Total Return Fund

BlackRock.

INST: MAHQX • A: MDHQX • C: MFHQX • K: MPHQX

Performance: The fund posted a positive return in June as softer data prints and volatility in the US drove treasury yields lower across the curve.

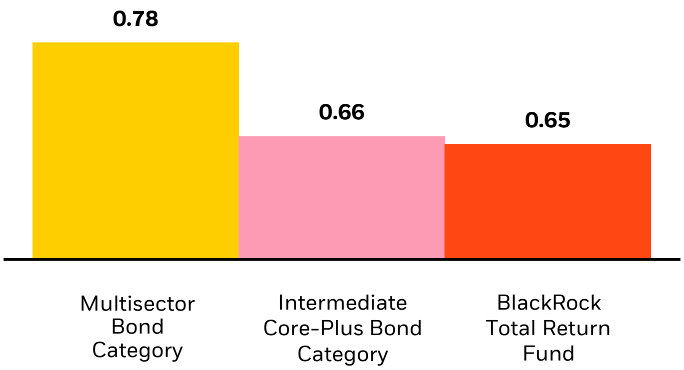
▲ **Contributors:** Structured Products, Agency Mortgages, US Investment Grade Credit
▼ **Detractors:** US Rates, Macro Strategies

Positioning: We increased our top-line overweight duration position compared to the benchmark. We increased our overweight in the front-end of the curve mid-June, with the view that while Fed pricing of rate cuts over the next two years seems reasonable, there is scope for the market to price cuts more quickly as data continues to weaken. Additionally, we moved to a slight overweight in the long end of the curve. We increased our positions in Structured Products, while slightly trimming positions in Non-US Credit and US Investment Grade Credit.

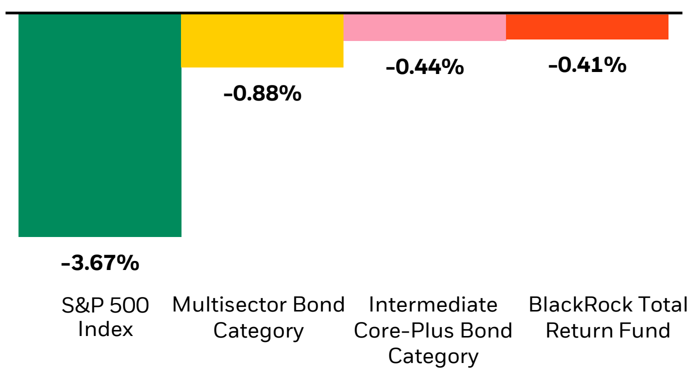
▲ **Increased:** Structured Products
▼ **Decreased:** Non-US Credit, Investment Grade Credit

Diversify equity risk

Correlation to S&P 500 Index*



Returns during S&P 500 selloffs†



* Source: Morningstar. Based on the cumulative 5-year period ended 6/30/24. † Source: Morningstar. S&P 500 selloff is defined as a calendar month period in which the S&P 500 Index fell by 2 or more percent. Returns are the average of 22 monthly periods from 3/31/10–6/30/24 Diversification cannot assure profit or protect against a loss.

