BlackRock.

APRIL 30, 2023

2023 Annual Report

Managed Account Series II

- BlackRock U.S. Mortgage Portfolio

BNM0623U-2972741-9436764

The Markets in Review

Dear Shareholder,

Investors faced an uncertain economic landscape during the 12-month reporting period ended April 30, 2023, amid mixed indicators and rapidly changing market conditions. The U.S. economy returned to modest growth beginning in the third quarter of 2022, although the pace of growth slowed thereafter. Inflation was elevated, reaching a 40-year high as labor costs grew rapidly and unemployment rates reached the lowest levels in decades. However, inflation moderated as the period continued, while continued strength in consumer spending backstopped the economy.

Equity returns varied substantially, as large-capitalization U.S. stocks gained for the period amid a rebound in big tech stocks, whereas small-capitalization U.S. stocks declined. International equities from developed markets advanced strongly, while emerging market stocks declined, pressured by higher interest rates and volatile commodities prices.

The 10-year U.S. Treasury yield rose during the reporting period, driving its price down, as investors reacted to elevated inflation and attempted to anticipate future interest rate changes. The corporate bond market also faced inflationary headwinds, although high-yield corporate bonds posted a positive return as demand from yield-seeking investors remained strong.

The U.S. Federal Reserve (the "Fed"), acknowledging that inflation has been more persistent than expected, raised interest rates eight times. Furthermore, the Fed wound down its bond-buying programs and incrementally reduced its balance sheet by not replacing securities that reach maturity. In addition, the Fed added liquidity to markets amid the failure of prominent regional banks.

Restricted labor supply kept inflation elevated even as other inflation drivers, such as goods prices and energy costs, moderated. While economic growth was modest in the last year, we believe that stickiness in services inflation and continued wage growth will keep inflation above central bank targets for some time. Although the Fed has decelerated the pace of interest rate hikes and indicated a pause could be its next step, we believe that the Fed still seems determined to get inflation back to target. With this in mind, we believe the possibility of a U.S. recession in the near term is high, but the dimming economic outlook has not yet been fully reflected in current market prices. We believe investors should expect a period of higher volatility as markets adjust to the new economic reality and policymakers attempt to adapt to rapidly changing conditions. Turmoil in the banking sector late in the period highlighted the potential for the rapid increase in interest rates to disrupt markets with little warning.

While we favor an overweight to equities in the long term, we prefer an underweight stance on equities overall in the near term. Expectations for corporate earnings remain elevated, which seems inconsistent with the possibility of a recession. Nevertheless, we are overweight on emerging market stocks as we believe a weakening U.S. dollar could provide a supportive backdrop. We also see selective, long-term opportunities in credit, where we believe that valuations are appealing, and higher yields offer attractive income. However, we are neutral on credit in the near term, as we're concerned about tightening credit and financial conditions. For fixed income investing with a six- to twelve-month horizon, we see the most significant opportunities in short-term U.S. Treasuries, global inflation-linked bonds, and emerging market bonds denominated in local currency.

Overall, our view is that investors need to think globally, position themselves to be prepared for a decarbonizing economy, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today's markets.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of April 30, 2023

	6-Month	*12-Month*
U.S. large cap equities (S&P 500® Index)	8.63%	2.66%
U.S. small cap equities (Russell 2000® Index)	(3.45)	(3.65)
International equities (MSCI Europe, Australasia, Far East Index)	24.19	8.42
Emerging market equities (MSCI Emerging Markets Index)	16.36	(6.51)
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	2.09	2.83
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	7.14	(1.68)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	6.91	(0.43)
Tax-exempt municipal bonds (Bloomberg Municipal Bond Index)	7.65	2.87
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	6.21	1.21

Past performance is not an indication of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

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Investment Objective

BlackRock U.S. Mortgage Portfolio's (the "Fund") investment objective is to seek high total return.

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended April 30, 2023, all of the Fund's share classes underperformed its benchmark, the Bloomberg U.S. Mortgage-Backed Securities Index.

What factors influenced performance?

