Multi-Asset Income Fund

BlackRock

INST: BIICX • A: BAICX • C: BCICX

Bronze™

Analyst-Driven %[2]
100
Data-Coverage %[2]
100

Performance: June capped off a strong first half of the year, with both broad equities and fixed income ending the month higher, though dividend stocks lagged. The fund delivered positive returns.

▲ **Contributors:** US and European duration positioning, EM equity, currency hedging, covered calls, CLOs/bank loans.

▼ **Detractors:** Infrastructure equity, international developed stocks.

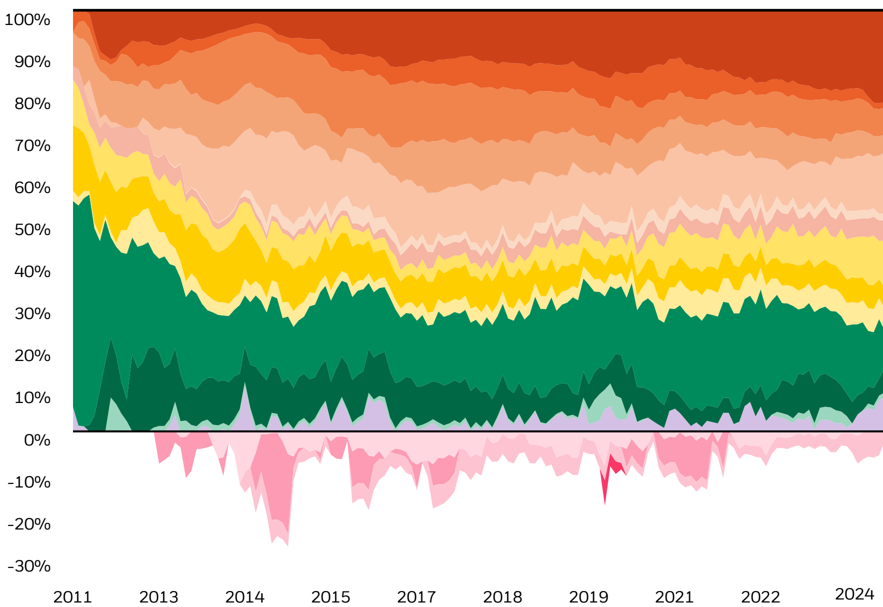
Positioning: We further rotated away from US high yield where spreads are near multi-year tights in favor of more defensive fixed income. We added back to parts of US equity markets at more attractive levels after a period of underperformance.

▲ **Increased:** Investment grade bonds, global dividend stocks.

▼ **Decreased:** US high yield bonds, US dollar hedges.

Tactical asset allocation in action

As of June 30, the fund's overall allocation was 50% fixed income, 42% equity and 8% cash.



	As of 06/30	Historical High	Historical Low	Jun yield contr.
Bank loans/CLOs	**22%**	22%	0%	**25%**
EM debt	**1**	8	1	**1**
Non-agency/CMBS	**6**	16	0	**7**
Preferred stock	**4**	12	5	**4**
Covered calls	**14**	21	0	**29**
Global REITs	**2**	4	0	**1**
Infrastructure equity	**5**	7	0	**3**
U.S. dividend equity	**11**	11	3	**3**
Intl dividend equity	**5**	16	4	**2**
EM dividend equity	**5**	8	1	**2**
High yield	**9**	55	12	**9**
Inv grade bonds	**6**	20	0	**4**
Agency/Govt	**1**	8	0	**1**
Cash	**8**	11	0	**7**
Equity hedges	**0**	-13	0	–
Interest rate hedges	**0**	-21	0	–
Currency hedges	**-3**	-7	0	–
Credit hedges	**0**	-6	0	–

Values may not equal 100% due to rounding. Asset class exposure shown as a percent of market value. Hedging strategies shown as a percent of notional value and only include short positions.

