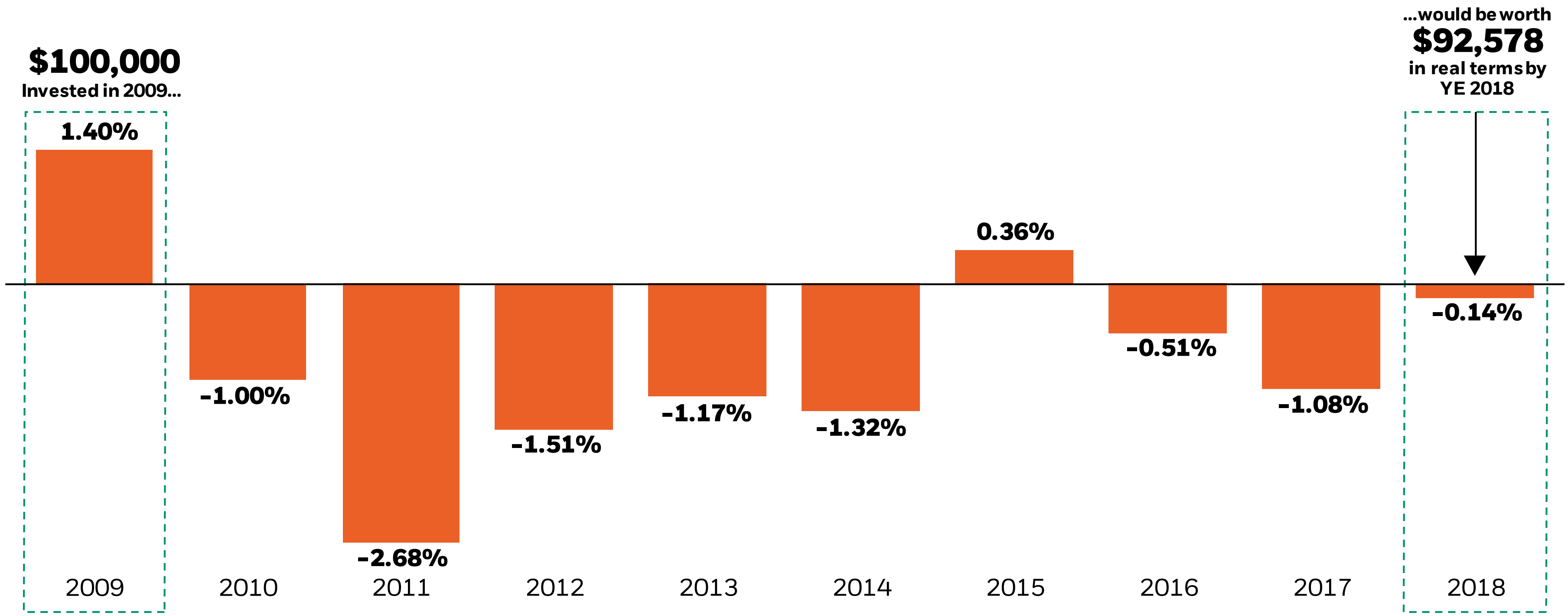
Feeling safe may be risky

Bank CDs can be a good alternative to savings accounts for emergency funds. However, they may not be adequate for helping investment portfolios build wealth. CDs can, and have had, returns that ***lose*** money after accounting for taxes and inflation, potentially leaving you with less than when you started.