The largest detractors from the Fund's performance relative to the benchmark for the reporting period were out-of-benchmark allocations to commercial mortgage-backed securities ("CMBS") and non-agency residential mortgage-backed securities.

Positive contributors to relative performance included the Fund's active positioning with respect to duration along with positioning along the yield curve. Allocations to agency collateralized mortgage obligations also proved additive. Finally, relative value trades within agency mortgage-backed securities ("MBS") were overall beneficial.

The Fund's cash position did not materially affect performance.

Describe recent portfolio activity.

The Fund continued to hold a core allocation to agency MBS. However, over the reporting period the Fund rotated out of TBAs and into specified pools due to attractive valuations and carry advantage. The allocation to CMBS was reduced over the reporting period, particularly in the fourth quarter of 2022 when the Fund rotated back into agency and non-agency MBS at more compelling valuations. The Fund continued to hold a core allocation of CMBS in the single-asset, single-borrower ("SASB") subsector over the period.

The Fund held a small percentage of assets in derivatives, including options, futures and swaps, as a hedge against allocations in agency MBS and securitized assets. The Fund's use of derivatives marginally detracted from performance.

Describe portfolio positioning at period end.

The Fund's positioning in CMBS remains focused in senior tranches of conduit and SASB deals while the Non-Agency MBS exposure is focused in slightly seasoned securities where the underlying properties have higher levels of home price appreciation that recently issued deals. Within agency MBS, the Fund favored specified pools over TBAs on the basis of more attractive valuations and carry advantage. As of the end of the reporting period, the Fund was modestly underweight duration versus the benchmark and held a steepened position between the two-year and ten-year points of the yield curve.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

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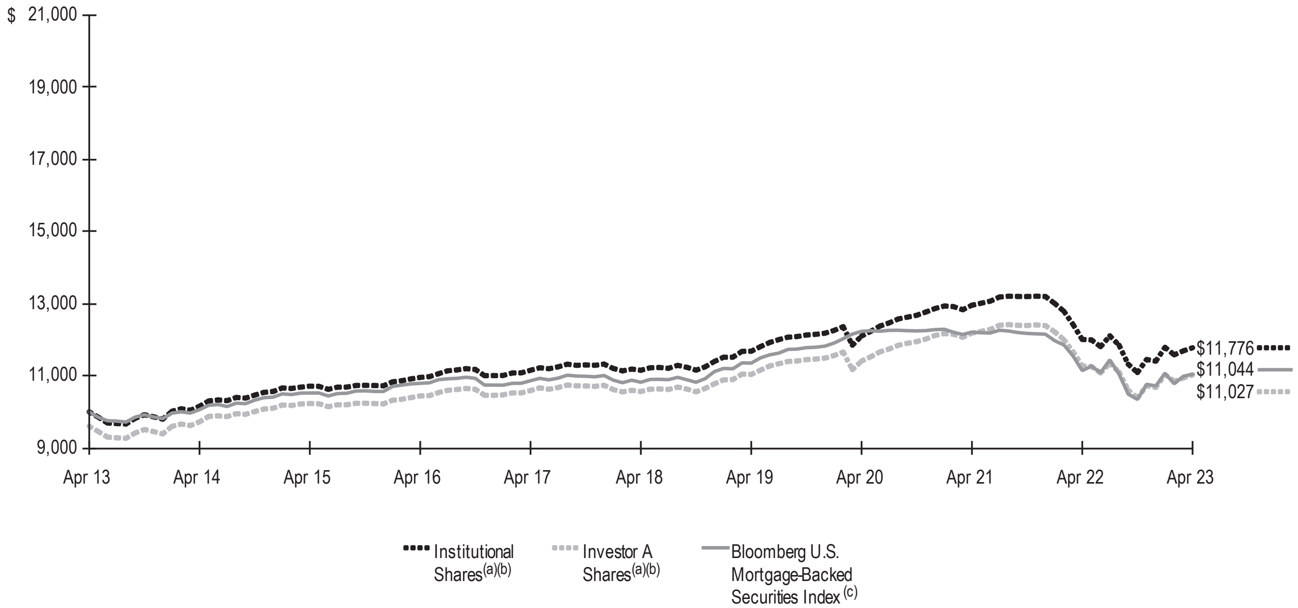
GROWTH OF $10,000 INVESTMENT



[(a)] Assuming maximum sales charges, if any, transaction costs and other operating expenses, including investment advisory fees. Institutional Shares do not have a sales charge.