30-day SEC yield as of 06/30/24	Institutional	Investor A	Investor C	Effective duration
Subsidized	**6.15%**	**5.58%**	**5.14%**	**2.48 years**
Unsubsidized	**6.03%**	**5.49%**	**5.02%**	

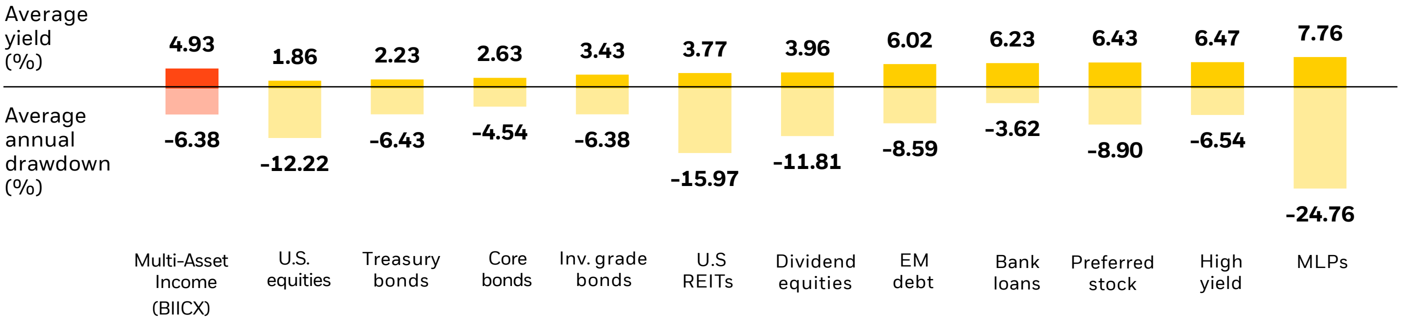
30-day SEC Yield reflects the income earned by an investor in the fund during a 30-day period after deducting the fund's expenses. Unsubsidized SEC Yield represents what a fund's 30-day SEC Yield would have been had no fee waiver or expense reimbursement been in place over the period. ***Institutional shares may not be available to all investors. Performance data quoted 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 for most recent month-end performance.*

Morningstar has awarded the fund's Institutional share class a Bronze medal (Last rating 05/03/24.)[1]

BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings.

High yield and less downside

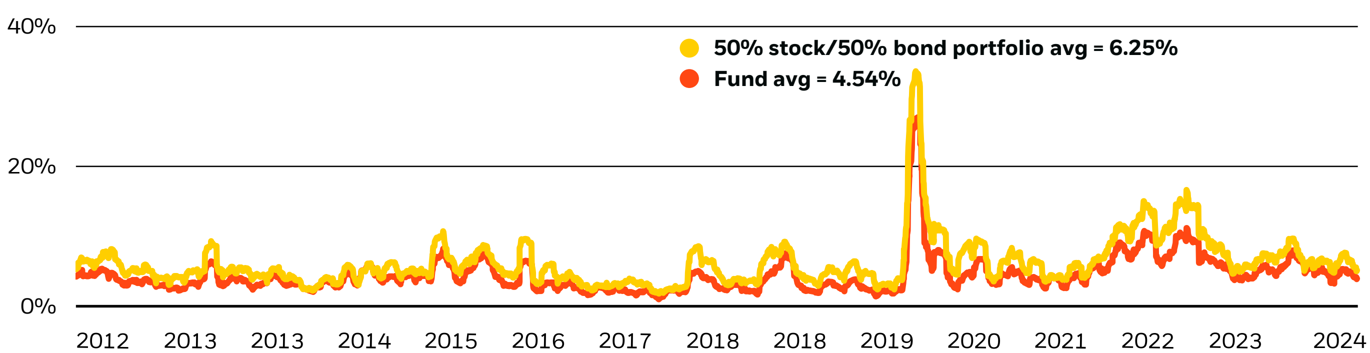
The fund has provided a competitive yield while managing risk to limit losses during periods of market stress.