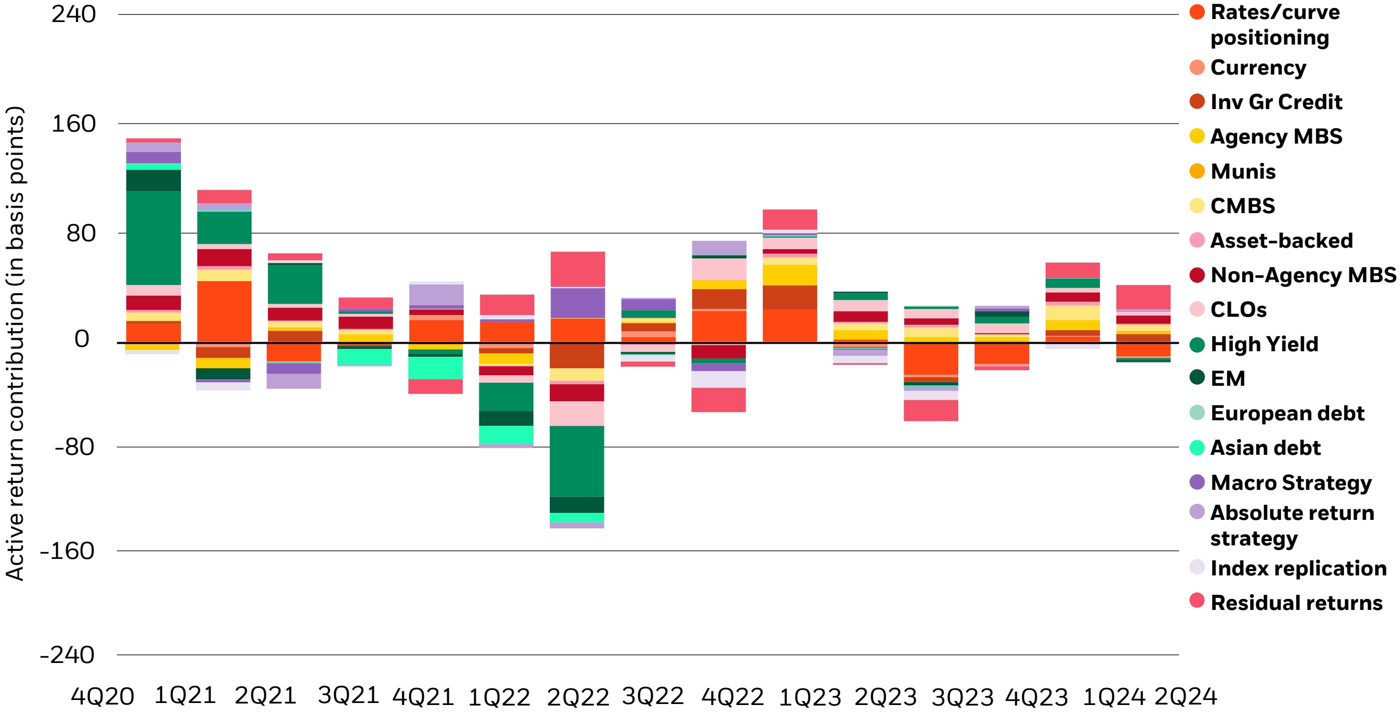
Performance	BlackRock Total Return Fund (MAHQX)	Morningstar Intermediate Core-Plus Bond Category Average
5-year return	0.15	0.20
5-year Sharpe ratio	-0.31	-0.32

Source: Morningstar. Data as of 6/30/24. Sharpe ratio uses a fund's monthly standard deviation and excess return (difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk.

Fund data based on Institutional shares, which may not be available to all investors. Other share classes may vary. *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 all dividend and capital gain distributions. Current performance may be lower or higher than that shown. Refer to blackrock.com for recent performance.*