[(b)] The Fund invests primarily in mortgage-related securities. Under normal circumstances, the Fund will invest at least 80% of its assets in mortgage-backed securities and other mortgage-related securities that are issued by issuers located in the United States. On September 17, 2018, the Fund acquired all of the assets, subject to the liabilities, of BlackRock U.S. Mortgage Portfolio (the "Predecessor Fund"), a series of Managed Account Series, through a tax-free reorganization (the "Reorganization"). The Predecessor Fund is the performance and accounting survivor of the Reorganization.

[(c)] An unmanaged index that includes the mortgage-backed pass-through securities of Ginnie Mae, Fannie Mae and Freddie Mac that meet certain maturity and liquidity criteria.

Performance

			Average Annual Total Returns[(a)]					
			1 Year		5 Years		10 Years	
	Standardized 30-Day Yields	*Unsubsidized 30-Day Yields*	*Without Sales Charge*	*With Sales Charge*	*Without Sales Charge*	*With Sales Charge*	*Without Sales Charge*	*With Sales Charge*
Institutional	4.67%	4.53%	(1.91)%	N/A	1.10%	N/A	1.65%	N/A
Investor A	4.24	4.06	(2.16)	(6.08)%	0.86	0.04%	1.40	0.98%
Investor C	3.67	3.44	(2.89)	(3.84)	0.11	0.11	0.79	0.79
Bloomberg U.S. Mortgage-Backed Securities Index	—	—	(0.88)	N/A	0.41	N/A	1.00	N/A

[(a)] Assuming maximum sales charges, if any. Average annual total returns with and without sales charges reflect reductions for distribution and service fees. See "About Fund Performance" for a detailed description of share classes, including any related sales charges and fees. On September 17, 2018, the Fund acquired all of the assets, subject to the liabilities, of the Predecessor Fund, through the Reorganization. The Predecessor Fund is the performance and accounting survivor of the Reorganization.

N/A – Not applicable as share class and index do not have a sales charge.

Past performance is not an indication of future results.

Performance results may include adjustments for financial reporting purpose in accordance with U.S. generally accepted accounting principles.

Expense Example

	Actual				Hypothetical 5% Return					Annualized Expense Ratio	
			Expenses Paid During the Period			Including Interest Expense		Excluding Interest Expense			
	Beginning Account Value (11/01/22)	*Ending Account Value (04/30/23)*	*Including Interest Expense[(a)]*	*Excluding Interest Expense[(a)]*	*Beginning Account Value (11/01/22)*	*Ending Account Value (04/30/23)*	*Expenses Paid During the Period[(a)]*	*Ending Account Value (04/30/23)*	*Expenses Paid During the Period[(a)]*	*Including Interest Expense*	*Excluding Interest Expense*
Institutional	$ 1,000.00	$ 1,062.00	$ 2.30	$ 2.30	$ 1,000.00	$ 1,022.56	$ 2.26	$ 1,022.56	$ 2.26	0.45%	0.45%
Investor A	1,000.00	1,062.00	3.58	3.58	1,000.00	1,021.32	3.51	1,021.32	3.51	0.70	0.70
Investor C	1,000.00	1,058.10	7.40	7.40	1,000.00	1,017.60	7.25	1,017.60	7.25	1.45	1.45

(a) For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period shown).

See "Disclosure of Expenses" for further information on how expenses were calculated.