Source: Morningstar and Bloomberg. Since strategy inception (11/28/11) through 06/30/24. For illustrative purposes only. **Data represents past performance and is no guarantee of future results.** Yield data based on month-end numbers. Fund yield represented by average 30-Day SEC Yield (subsidized). Index yields are shown for illustrative purposes only and do not predict or depict the yield of any BlackRock fund. Yields for the various asset class indices have material differences including investment objectives, liquidity, safety, guarantees of insurance, fluctuation of principal or return and tax features. Fixed income yields represented by yield-to-worst; equity yields by 12-month dividend yield; MLP yield consists primarily of return of capital, which reduces the investor's adjusted cost basis, the composition of which varies based on income, expenses, depreciation and tax elections made by the MLP based on each investor's share of the MLP's income, expenses, gains and losses. Average annual drawdown is the average of the largest declines in value from peak to trough during each of the following calendar years: 2012-2024 YTD. **Represented Indices: Treasury bonds,** Bloomberg U.S. 7-10 Year Treasury Bond Index; **Core bonds,** Bloomberg U.S. Aggregate Bond Index; **Inv. grade debt,** Bloomberg U.S. Corporate Bond Index; **High yield bonds,** Bloomberg HY 2% Issuer Capped Index; **EM debt,** JP Morgan Emerging Market Bond Index Global; **Bank loans,** S&P Leveraged Loan Index; **U.S. equities,** S&P 500 Index; **Dividend equities,** MSCI World High Dividend Yield Index; **Preferred stock,** S&P U.S. Preferred Stock Index; **U.S. REITs,** FTSE NAREIT Equity REIT Index; **MLPs,** Alerian MLP Index.

Lower volatility than a 50% stock/50% bond portfolio

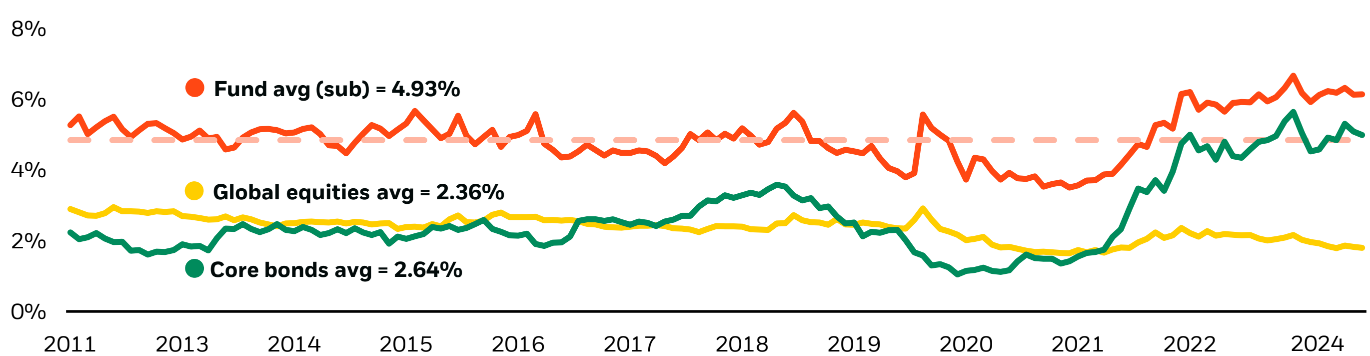
The fund pursues a lower level of risk than a portfolio comprised of 50% stocks and 50% bonds.



Source: Morningstar. Estimated 30-day standard deviation based on daily returns. 50% stock/50% bond portfolio represented by 50% MSCI World Index/50% Bloomberg U.S. Aggregate Bond Index. Standard deviation measures the volatility of returns. Higher deviation represents higher volatility.

Consistent monthly yield

Since inception of the strategy, the fund has provided a consistent and compelling level of monthly income.

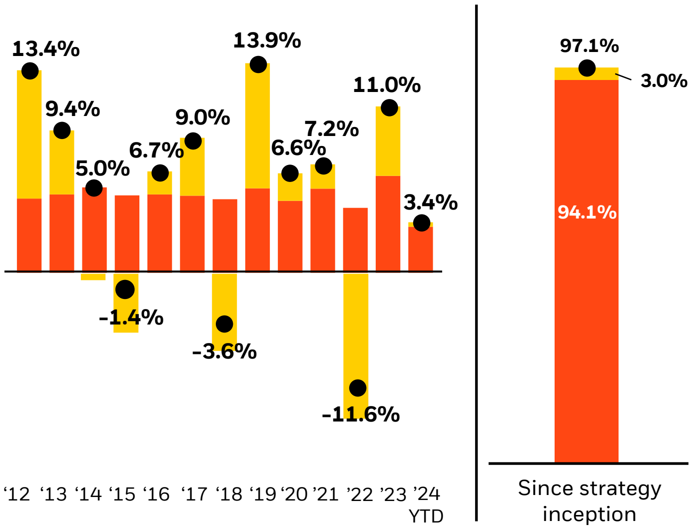


Source: Morningstar and Bloomberg. Fund yield is 30-day SEC yield (subsidized), Institutional share class. Core bonds: Bloomberg U.S. Aggregate Bond Index. Global equities: MSCI World Index.

