**Strategy overview**

BlackRock’s fundamental fixed income team invests using a relative value approach within a risk-aware framework. We seek to add alpha via effective top-down sector allocation decisions as well as bottom-up sub-sector rotation and security selection. Macro overlay views, including duration and yield curve positioning, are implemented as complementary strategies. We believe our proprietary, comprehensive suite of portfolio risk management reports and valuation models enables our global network of experienced professionals to produce consistent investment successes.

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**General Guidelines**

The portfolio may invest U.S. Treasury and Agency Securities, Asset-backed Securities (ABS), Commercial Mortgage-backed Securities (CMBS), Agency Mortgage-backed Securities (MBS) and Investment Grade Corporate Bonds. Treasury Futures may be used to manage duration and yield curve exposure.

A maximum of 30% of the portfolio may be invested in ABS, CMBS and Agency MBS. A maximum of 20% may be invested in Corporate backed debt.

Average effective duration of the portfolio may not exceed 3 years. Overall portfolio credit quality must be AA or better.

Leverage is not permitted.

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**Short Duration Bond Fund** (as of 30 September 2021)

*Total Return % in USD*

<table>
<thead>
<tr>
<th></th>
<th>Q3%</th>
<th>1 Year %</th>
<th>3 Year %</th>
<th>5 Year %</th>
<th>Since Incep %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Duration Bond Fund</td>
<td>0.11</td>
<td>0.45</td>
<td>2.94</td>
<td>2.02</td>
<td>2.58</td>
</tr>
<tr>
<td>BofAML 1-3 Year Treasury Index (4PM)</td>
<td>0.06</td>
<td>0.03</td>
<td>2.64</td>
<td>1.63</td>
<td>2.06</td>
</tr>
<tr>
<td>Active Return **</td>
<td>0.05</td>
<td>0.42</td>
<td>0.30</td>
<td>0.39</td>
<td>0.52</td>
</tr>
</tbody>
</table>

*Returns for periods greater than one year are annualized
Portfolio characteristics

**Sector allocation (as of 30 September 2021)**

- Credit: 8%
- Treasuries/Cash: 6%
- Agency MBS: 1%
- CMBS: 22%
- ABS: 63%

**Credit quality (as of 30 September 2021)**

- Government/Cash: 68%
- AAA: 6%
- AA: 10%
- A: 8%
- BBB: 8%