

Monthly Commentary: Multi-Asset Income Fund

BlackRock

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

INST: BIICX • A: BAICX • C: BCICX



Performance:

The fund (Institutional share class) returned **50bps** in December, compared with **52bps** for the benchmark.

▲ **Contributors:** European high yield bonds, emerging market equities, U.S. stocks selection

▼ **Detractors:** International equity underweight, overweight infrastructure equities

Positioning:

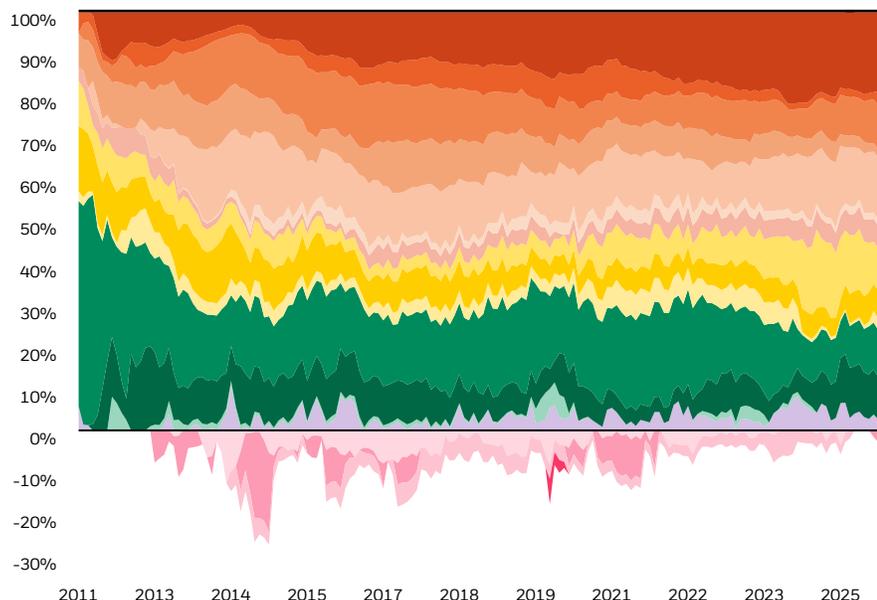
▲ **Increased:** US defensive equities (non-cyclical sectors), defense-oriented equity allocations

▼ **Decreased:** US dividend equities; international high dividend equities

**The fund introduced a performance benchmark of 33.34% MSCI World High Dividend (Net) Index, 33.33% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 33.33% Bloomberg U.S. Aggregate Bond Index on April 30th, 2025. This benchmark is in addition to the existing risk benchmark comprised of 50% MSCI World Index and 50% Bloomberg U.S. Aggregate Bond Index.*

Tactical asset allocation in action

As of December 31, the fund's overall allocation was 56% fixed income, 41% equity and 3% cash.



	As of 12/31 (%)	Historical High (%)	Historical Low (%)	Dec yield contr. (%)
Bank loans/CLOs	19	22	0	18
EM debt	3	8	1	4
Non-agency/CMBS	10	16	0	9
Preferred stock	2	12	2	2
Covered calls	14	21	0	38
Global REITs	1	4	0	1
Infrastructure equity	5	7	0	3
U.S. dividend equity	10	19	3	3
Intl dividend equity	7	16	4	3
EM dividend equity	3	8	1	1
High yield	11	55	9	10
Inv grade bonds	10	20	0	7
Agency/Govt	0	8	0	0
Cash	3	11	0	2
Equity hedges	0	-13	0	-
Interest rate hedges	-4	-21	0	-
Currency hedges	0	-7	0	-
Credit hedges	0	-6	0	-

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

30-day SEC yield as of 12/31/25	Institutional	Investor A	Investor C	Effective duration
Subsidized	5.96%	5.40%	4.94%	2.35 years
Unsubsidized	5.83%	5.30%	4.82%	

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. Collateralized Loan Obligations (CLOs) are debt securities issued in different tranches, with varying degrees of risk, and backed by an underlying portfolio consisting primarily of below investment grade corporate loans. The return of principal is not guaranteed, and prices may decline if payments are not made timely or credit strength weakens. CLOs are subject to liquidity risk, interest rate risk, credit risk, call risk and the risk of default of the underlying assets. Additional Tier 1 bonds (AT1s) are contingent convertible bonds that convert into equity or are written down if a bank's capital ratio falls below a pre-defined trigger level.