All data as of 06/30/24.

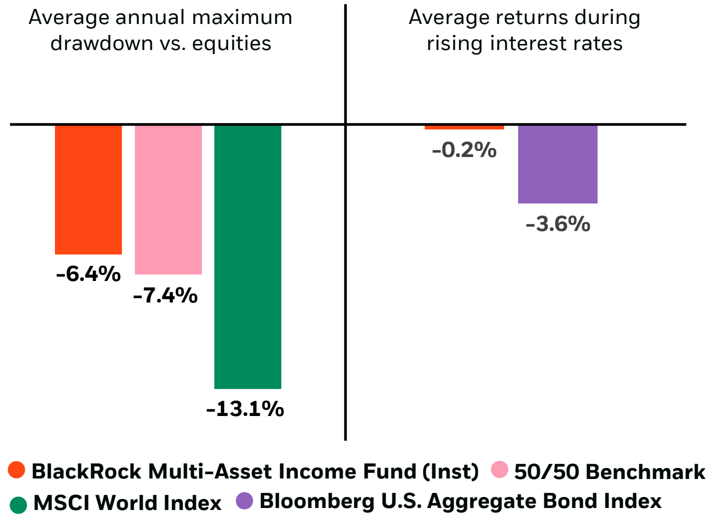
Historical return composition

The fund has consistently generated a significant portion of its total return from income.



Source: Bloomberg. Since strategy inception (11/28/11) through 06/30/24.

Performance during market downturns



Source: Morningstar and Bloomberg. Since strategy inception (11/28/11) through 06/30/24. Average annual drawdown is the average of the largest declines in value from peak to trough during each of the calendar years 2012–2023. Rising rate periods include the average of returns during periods with at least a 40-basis point (0.40%) increase in 10-year Treasury from start date to end date within a 90-day rolling window (not including March 2020 which is represented in equity-sell off).

Our views on the market and portfolio positioning

Alex Shingler, *Portfolio Manager*
Co-Head Income Team, Multi-Asset Strategies & Solutions

Justin Christofel, *Portfolio Manager*
Co-Head Income Team, Multi-Asset Strategies & Solutions

June proved to be an eventful month from a monetary policy and accompanying data perspective. The two measures that comprise the Federal Reserve's mandate – inflation and employment – pointed in the direction of a soft landing. Inflation surprised to the downside, led lower by transportation services. Meanwhile, employment continues to be at healthy levels but payroll growth (including data released in early July) has slowed. Ultimately, the Fed stuck to the course and left rates unchanged while announcing new dots that showed median expectations moving from three to just one interest rate cut in 2024. Notwithstanding this ostensibly hawkish message from the Fed, Treasury yields ended the month modestly lower given the weaker inflation data. Equity markets in the US shrugged off the rate volatility, with both the S&P 500 and Nasdaq Indexes closing the month at new all-time highs led by technology stock outperformance. Market breadth, however, was quite narrow and dividend stocks ended the month modestly lower.

Outside the US, European equities declined in June amidst weaker data and the surprise snap elections in France towards the end of the period. The Bank of England left rates unchanged at their June meeting whereas the European Central Bank cut rates by 25 bps in June, but warned that further future easing would be contingent on domestic services inflation.

Looking ahead, our base case calls for shallow rate cuts in the one to two range for 2024 given the persistently strong, albeit slowing, growth backdrop. From an overall duration perspective, we continue to prefer short- and intermediate-term maturities in light of the inverted yield curve and structural headwinds to the long-end driven by the large and growing US fiscal debt to GDP ratio. Within credit fixed income, corporate fundamentals overall appear sound despite higher debt servicing costs. That said, we believe there will be dispersion amongst companies, meaning underlying asset class specialization and bottoms-up security analysis will be paramount. In addition, spreads have already come in towards multi-year tights and future price upside may thus be more limited. Therefore, we trimmed US high yield toward the end of June in favor of investment grade bonds and equities. Higher quality bonds should provide more ballast should there be bouts of volatility ahead while not giving much up on yield. Within equities, after having reduced some exposure to EM, REITs and global dividend stocks in May, the team chose to add back to US and international dividend stocks at more attractive levels following a brief period of underperformance. In addition, we removed the portfolio's US dollar hedges on Euro-denominated equities to take advantage of the recent Euro weakness driven by French election anxiety. We remain hedged back to the US dollar on Euro-denominated bond holdings in the fund, which allows us to pick up extra yield (approximately 1.7% as of mid-June) from the interest rate differential.

