

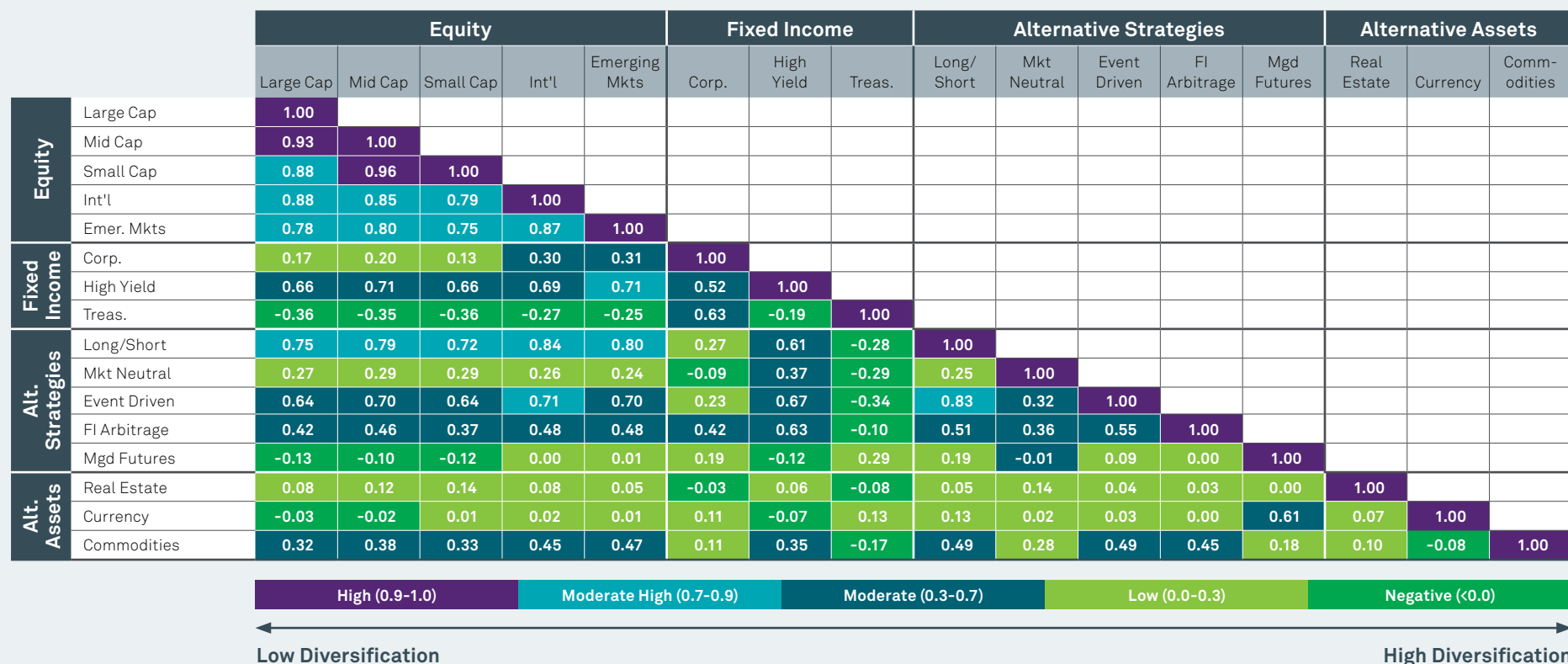
# DIVERSIFYING WITH ALTERNATIVES

## Correlation of Returns

**BLACKROCK®**

### ALTERNATIVE STRATEGIES AND ASSETS TEND TO HAVE LOWER CORRELATIONS

Correlation Matrix Over the Last 15 Years (2001-2015)