Portfolio Information

PORTFOLIO COMPOSITION

Asset Type	*Percent of Total Investments[(a)]*
U.S. Government Sponsored Agency Securities	48.0%
Non-Agency Mortgage-Backed Securities	37.1
Asset-Backed Securities	14.9

CREDIT QUALITY ALLOCATION

Credit Rating[(b)]	*Percent of Total Investments[(a)]*
AAA/Aaa[(c)]	43.6%
AA/Aa	21.2
A	1.6
BBB/Baa	1.8
BB/Ba	0.6
B	1.2
CCC/Caa	2.1
CC/Ca	2.9
C	2.0
D	0.0[(d)]
NR	23.0

(a) Excludes short-term securities and options written.
(b) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P Global Ratings or Moody's Investors Service if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated NR are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.
(c) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuers. Using this approach, the investment adviser has deemed unrated U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations to be of similar credit quality as investments rated AAA/Aaa.
(d) Represents less than 0.1% of the Fund's total investments.

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The Benefits and Risks of Leveraging

The Fund may utilize leverage to seek to enhance returns and net asset value (“NAV”). However, there is no guarantee that these objectives can be achieved in all interest rate environments.

The Fund may utilize leverage by entering into reverse repurchase agreements.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by the Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Fund’s shareholders benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is distributed to the Fund’s shareholders, and the value of these portfolio holdings is reflected in the Fund’s per share NAV. However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other ongoing costs of leverage exceed the Fund’s return on assets purchased with leverage proceeds, income to shareholders is lower than if the Fund had not used leverage.

Furthermore, the value of the Fund’s portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can also influence the value of portfolio investments. As a result, changes in interest rates can influence the Fund’s NAV positively or negatively in addition to the impact on the Fund’s performance from leverage. Changes in the direction of interest rates are difficult to predict accurately, and there is no assurance that the Fund’s leveraging strategy will be successful.

The use of leverage also generally causes greater changes in the Fund’s NAV and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV of the Fund’s shares than if the Fund were not leveraged. In addition, the Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of the leverage instruments, which may cause the Fund to incur losses. The use of leverage may limit the Fund’s ability to invest in certain types of securities or use certain types of hedging strategies. The Fund incurs expenses in connection with the use of leverage, all of which are borne by the Fund’s shareholders and may reduce income.

About Fund Performance

Institutional Shares are not subject to any sales charge. These shares bear no ongoing distribution or service fees and are available only to certain eligible investors.

Investor A Shares are subject to a maximum initial sales charge (front-end load) of 4.00% and a service fee of 0.25% per year (but no distribution fee). Certain redemptions of these shares may be subject to a contingent deferred sales charge (“CDSC”) where no initial sales charge was paid at the time of purchase. These shares are generally available through financial intermediaries.

Investor C Shares are subject to a 1.00% CDSC if redeemed within one year of purchase. In addition, these shares are subject to a distribution fee of 0.75% per year and a service fee of 0.25% per year. These shares are generally available through financial intermediaries. These shares automatically convert to Investor A Shares after approximately eight years.

Past performance is not an indication of future results. Financial markets have experienced extreme volatility and trading in many instruments has been disrupted. These circumstances may continue for an extended period of time and may continue to affect adversely the value and liquidity of the Fund’s investments. As a result, current performance may be lower or higher than the performance data quoted. Refer to **blackrock.com** to obtain performance data current to the most recent month-end. Performance results do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Figures shown in the performance table(s) assume reinvestment of all distributions, if any, at NAV on the ex-dividend date or payable date, as applicable. Investment return and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Distributions paid to each class of shares will vary because of the different levels of service, distribution and transfer agency fees applicable to each class, which are deducted from the income available to be paid to shareholders.

BlackRock Advisors, LLC (the “Manager”), the Fund’s investment adviser, has contractually and/or voluntarily agreed to waive and/or reimburse a portion of the Fund’s expenses. Without such waiver(s) and/or reimbursement(s), the Fund’s performance would have been lower. With respect to the Fund’s voluntary waiver(s), if any, the Manager is under no obligation to waive and/or reimburse or to continue waiving and/or reimbursing its fees and such voluntary waiver(s) may be reduced or discontinued at any time. With respect to the Fund’s contractual waiver(s), if any, the Manager is under no obligation to continue waiving and/or reimbursing its fees after the applicable termination date of such agreement. See the Notes to Financial Statements for additional information on waivers and/or reimbursements.