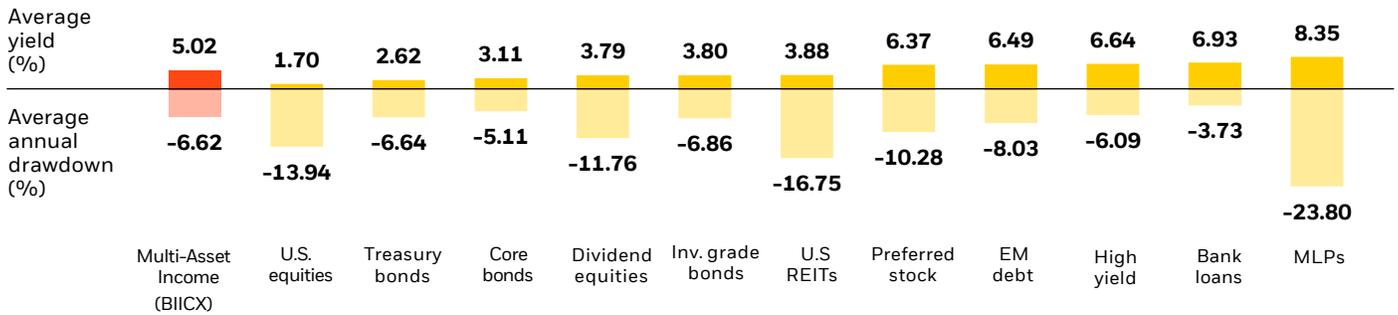
Morningstar has awarded the fund's Institutional share class a Bronze medal (Last rating 06/05/25.)¹

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

Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees or expenses. Returns for net indices generally assume the reinvestment of dividends after the deduction of the maximum withholding tax in each country applicable to non-residents of the country as determined by the index provider. Such indices use withholding tax rates that are often at a higher rate than the rates to which the Fund is subject in each country, including for countries where the Fund is not subject to withholding taxes. When this is the case, index performance will be lower than if the index used the Fund's applicable withholding tax rates, if any. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

High yield and less downside

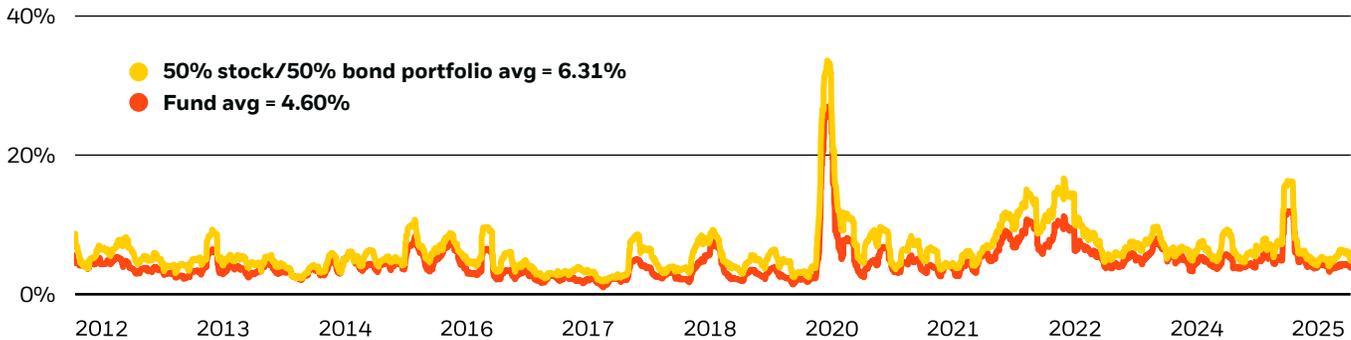
The fund has provided a competitive yield while managing risk to limit losses during periods of market stress.