Sources: BlackRock; Informa Investment Solutions. Past correlations are no guarantee of future correlations. It is not possible to invest directly in an index. **Large Cap** is represented by the S&P 500 Index. **Mid Cap** is represented by the S&P 400 Mid Cap Index. **Small Cap** is represented by the S&P 600 Small Cap Index. **International** is represented by the MSCI EAFE Index. **Emerging Markets** are represented by the MSCI Emerging Markets Index. **Corporate Fixed Income** is represented by the Barclays Credit Index. **High Yield Fixed Income** is represented by the Barclays US High Yield Index. **Treasuries** are represented by the Barclays US Treasury Index. **Long/Short** is represented by the Dow Jones/Credit Suisse Long Short Equity Index. **Market Neutral** is represented by the Dow Jones/Credit Suisse Equity Market Neutral Index. **Event Driven** is represented by the Dow Jones/Credit Suisse Event Driven Index. **Fixed Income Arbitrage** is represented by the Dow Jones/Credit Suisse Fixed Income Arbitrage Index. **Managed Futures** is represented by the Barclay CTA Index. **Real Estate** is represented by the NAREIT All Equity Index. **Currency** is represented by the Barclay Currency Traders Index. **Commodities** is represented by the Goldman Sachs Commodity Index.

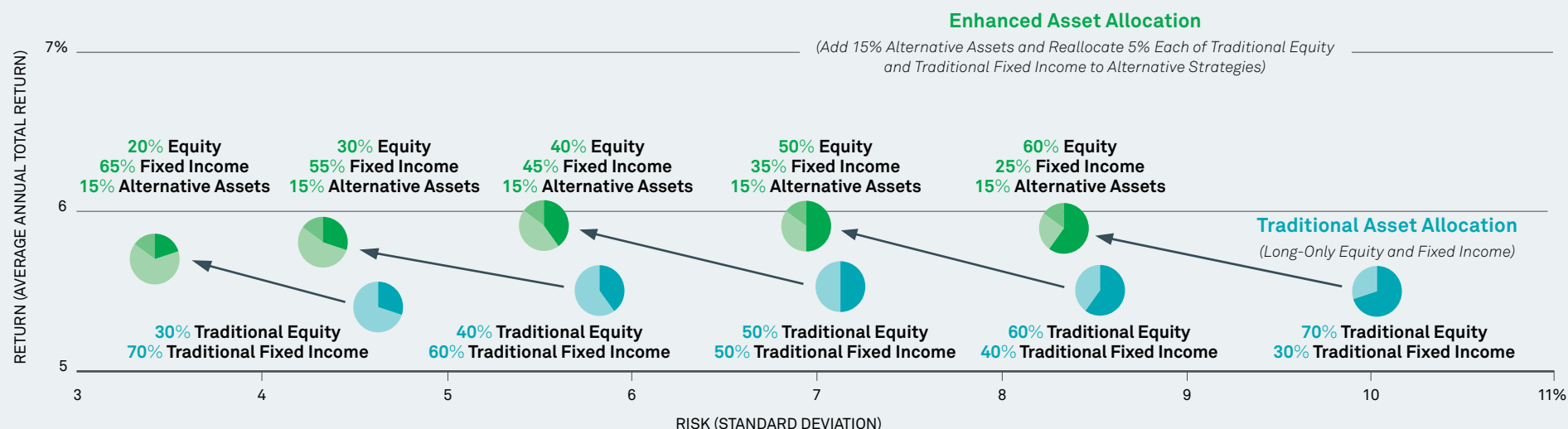
# DIVERSIFYING WITH ALTERNATIVES

Impact to Return and Risk Over Time

# BLACKROCK®

## ALTERNATIVE STRATEGIES AND ASSETS CAN EXPAND THE EFFICIENT FRONTIER

The Efficient Frontier Over the Last 15 Years (2001–2015)



Investing involves risk including possible loss of principal. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Sources: BlackRock; Informa Investment Solutions. Equity is represented by the S&P 500 Index. Fixed Income is represented by the Barclays US Aggregate Bond Index. Enhanced portfolios include a 15% allocation to alternative assets, a 5% allocation to alternative equity strategies within the equity allocation and a 5% allocation to alternative fixed income strategies within the fixed income allocation. To fund these additional allocations, the equity allocation of each traditional portfolio is reduced by 15% and the fixed income allocation is reduced by 10%. The 15% allocation to alternative assets is represented by a 5% allocation to the Goldman Sachs Commodity Index, a 5% allocation to the Barclay Currency Traders Index and a 5% allocation to the NAREIT Equity Index. The 5% allocation to alternative equity strategies is represented by the Dow Jones/Credit Suisse Long Short Equity Index. The 5% allocation to alternative fixed income strategies is represented by the Dow Jones/Credit Suisse Fixed Income Arbitrage Index.

### FOR MORE INFORMATION: [www.blackrock.com](http://www.blackrock.com)

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