The standardized 30-day yield includes the effects of any waivers and/or reimbursements. The unsubsidized 30-day yield excludes the effects of any waivers and/or reimbursements.

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Disclosure of Expenses

Shareholders of the Fund may incur the following charges: (a) transactional expenses, such as sales charges; and (b) operating expenses, including investment advisory fees, service and distribution fees, including 12b-1 fees, acquired fund fees and expenses, and other fund expenses. The expense example shown (which is based on a hypothetical investment of $1,000 invested at the beginning of the period and held through the end of the period) is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The expense example provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by $1,000 and then multiply the result by the number corresponding to their share class under the heading entitled “Expenses Paid During the Period.”

The expense example also provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in the Fund and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

The expenses shown in the expense example are intended to highlight shareholders’ ongoing costs only and do not reflect transactional expenses, such as sales charges, if any. Therefore, the hypothetical example is useful in comparing ongoing expenses only, and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

Derivative Financial Instruments

The Fund may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the instrument. Pursuant to Rule 18f-4 under the 1940 Act, among other things, the Fund must either use derivative financial instruments with embedded leverage in a limited manner or comply with an outer limit on fund leverage risk based on value-at-risk. The Fund’s successful use of a derivative financial instrument depends on the investment adviser’s ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation the Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Fund’s investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Security		Par (000)		Value
Asset-Backed Securities				
510 Loan Acquisition Trust, Series 2020-1, Class A, 5.11%, 09/25/60[a][b]	USD	1,094	$	1,055,833
Ajax Mortgage Loan Trust[b]				
Series 2018-A, Class B, 0.00%, 04/25/58		2		1,927
Series 2020-A, Class A, 2.37%, 12/25/59[a]		1,457		1,441,660
Series 2020-A, Class B, 3.50%, 12/25/59[a]		233		229,605
Series 2020-A, Class C, 0.00%, 12/25/59		549		341,814
Series 2020-C, Class A, 2.25%, 09/27/60[a]		64		61,952
Series 2020-C, Class B, 5.00%, 09/27/60[a]		150		140,261
Series 2020-C, Class C, 0.00%, 09/27/60		471		403,489
Series 2020-D, Class A, 2.25%, 06/25/60[a]		319		305,438
Series 2020-D, Class B, 5.00%, 06/25/60[a]		210		196,365
Series 2020-D, Class C, 0.00%, 06/25/60		496		435,222
Series 2021-E, Class B3, 4.48%, 12/25/60[c]		382		141,630
Series 2021-E, Class XS, 0.00%, 12/25/60[c]		5,508		220,678
Series 2021-F, Class A, 1.87%, 06/25/61[a]		2,541		2,297,867
Series 2021-F, Class B, 3.75%, 06/25/61[a]		216		195,749
Series 2021-F, Class C, 0.00%, 06/25/61[d]		403		386,024
Series 2021-G, Class A, 1.87%, 06/25/61[c]		1,777		1,638,033
Series 2021-G, Class B, 3.75%, 06/25/61[c]		256		227,773
Series 2021-G, Class C, 0.00%, 06/25/61		463		466,670
AMSR Trust, Series 2020-SFR4, Class G2, 4.87%, 11/17/37[b]		850		768,411
AREIT Trust[b][c]				
Series 2021-CRE5, Class A, (1-mo. LIBOR USD at 1.08% Floor + 1.08%), 6.03%, 11/17/38		497		480,755
Series 2022-CRE6, Class A, (SOFR 30 Day Average at 1.25% Floor + 1.25%), 6.01%, 01/16/37		607		587,544
Bayview Financial Revolving Asset Trust, Series 2004-B, Class A1, (1-mo. LIBOR USD at 1.00% Floor + 1.00%), 6.02%, 05/28/39[b][c]		1,914		1,538,559
BDS Ltd., Series 2021-FL9, Class A, (1-mo. LIBOR USD at 1.07% Floor + 1.07%), 6.03%, 11/16/38[b][c]		680		655,884
Bear Stearns Asset-Backed Securities I Trust[c]				
Series 2006-HE8, Class 1A3, (1-mo. LIBOR USD at 0.52% Floor + 0.52%), 5.54%, 10/25/36		1,200		996,572
Series 2007-HE2, Class 22A, (1-mo. LIBOR USD at 0.14% Floor + 0.14%), 5.16%, 03/25/37		529		468,082
BSPRT Issuer Ltd., Series 2022-FL8, Class A, (SOFR 30 Day Average at 1.50% Floor + 1.50%), 6.25%, 02/15/37[b][c]		730		709,734
Carrington Mortgage Loan Trust, Series 2007-FRE1, Class M1, (1-mo. LIBOR USD at 0.50% Floor and 14.50% Cap + 0.50%), 5.52%, 02/25/37[c]		1,751		1,308,018
Countrywide Asset-Backed Certificates, Series 2002-BC3, Class M2, (1-mo. LIBOR USD at 1.73% Floor + 1.73%), 6.75%, 05/25/32[c]		1,243		1,167,962
Credit-Based Asset Servicing & Securitization LLC, Series 2007-CB6, Class A4, (1-mo. LIBOR USD at 0.34% Floor + 0.34%), 5.36%, 07/25/37[b][c]		1,572		1,035,195
CWABS Asset-Backed Certificates Trust[c]				
Series 2006-18, Class M1, (1-mo. LIBOR USD at 0.45% Floor + 0.45%), 5.47%, 03/25/37		1,550		1,333,002
Series 2006-22, Class M1, (1-mo. LIBOR USD at 0.23% Floor + 0.23%), 5.25%, 05/25/47		2,101		1,782,451