In summary, our outlook is one for US growth to remain strong in 2024, although decelerating from the highs reached in the second half of 2023. We acknowledge the progress made on inflation but would caution against any early celebrations. As a result, our exposure to equities remains at the higher end of our history due to strong earnings growth and cheaper valuations for dividend growth expressions, especially in the US. We remain very light on long duration assets on poor valuations coupled with a concerning fiscal outlook. We prefer to look for better carry opportunities across spread assets in floating rate (i.e. bank loans and CLOs), European credit and some parts of the investment grade corporate market where fundamentals are strong. We remain very selective and continue to reduce exposure where we see complacency and a lack of attractive risk/reward opportunities.

Average annual total returns (%) as of 06/30/24

	1 Month (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Year	10 Year	Strategy 11/28/11
Institutional	0.74	3.41	9.72	1.06	3.77	3.81	5.64
Investor A (Without Sales Charge)	0.72	3.29	9.45	0.83	3.51	3.55	5.37
Investor A (With Sales Charge)	-4.57	-2.14	3.70	-0.96	2.40	3.00	4.92
Investor C (Without Sales Charge)	0.66	3.01	8.64	0.08	2.74	2.94	4.88
Investor C (With Sales Charge)	-0.34	2.01	7.64	0.08	2.74	2.94	4.88
50% MSCI World/50% Bloomberg U.S. Aggregate Bond[3]	1.49	5.40	11.19	2.01	5.92	5.44	6.79

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. Share classes have different sales charges, fees and other features. Returns with sales charge reflect the deduction of current maximum initial sales charge of 5.25% for Investor A shares. Institutional shares have no front- or back-end load, limited availability and may be purchased at various minimums. Returns with sales charge reflect the deduction of applicable contingent deferred sales charge (CDSC) for Investor C shares. The maximum CDSC of 1% for Investor C shares is reduced to 0% after 1 year. See prospectus for details. *Investment returns reflect total fund operating expenses, net of all fees, waivers and/or reimbursements. Expenses, as stated in the fund's most recent prospectus, for Institutional/Inv A shares/Inv C shares of **Multi-Asset Income Fund**: Total, **0.68%/0.91%/1.69%;** Net, Including Investment-Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses): **0.57%/0.82%/1.57%**. All share classes have contractual waivers with an end date of 06/30/25 terminable upon 90 days' notice. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Net expenses, excluding investment related expenses for Institutional/Inv A shares/Inv C shares: 0.55%/0.80%/1.55%.*

Important risks: *The fund is actively managed and its characteristics will vary. The fund may invest significantly in BlackRock equity and/or fixed income mutual funds ("underlying funds") and affiliated and unaffiliated ETFs. 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. 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. 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. Negative weightings may result from the use of leverage. Leverage involves the use of various financial instruments or borrowed capital in an attempt to increase investment return. Leverage risks include potential for higher volatility, greater decline of the fund's net asset value and fluctuations of dividends and distributions paid by the fund.*

The opinions expressed are those of the fund's portfolio management team as of June 30, 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.

1 The Morningstar Medalist Rating™ is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about the Medalist Ratings, including their methodology, please go to http://global.morningstar.com/managerdisclosures. The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate. **2** Analyst Driven % is the analyst input into the overall rating assignment, including direct analyst coverage and inheritance of an analyst-rated pillar. Data Coverage % is available input data for rating calculation at the Pillar level. **3 MSCI World Index** is a market capitalization-weighted index that represents the performance of developed market equities; **Bloomberg U.S. Aggregate Bond Index** represents the performance of the total U.S. investment grade bond market**.**

Must be preceded or accompanied by a prospectus.

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