



A DIVISION OF ANDREW KALOTAY ASSOCIATES, INC.

**BLACKROCK®**

**NEWS RELEASE**

**KALOTAY LICENSES TAX-NEUTRAL MUNI BOND METHODOLOGY TO BLACKROCK  
APPROACH IS ESSENTIAL FOR PROPER RISK ASSESSMENT OF MUNICIPAL BONDS**

**New York, NY, October 25, 2016** — Kalotay Analytics, a provider of high speed, high precision fixed income valuation software, announced the licensing of patent-pending tax-neutral municipal bond valuation and risk analysis methodology to BlackRock.

When interest rates rise, the prices of lower coupon bonds may drop much more precipitously than predicted by traditional risk calculations. The traditional approach fails to account for the tax payable at maturity on the discount when prices fall below par, which pushes prices further down.

"Incorporating tax effects is vital for the proper risk analysis and tax management of municipal bonds. We're thrilled that BlackRock recognizes the benefits of our innovative methodology, and is implementing it across its existing platforms," said Andy Kalotay, president of Kalotay Analytics.

Antonio Silva, the head of the Financial Modeling Group at BlackRock said, "We continually look for improvements to our analytics platform and are pleased to integrate the tax effects model into the new valuation methodology used for municipal bonds."

**About Kalotay Analytics**

Kalotay Analytics has been providing fixed income valuation and risk measurement tools to major market participants since 1990. Applications of its patented, lightning-fast, technology include real-time pricing of bond ETF's, risk management, tax management, and pre-trade analysis. The firm has unparalleled expertise in the valuation and risk analysis of callable municipal and agency bonds. Analytics coverage spans the global fixed income universe, including fixed rate bonds, floaters, MBS, and inflation-indexed structures. Kalotay technology also drives the recently introduced live municipal yield curve distributed by the Associated Press.

For more information about Kalotay Analytics, please visit: [www.kalotay.com](http://www.kalotay.com).

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## About BlackRock

BlackRock is a global leader in investment management, risk management and advisory services for institutional and retail clients. At September 30, 2016, BlackRock's AUM was \$5.1 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, *iShares*<sup>®</sup> (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through *BlackRock Solutions*<sup>®</sup>. As of September 30, 2016, the firm had approximately 13,000 employees in 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at [www.blackrock.com](http://www.blackrock.com) | Twitter: [@blackrock\\_news](https://twitter.com/blackrock_news) | Blog: [www.blackrockblog.com](http://www.blackrockblog.com) | LinkedIn: [www.linkedin.com/company/blackrock](http://www.linkedin.com/company/blackrock)

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