Security		Par (000)		Value
Asset-Backed Securities (continued)				
Series 2007-BC3, Class 1A, (1-mo. LIBOR USD at 0.18% Floor + 0.18%), 5.20%, 11/25/47	USD	665	$	630,247
CWABS, Inc. Asset-Backed Certificates Trust, Series 2004-6, Class 2A4, (1-mo. LIBOR USD at 0.90% Floor + 0.90%), 5.92%, 11/25/34[c]		8		7,368
Dryden XXVIII Senior Loan Fund, Series 2013-28A, Class A1LR, (3-mo. LIBOR USD at 1.20% Floor + 1.20%), 6.06%, 08/15/30[b][c]		965		958,921
FS Rialto Issuer LLC[b][c]				
Series 2022-FL6, Class A, (1-mo. CME Term SOFR at 2.58% Floor + 2.58%), 7.50%, 08/17/37		350		347,832
Series 2022-FL7, Class A, (1-mo. CME Term SOFR at 2.90% Floor + 2.90%), 7.82%, 10/19/39		540		537,436
GSAA Home Equity Trust, Series 2006-5, Class 1A1, (1-mo. LIBOR USD at 0.36% Floor + 0.36%), 5.38%, 03/25/36[c]		102		31,949
Home Partners of America Trust, Series 2021-3, Class F, 4.24%, 01/17/41[b]		1,860		1,541,949
KREF Ltd., Series 2022-FL3, Class A, (1-mo. CME Term SOFR at 1.45% Floor + 1.45%), 6.37%, 02/17/39[b][c]		2,950		2,898,499
Legacy Mortgage Asset Trust, Series 2019-SL2, Class A, 3.38%, 02/25/59[b][c]		1,188		1,107,609
Long Beach Mortgage Loan Trust[c]				
Series 2006-1, Class 2A4, (1-mo. LIBOR USD at 0.60% Floor + 0.60%), 5.62%, 02/25/36		651		533,137
Series 2006-7, Class 2A3, (1-mo. LIBOR USD at 0.32% Floor + 0.32%), 5.34%, 08/25/36		1,636		678,061
Morgan Stanley IXIS Real Estate Capital Trust, Series 2006-1, Class A3, (1-mo. LIBOR USD at 0.30% Floor + 0.30%), 5.32%, 07/25/36[c]		416		168,633
Mosaic Solar Loan Trust, Series 2019-2A, Class A, 2.88%, 09/20/40[b]		42		38,116
New Residential Mortgage Loan Trust, Series 2022-SFR1, Class F, 4.44%, 02/17/39[b]		2,739		2,385,101
Option One Mortgage Loan Trust, Series 2007-FXD1, Class 2A1, 5.87%, 01/25/37[a]		1,044		883,007
Progress Residential Trust[b]				
Series 2019-SFR4, Class G, 3.93%, 10/17/36		2,000		1,912,106
Series 2020-SFR3, Class G, 4.11%, 10/17/27		2,750		2,505,285
Series 2021-SFR10, Class F, 4.61%, 12/17/40		1,497		1,258,269
Series 2021-SFR11, Class F, 4.42%, 01/17/39		2,000		1,681,820
Series 2022-SFR1, Class F, 4.88%, 02/17/41		2,500		2,167,459
Series 2023-SFR1, Class E1, 6.15%, 03/17/40		925		887,985
RASC Series Trust, Series 2006-EMX9, Class 1A4, (1-mo. LIBOR USD at 0.24% Floor and 14.00% Cap + 0.24%), 5.50%, 11/25/36[c]		1,196		944,256
Structured Asset Securities Corp. Mortgage Loan Trust, Series 2007-MN1A, Class A1, (1-mo. LIBOR USD at 0.23% Floor + 0.23%), 5.25%, 01/25/37[b][c]		1,184		707,754
Tricon American Homes Trust, Series 2020-SFR1, Class F, 4.88%, 07/17/38[b]		1,050		999,276

