

## Multi-Asset Income Fund

Inst: **BIICX** A: **BAICX** C: **BCICX** K: **BKMIX**

### Commentary as of 03/31/24

- The fund posted returns of 2.61% (Institutional shares) and 2.55% (Investor A shares, without sales charge) for the first quarter of 2024, while its benchmark, a blend of 50% MSCI World Index and 50% U.S. Aggregate Bond Index, returned 3.99%.
- At quarter-end, the fund's 30-day SEC yield was 6.19% subsidized and 6.08% unsubsidized for institutional shares, and 5.62% subsidized and 5.53% unsubsidized for investor A shares. The fund strives to maintain a consistent yield and attractive total return with volatility similar to or less than its risk benchmark. Performance is reviewed on an absolute basis due to the nature of the fund.
- The fund shifted exposure from credit to equity markets. We reduced positions in high yield credit, preferred stock, and emerging market debt in favor of dividend stocks, floating rate bank loans, and high-quality collateralized loan obligations (CLOs), where yields and spreads were more attractive. We initiated a position in Treasury inflation-protected securities and an S&P 500 Index put spread.

#### Contributors

Amid the “risk-on everything rally”, U.S. equity exposure and covered call writing were the top contributors to returns. Floating rate CLOs and bank loans were meaningfully additive against a backdrop of rising interest rates. Credit exposures were strong performers, with non-agency residential and commercial mortgages, preferred stock, and high yield bonds all positive. Cash and currency positioning were also up, while more modest contributors included emerging market and international developed equities, investment grade bonds, and emerging market debt.

#### Detractors

Given the strong market backdrop, few positions detracted. Amid increased uncertainty about the timing of Federal Reserve (Fed) monetary policy loosening and the ensuing move up in interest rates, duration positioning (management of interest rate sensitivity) detracted. Rate-sensitive real estate investment trusts were also modestly lower.

### Further insight

We remain pro-risk and comfortable with the economic growth outlook. Stellar corporate earnings from the artificial intelligence space continued to propel outsized, albeit narrow, returns among large-cap equities. Meanwhile, the consumer put up strong retail sales figures amid a tight labor market while manufacturing survey data entered expansionary territory. We still like corporate credit from a fundamental perspective, though we believe there are better opportunities in areas of the equity market that have not fully participated in the rally. Inflation appears “stickier” and, with the Fed's easing timeline more uncertain and the potential for increased concerns about the government deficit, we modestly reduced duration to insulate the fund from potential upside risk in U.S. Treasury yields.

### Portfolio management

Justin Christofel, Alex Shingler

### Top 10 equity holdings (%)

iShares Core Dividend Growth ETF	3.78
Microsoft Corp - Eln	0.72
Taiwan Semiconductor Manufacturing	0.67
Amazon Com Inc - Eln	0.43
Apple Inc - Eln	0.42
Microsoft	0.41
Sanofi	0.30
Novo Nordisk Class B	0.29
AstraZeneca	0.27
Shell Plc	0.26
*equity-linked note	

### Investment approach

A core income portfolio that pursues attractive income from equities, fixed income and non-traditional sources while managing volatility.

## Average annual total returns (%) as of 3/31/24

	1Q24 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
<b>Institutional</b>	2.61	2.61	10.40	1.90	4.16	4.08
<b>Investor A (Without Sales Charge)</b>	2.55	2.55	10.13	1.68	3.90	3.82
<b>Investor A (With Sales Charge)</b>	-2.84	-2.84	4.35	-0.13	2.78	3.26
<b>Blended Benchmark<sup>1</sup></b>	3.99	3.99	12.97	3.14	6.40	—

Expenses for Institutional shares: Total **0.68%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.57%**. For Investor A shares: Total **0.91%**; Net, Including Investment Related Expenses **0.82%**. Institutional and Investor A shares have contractual waivers with an end date of 06/30/2025 terminable upon 90 days' notice. For certain share classes, BlackRock may voluntarily agree to waive certain fees and expenses in which the adviser may discontinue at any time without notice. Expenses stated as of the fund's most recent prospectus. Data represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. All returns assume reinvestment of dividends and capital gains. Current performance may be lower or higher than that shown. Refer to [blackrock.com](http://blackrock.com) for most recent month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 5.25% for Investor A shares. Institutional shares have no front- or back-end load. Institutional shares have limited availability and may be purchased at various minimums. See prospectus for details. Net Expenses Excluding Investment Related Expenses for Institutional shares: **0.55%**; for Investor A shares: **0.80%**.

**Important Risks:** The fund is actively managed and its characteristics will vary. Holdings shown should not be deemed as a recommendation to buy or sell securities. The Fund may invest significantly in BlackRock equity and/or fixed income mutual funds ("underlying funds") and affiliated and unaffiliated ETFs. As such, it is subject to the risks associated with the underlying BlackRock funds in which it invests. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. International investing involves special risks including, but not limited to political risks, currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. 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. Asset allocation strategies do not assure profit and do not protect against loss. Non-diversification of investments means that more assets are potentially invested in fewer securities than if investments were diversified, so risk is increased because each investment has a greater effect on performance. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. Non-investment-grade debt securities (high-yield-/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

The opinions expressed are those of the fund's portfolio management team as of March 31, 2024, and may change as subsequent conditions vary. Information and opinions are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

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<sup>1</sup> Blended benchmark is 50% MSCI World Index/50% U.S. Aggregate Bond. MSCI World is designed to measure the equity market performance of developed markets, including the United States. U.S. Aggregate Bond Index comprises the total U.S. investment grade bond market.

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