

## Global Allocation Fund

Inst: **MALOX** A: **MDLOX** C: **MCLOX** R: **MRLOX**<sup>1</sup> K: **MKLOX**

### Commentary as of 03/31/24

- The fund posted returns of 5.32% (Institutional shares) and 5.25% (Investor A shares, without sales charge) for the first quarter of 2024, while its reference benchmark<sup>4</sup> returned 4.27%.
- During the quarter, the fund had an overweight equity holding (12%) and underweight fixed income position (-13%), with exposure to cash equivalents (1%). In equities, the information technology (IT), consumer discretionary, health care, and industrials sectors were overweight, and the materials and consumer staples sectors were underweight. The fund had overweight positions in the United States and Japan, and an underweight holding in Australia.
- In fixed income, the fund had an underweight developed market government bond position, and overweight allocations to corporate credit, securitized debt, and bank loans. Total portfolio duration was 1.8 years versus the benchmark's 2.4 years (total portfolio duration assumes equity duration of 0). The U.K. pound and Japanese yen allocations were slightly overweight, and euro exposure was underweight.

Contributors	Detractors
A broad overweight equity allocation contributed. In equities, an overweight position and security selection in IT, and selection in financials and consumer discretionary were helpful. In fixed income, credit positioning, notably in high yield bonds, was beneficial. Securitized asset exposure, notably to commercial mortgage-backed securities, was additive.	In equities, security selection in communication services, health care, and industrials detracted. In fixed income, rate derivative exposure, notably positioning along the U.S. yield curve and an overweight allocation to European duration (interest rate sensitivity), hampered returns. Currency management, notably an overweight Japanese yen exposure, detracted.

### Further insight

Recent U.S. economic data has continued to exhibit resilience as a robust labor market, stronger-than-expected productivity, and higher-than-anticipated wage growth have continued to support the broader economy, despite higher-than-forecast inflation. Outside of the United States, we continue to prefer Japan at the expense of Europe and China, as its economy has continued on a trajectory that has allowed it to escape years of deflation. In our view, equity markets could advance further this year, though the path will likely be different than in 2023. In equities, the fund maintains a bias toward stable growth and quality, as we believe these could perform well against a backdrop of decelerating economic growth. This positioning is balanced with exposure toward select cyclical positions that we think can withstand a positive, yet cooling economy. In fixed income, aggregate duration positioning has decreased, with a preference for exposure at the intermediate part of the U.S. yield curve. We remain cautious about holding long-dated U.S. government bonds due to the level of Treasury issuance needed to fund the budget deficit (not because of inflation concerns). The bulk of the fixed income exposure remains in a diversified basket of corporate credit, securitized assets, and emerging market sovereign debt, given attractive absolute yields. In line with our risk-aware mandate, we hold exposure to an array of portfolio hedges (in addition to duration), including derivatives, cash, and currency positioning.

### ★★★★ Morningstar Overall™

Institutional shares rated against 356 Global Allocation Funds, as of 3/31/24, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.<sup>11</sup>

### Portfolio management

Rick Rieder  
Russ Koesterich, CFA, JD,  
David Clayton, CFA, JD,

### Top 10 equity holdings (%)

Microsoft	2.93
Nvidia Corp	2.18
Nikkei 225 (ose) Jun 24	2.14
Amazon	1.80
Apple	1.45
Alphabet	1.27
Mastercard	1.11
ASML Holding	0.99
JPMorgan Chase	0.99
Spdr S&P ETF Trust Apr C @ 528	0.79

### Investment approach

A diversified portfolio that invests across asset classes, regions, currencies and sectors, seeking to provide a rate of return competitive with that of global stocks at a lower level of volatility over a full market cycle.

The discussion of relative performance and positioning is compared against the fund's reference benchmark. % of net assets represents the fund's exposure based on the economic value of securities and is adjusted for futures, options and swaps (except with respect to fixed income securities), and convertible bonds.

## 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>	5.32	5.32	14.21	1.55	7.14	5.28
<b>Investor A (Without Sales Charge)</b>	5.25	5.25	13.95	1.30	6.85	5.00
<b>Investor A (With Sales Charge)</b>	-0.27	-0.27	7.97	-0.51	5.71	4.43
<b>FTSE World<sup>2</sup></b>	8.57	8.57	25.15	8.57	12.26	9.62
<b>FTSE World Govt. Bond<sup>3</sup></b>	-2.42	-2.42	-0.84	-6.12	-2.21	-0.82
<b>Reference Benchmark<sup>4</sup></b>	4.27	4.27	14.12	3.36	6.95	6.04

Expenses for Institutional shares: Total **0.88%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.84%**. For Investor A shares: Total **1.13%**; Net, Including Investment Related Expenses **1.09%**. 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: **0.83%**; for Investor A shares: **1.08%**.

**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. 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. 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 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.

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

**1** Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details. **2** The FTSE World Index is comprised of world equities, including the United States. **3** The FTSE World Government Bond Index includes the most significant and liquid government bond markets globally with at least an investment-grade rating. Currently, this includes all countries in the FTSE EMU Governments Index (EGBI) and Australia, Canada, Denmark, Japan, Sweden, Switzerland, United Kingdom and the United States. Index weights are based on the market capitalization of qualifying outstanding debt stocks. **4** The Reference Benchmark is 36% S&P 500 Index, 24% FTSE World (ex. US), 24% ICE BofA ML 5-year U.S. Treasury Bond Index and 16% FTSE Non-U.S. Dollar World Govt. Bond Index. The S&P 500 Index comprises large-capitalization U.S. equities. The FTSE World Index (ex. US) comprises world equities excluding the United States. The ICE BofA ML 5-year U.S. Treasury Bond Index tracks the five-year U.S. Treasury bond. The FTSE Non-U.S. Dollar World Govt. Bond Index tracks government bond indices, excluding the United States. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The fund was rated against the following numbers of U.S.-domiciled Global Allocation funds over the following time periods: 356 in the last 3 years, 338 in the last 5 years and 244 in the last 10 years. With respect to these Global Allocation funds, the fund received a Morningstar Rating of 2, 4 and 4 stars for the 3-, 5- and 10-year periods, respectively. Other classes may have different performance characteristics.

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.

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