Source: Morningstar and Bloomberg (01/01/16 – 12/31/25). 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 (subsidiarized). 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: 2016-2024 and 2025 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

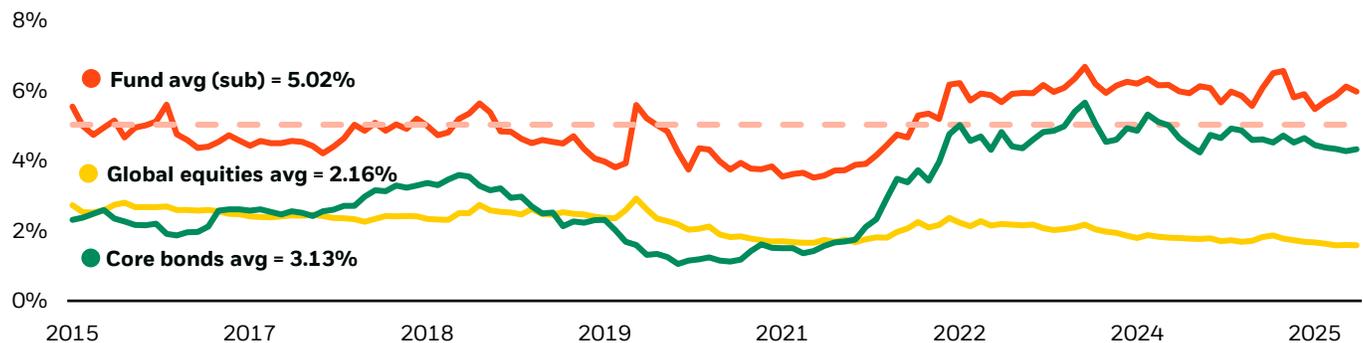
The fund pursues a lower level of risk than a portfolio comprised of 50% stocks and 50% bonds.



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

Over the last 10 years, the fund has provided a consistent and compelling level of monthly income.

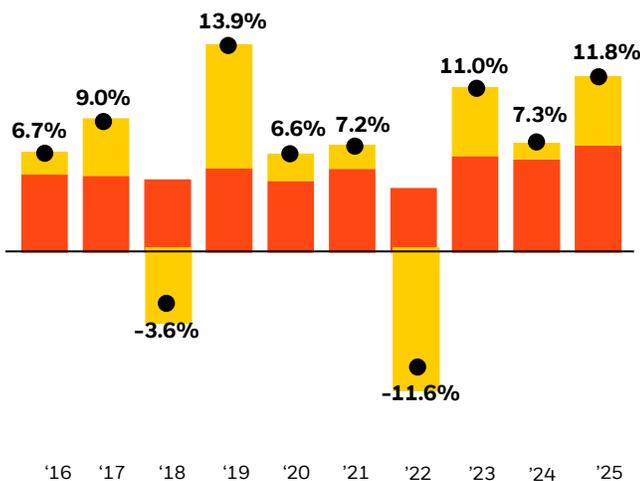


Source: Morningstar and Bloomberg. Fund yield is 30-day SEC yield (subsidiarized), Institutional share class. Core bonds: Bloomberg U.S. Aggregate Bond Index. Global equities: MSCI World Index.

All data as of 12/31/25.

Historical return composition

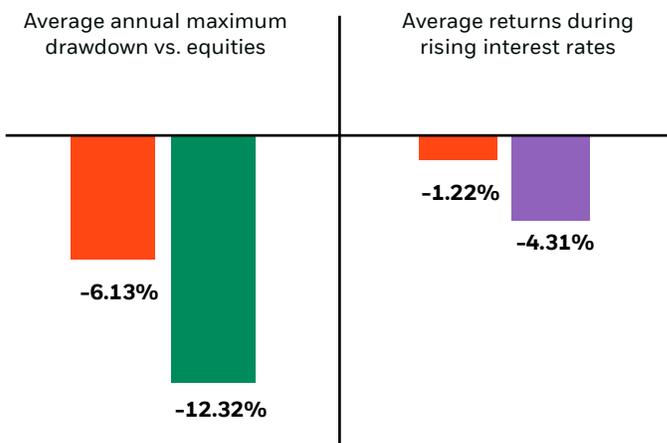
The fund has consistently generated a significant portion of its total return from income.



● Income return ● NAV (price) return ● Total return

Source: Bloomberg (01/01/16 – 12/31/25).