Diversification across fixed income sectors

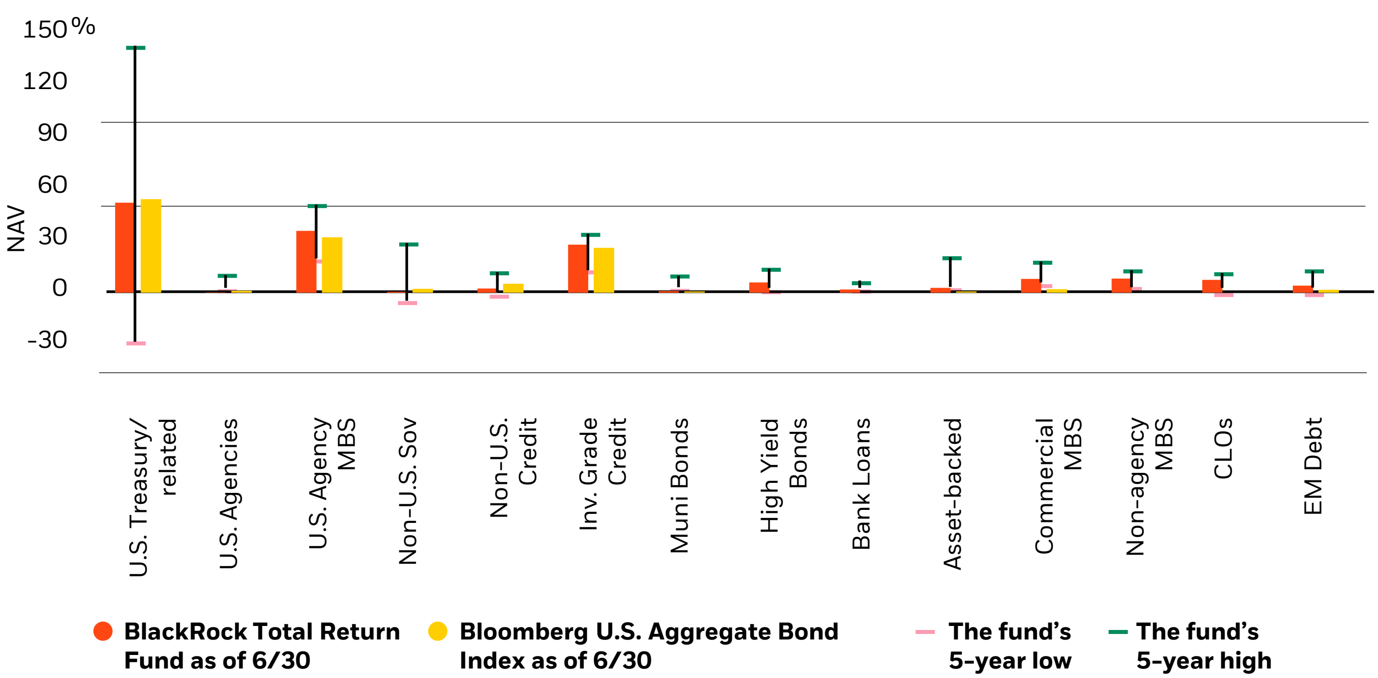
BlackRock's global fixed income platform helps us identify opportunities to generate excess return in various market scenarios. In June, Structured Products, Agency Mortgages, and US Investment Grade Credit contributed to fund performance.



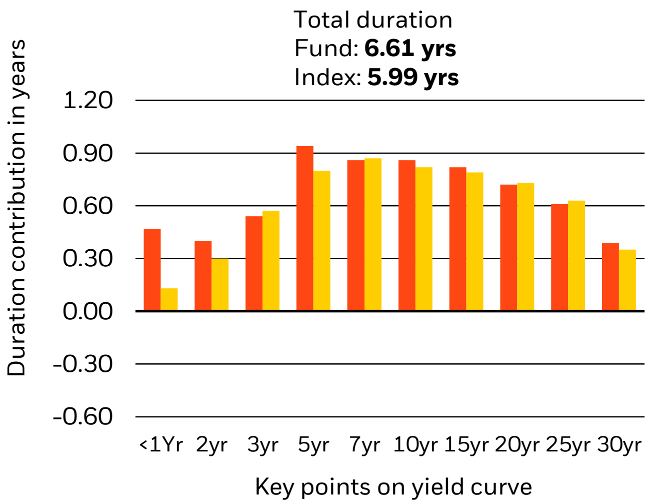
Source: BlackRock. Active return contribution represents above-benchmark performance. One basis point is one hundredth of one percent (0.01%). Return attribution is based on gross returns of the fund's Institutional share class. Macro strategy is how the portfolio management team implements thematic and macro-economic investment views through duration, yield curve and foreign-currency positioning. Residual: This non-attributable portion of the fund's total return is derived from trading and allocation effects across the fund's investment strategies.