A long-term problem

Return of CDs after taxes and inflation

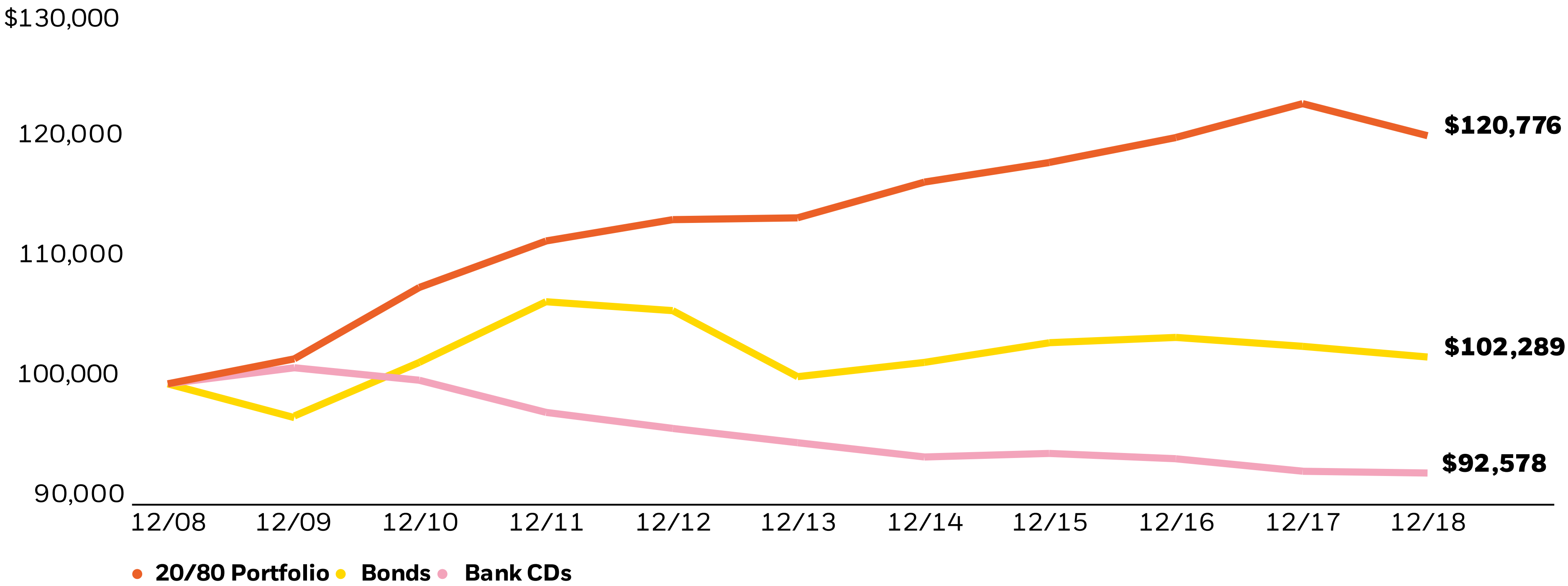


Source: Bloomberg. Chart shows real return after taxes at the top federal rate for each year and after inflation as represented by the Consumer Price Index. CD rate based on Bloomberg CD 12-Month Index. Past performance is no guarantee of future results.

Many investors turn to CDs to protect their assets in times of uncertainty. While investments other than CDs may be more volatile, they have the potential to produce better returns in the long term—even through down markets—when compared to a CD.

Bank CDs, in perspective

Growth of a hypothetical $100,000 after inflation and taxes, rebalanced annually



Sources: Morningstar, Bloomberg, BlackRock as of 12/31/18. Bank CDs represented by the Bloomberg CD 12-Month Index, and are typically used as a means of preserving capital. Bonds represented by the Morningstar/Ibbotson Intermediate-Term Government Bond Index, and are typically used as a means of generating income. 20/80 Portfolio represented by 20% Morningstar/Ibbotson U.S. Large Stock Index and 80% Morningstar/Ibbotson Intermediate-Term Government Bond Index, rebalanced annually to maintain that allocation. 20/80 portfolios typically seek a balance between long term capital appreciation and high current income, with an emphasis on income. Inflation is derived from the Consumer Price Index. Income is taxed at the top federal income tax rate as it occurs. Capital gains for stocks are assessed every year there is a cumulative gain at the long-term capital gains rate. Bonds are assumed to be held to maturity. No state income taxes are included. Penalty fees may be incurred if withdrawing from a Bank CD before maturity. Bank CDs are FDIC insured up to $250,000, while stocks and bonds are not. Stock and bond prices fluctuate and the value of your investment may change based on market conditions. Past performance does not guarantee or indicate future results. Index performance is shown for illustrative purposes only. You can not invest directly in the index.

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