Performance during market downturns



● BlackRock Multi-Asset Income Fund (Inst)
● MSCI World Index ● Bloomberg U.S. Aggregate Bond Index

Source: Morningstar and Bloomberg (01/01/16 – 12/31/25). Average annual drawdown is the average of the largest declines in value from peak to trough during each of the calendar years 2016–2025. 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

Justin Christofel, *Portfolio Manager*

Global Head of Income Team, Multi-Asset Strategies & Solutions

Louis Arranz, *Portfolio Manager*

December delivered a more volatile close to the year across income markets. U.S. equities reached new all-time highs ahead of Christmas, but momentum faded into year-end as investors reassessed policy expectations and elevated valuations. As markets repriced the path for rate cuts in 2026, carry-heavy credit held up better than duration-sensitive fixed income, resulting in uneven outcomes across income assets.

Fixed income faced renewed headwinds despite the Federal Reserve delivering a rate cut in December. Updated projections pointed to just one additional cut in 2026, underscoring divisions within the FOMC. While market pricing now implies roughly 50bps of further easing, a meaningful reduction from expectations prior to the December meeting. As expectations for near-term cuts were pushed out, Treasury yields moved higher, weighing on core bonds, with the Bloomberg U.S. Aggregate finishing the month modestly lower. Global rate pressures were reinforced by developments in Europe, where ECB commentary and upgraded growth and inflation forecasts pushed 10-year Bund yields briefly above their March highs before ending the year around 2.85%. Short-duration and cash-like assets were more resilient, continuing to offer attractive income.

Credit markets outperformed core bonds. The Bloomberg U.S. High Yield index delivered a positive return in December, supported by carry, stable fundamentals, and limited duration risk, while floating-rate exposures benefited from the higher-for-longer rate environment.

Equity income strategies delivered positive outcomes. While broader equity markets struggled to extend gains later in

the month, the MSCI World High Dividend index outperformed, supported by companies with durable cash flows and more defensive characteristics. By contrast, higher real yields weighed on listed real assets.

Against this backdrop, portfolio performance was broadly in line with the benchmark, with muted top-down asset allocation returns. Positive contributors included U.S. equity selection, exposure to emerging markets equities as well as allocations to European high yield bonds. Meanwhile allocation to infrastructure equities and an underweight in international equities detracted over December, acting as a drag on performance.

In December, the fund rotated within equities to enhance near-term resilience. U.S. dividend exposure was reduced in favor of U.S. defensive equities, reflecting attractive defensive valuations and signs that growth pricing had moved ahead of key leading indicators. International high dividend exposure was trimmed to initiate a small position in defense industrials (companies that may benefit from increased government spending on defense and security amid geopolitical fragmentation and economic competition) following recent underperformance.

Overall, December reinforced the importance of diversified income sources. Rising yields challenged duration-heavy assets, but resilience in credit, floating-rate instruments, and selective equity income positioning helped moderate volatility as markets closed out the year. We continue to expect volatility in the rate market as a multitude of factors including Fed board nominations and ongoing debate on the trajectory of growth and inflation going into 2026.

Average annual total returns (%) as of 12/31/25

	1 Month (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Year	10 Year
Institutional	0.45	11.80	11.80	10.07	4.80	5.58
Investor A (Without Sales Charge)	0.43	11.53	11.53	9.80	4.54	5.32
Investor A (With Sales Charge)	-4.84	5.67	5.67	7.84	3.42	4.75
Investor C (Without Sales Charge)	0.27	10.72	10.72	8.99	3.76	4.69
Investor C (With Sales Charge)	-0.72	9.72	9.72	8.99	3.76	4.69
Performance Benchmark ³	0.52	11.46	11.46	8.87	4.43	5.80
Risk Benchmark ³	0.33	14.13	14.13	12.73	5.88	7.22

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%/0.92%/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 06/30/26 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 December 31, 2025, 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 Effective April 30, 2025**, a new performance benchmark has been introduced, comprising 33.34% MSCI World High Dividend (Net), 33.33% Bloomberg US High Yield 2% Issuer Cap, and 33.33% Bloomberg US Aggregate Index. 50% MSCI World / 50% Bloomberg U.S. Aggregate Bond continues to serve as a risk benchmark and remains in the prospectus. 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. MSCI World High Dividend Cap is a component of MSCI World Index and represents large and mid-cap stocks across developed markets with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. Bloomberg US High Yield 2% Issuer Cap is a component of Bloomberg US High Yield Corporate Index and represents fixed-rate, non-investment-grade corporate debt, each issuer capped at 2% of the index.

Must be preceded or accompanied by a prospectus.

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