Sector allocation history

The fund is flexible around the benchmark and adapts to changing markets. In June, we increased our positions in Structured Products, while slightly decreasing our positions in Non-US Credit and US Investment Grade Credit.



Yield curve duration positioning

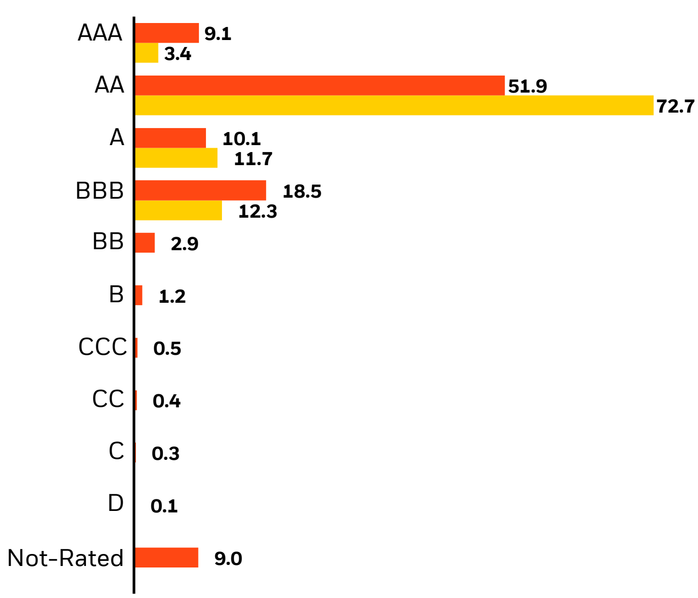


BlackRock Total Return Fund
Bloomberg U.S. Aggregate Bond Index

As of 6/30/2024. Effective Duration measures the sensitivity of the price of a bond with embedded options to changes in interest rates, taking into account the likelihood of the bond being called, put and/or sunk prior to its final maturity date. BlackRock uses a proprietary duration model which employs certain assumptions and may differ from other fund complexes. Effective Duration is measured at the portfolio level and adjusted for leverage, hedging transactions and non-bond holdings, including derivatives.

Credit quality allocation

% of market value



BlackRock Total Return Fund
Bloomberg U.S. Aggregate Bond Index

As of 6/30/2024. The fund itself has not been rated by an independent rating agency. Credit quality ratings on underlying securities of the fund are received from S&P, Moody's and Fitch and converted to the equivalent S&P major rating category. This breakdown is provided by BlackRock and takes the median rating of the three agencies when all three agencies rate a security the lower of the two ratings if only two agencies rate a security and one rating if that is all that is provided. Unrated securities do not necessarily indicate low quality. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time.

Market movements

In June, mixed economic data prints proved that while the US economy is cooling, it is not yet "cool". Softer data prints ultimately resulted in US Treasury Yields ending the month lower across the curve. By the end of the month, markets were pricing 44.6 bps of cuts from the Fed in 2024, and 121.3bps of cuts by the end of 2025. This compares to the start of June, where markets were pricing a more moderate 39.4bps of cuts in 2024, and 112.4bps by the end of 2025.

The month started with Nonfarm Payrolls exceeding expectations, printing a stunning headline job gain of 272k, up from a downwardly revised 165k the month prior. On the other hand, May CPI came in lower than expected with headline and core CPI at 3.27% and 3.42% YoY, respectively. This was the best monthly CPI inflation performance since July 2022.

In June, the Federal Open Market Committee (FOMC) kept the Feds Funds target rate unchanged at 5.25-5.50%, as expected. In the statement, the inflation assessment shifted slightly from there being "a lack of" further progress to there being "modest" further progress towards the 2% target. Other global central banks took a more dovish approach, with BoC and ECB cutting interest rates by 25bps.

