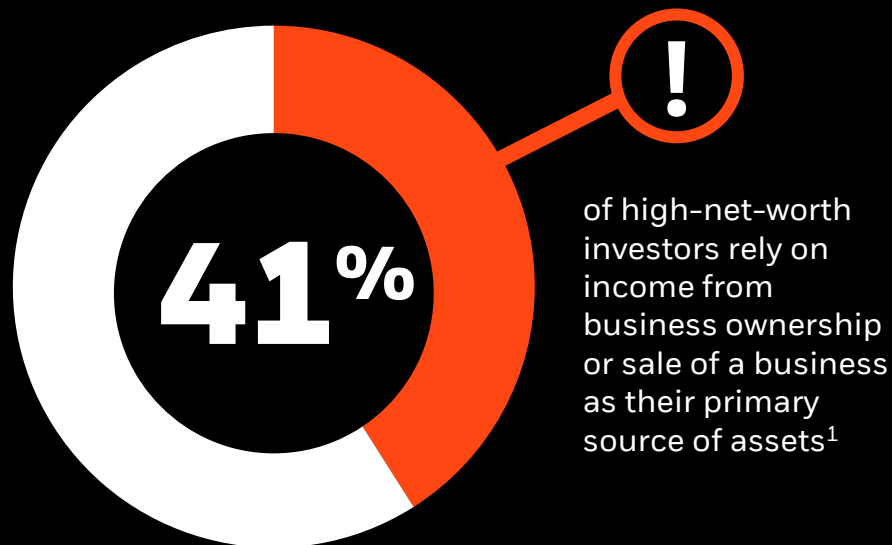
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ENGAGE IN THE UHNW SPACE

Private wealth is in motion

One-off events like the sale of a business can serve as the primary source of income for wealthy investors, and many are unprepared for these “liquidity events.”

Business owners make up a large portion of high-net-worth investors...



...and they will need a lot of help in the coming years

\$18T

is tied up in privately held businesses in the United States

×

73%

of owners want to transition in the next 10 years.

= \$14T in motion²

¹ Source: PwC HNW Investor Survey 2022. ² Source: Exit Planning Institute, 2023 National State of Owner Readiness Report.

ENGAGE IN THE UHNW SPACE

Solutions for the journey, not just the destination

Successful sales often require a complex, multi-layered strategy developed years in advance.

Tax and estate planning

Identify the right estate planning methods and investment strategies that can be implemented today

Start

Ongoing management

Ongoing service, including tax aware rebalancing, active risk monitoring and tactical asset allocation guidance

Portfolio design

Create a plan that supports your clients' financial plans (e.g., income replacement, bequests/charitable giving, liquidity tiering)

BlackRock Private Wealth Consulting brings deep expertise in the areas of tax, estate, charitable giving, portfolio design and exit planning, working alongside advisors on strategy and implementation every step of the way.

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PARTNER WITH BLACKROCK

BlackRock: a partner to your HNW practice

Learn how BlackRock can partner with you to serve your largest clients:

1.

Business consultations to align your services, value proposition and client stories to the HNW market.

2.

Explore strategies for freeing up time and capacity in core portfolio design.

3.

Deeper education for your team on direct indexing, SMAs, options, and private markets.

4.

Large opportunity and HNW casework with our Portfolio Design Services team.

Want to learn more?

Contact your BlackRock representative or visit the [BlackRock Advisor Center](#).



**Scan QR code
to access our
HNW hub**

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Investing involves risk, including possible loss of principal. Asset allocation and diversification may not protect against market risk, loss of principal or volatility of returns. Actual investment outcomes may vary. There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors, and each investor should evaluate their ability to invest long term, especially during periods of downturn in the market. No representation is being made that any account, product or strategy will or is likely to achieve profits.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries. The iShares® iBonds ETFs ("Funds") will terminate in the month and year in each Fund's name. An investment in the Fund(s) is not guaranteed, and an investor may experience losses, including near or at the termination date. Unlike a direct investment in a bond that has a level coupon payment and a fixed payment at maturity, the Fund(s) will make distributions of income that vary over time. In the final months of each Fund's operation, as the bonds it holds mature, its portfolio will transition to cash and cash-like instruments. As a result, its yield will tend to move toward prevailing money market rates and may be lower than the yields of the bonds previously held by the Fund and lower than prevailing yields in the bond market. As the Fund approaches its termination date, its holdings of money market or similar funds may increase, causing the Fund to incur the fees and expenses of these funds. Following the Fund's termination date, the Fund will distribute substantially all of its net assets, after deduction of any liabilities, to then-current investors without further notice and will no longer be listed or traded. The Funds' distributions and liquidation proceeds are not predictable at the time of investment and the Funds do not seek to return any predetermined amount. The rate of Fund distribution payments may adversely affect the tax characterization of an investor's returns from an investment in the Fund relative to a direct investment in bonds. If the amount an investor receives as liquidation proceeds upon the Fund's termination is higher or lower than the investor's cost basis, the investor may experience a gain or loss for tax purposes.

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