Duration positioning

We continue to manage our duration exposure in the evolving central bank regime as the Fed remains on pause. Towards the end of the month, we increased our top-line duration overweight. We increased our overweight in the front-end after a rate rally in the middle of the month. The Team continues to favor a steepening bias but moved to a slight overweight in the back end of the curve as the weakening macro backdrop reduces the risk of a sell-off in the near term. Also, we added a long position in EU rates.

Sector positioning

We continue to hold an overweight in Agency Mortgages as the sector remains reasonably attractive and is a diversifier to our credit exposure. Though we slightly trimmed our US IG Credit exposure, we maintained our overweight at the headline level with the view that while spreads are tight in general, they may grind tighter. Additionally, we slightly trimmed our Non-US Credit exposure.

We remain opportunistic within High Yield due to its strong fundamental backdrop and attractive yield levels. We continue to prefer US High Yield Credit over Bank Loans given greater fundamental concerns in the latter. We maintained our overweight in Emerging Market Debt, favoring local rates in select Latin American countries. Additionally, we increased our allocation to Non-US Credit.

We continue to be selective across the securitized asset complex, focusing on higher quality assets with strong levels of protection.

Average annual total returns (%) as of 6/30/24

	1 Month (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Year	10 Year	30-day SEC yield as of 06/30*	
							Subsidized	Unsubsidized
Institutional	0.92	-0.17	2.65	-3.18	0.15	1.69	4.50%	4.49%
Class K	0.93	-0.13	2.73	-3.11	0.22	1.77	4.57%	4.57%
Investor A (Without Sales Charge)	0.90	-0.42	2.35	-3.47	-0.17	1.37	4.05%	4.05%
Investor A (With Sales Charge)	-3.14	-4.40	-1.74	-4.77	-0.98	0.96	-	-
Lipper Core Bond Funds Avg.	1.01	-0.20	3.34	-3.02	-0.01	1.30	-	-
Morningstar Intermediate Core-Plus Bond Funds Avg.	0.99	0.11	3.83	-2.81	0.20	1.49	-	-
Bloomberg U.S. Aggregate Bond Index†	0.95	-0.71	2.63	-3.02	-0.23	1.35	-	-

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 distributions. Current performance may be lower or higher than that shown. Refer to blackrock.com for most recent month-end performance. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 4.00% for Investor A shares. Institutional shares have no front- or back-end load, have limited availability and may be purchased at various minimums. See prospectus for details.

*Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Expenses, as stated in the fund's most recent prospectus, for Institutional/Investor K shares/Investor A shares: Total, **0.46%/0.46%/0.75%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses): **0.45%/0.45%/0.75%**. Institutional, Investor K and Investor A 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/ Investor K shares/Investor A shares: 0.44%/0.44%/0.74%.*

***Important risks:** The fund is actively managed, and its characteristics will vary. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. 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. Investments in non-investment-grade debt securities ("high-yield" or "junk" bonds) may be subject to greater market fluctuations and risk of default or loss of income and principal than securities in higher rating categories. The principal on mortgage- or asset-backed securities normally may be prepaid at any time, which reduces the yield and market value of those securities. Obligations of U.S. gov't agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. gov't. 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. Short-selling entails special risks. If the fund makes short sales in securities that increase in value, the fund will lose value. Any loss on short positions may or may not be offset by investing short-sale proceeds in other investments. 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.*

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.

***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 during the period. **† Bloomberg U.S. Aggregate Bond Index** comprises the total U.S. investment grade bond market.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the fund and are available, along with information on other BlackRock funds, by calling 800-882-0052 or from your financial professional. The prospectus should be read carefully before investing.

Prepared by BlackRock Investments, LLC, member FINRA.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Lit No. TR-EXP-COM-0624

BlackRock.