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Security		Par (000)	Value
Asset-Backed Securities (continued)			
Washington Mutual Asset-Backed CertificatesTrust, Series 2007-HE2, (1-mo. LIBOR USD at 0.10% Floor + 0.10%), 5.12%, 02/25/37[(c)]	USD	2,947	$ 843,864
Total Asset-Backed Securities — 17.8% (Cost: $52,272,156)			49,676,098
Non-Agency Mortgage-Backed Securities			
Collateralized Mortgage Obligations — 17.5%			
Alternative Loan Trust			
Series 2005-54CB, Class 3A1, 5.13%, 11/25/35		1,169	648,696
Series 2006-45T1, Class 2A7, (1-mo. LIBOR USD at 0.34% Floor and 7.00% Cap + 0.34%), 5.36%, 02/25/37[(c)]		1,488	617,967
Series 2007-19, Class 1A34, 6.00%, 08/25/37		760	393,122
Banc of America Mortgage Trust, Series 2005-I, Class 2A5, 3.84%, 10/25/35[(c)]		80	73,230
Barclays Mortgage Trust[(b)]			
Series 2021-NPL1, Class A, 2.00%, 11/25/51[(a)]		2,879	2,605,762
Series 2021-NPL1, Class B, 4.62%, 11/25/51[(a)]		177	162,126
Series 2021-NPL1, Class C, 0.00%, 11/25/51[(d)]		395	368,462
BCAP LLC Trust, Series 2012-RR3, Class 3A8, 3.40%, 07/26/37[(b)(c)]		1,440	1,249,208
Bear Stearns ALT-A Trust, Series 2007-1, Class 1A1, (1-mo. LIBOR USD at 0.32% Floor and 11.50% Cap + 0.32%), 5.34%, 01/25/47[(c)]		671	527,976
CFMT LLC, Series 2023-HB11, Class M2, 4.00%, 02/25/37[(b)(c)]		1,250	1,086,811
ChaseFlex Trust, Series 2007-1, Class 2A7, 6.00%, 02/25/37		1,916	763,015
CHL Mortgage Pass-Through Trust			
Series 2005-17, Class 1A6, 5.50%, 09/25/35		25	23,306
Series 2006-OA4, Class A1, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT at 0.96% Floor + 0.96%), 4.42%, 04/25/46[(c)]		1,241	393,419
Citigroup Mortgage Loan Trust, Series 2015-A, Class B4, 4.50%, 06/25/58[(b)(c)]		1,321	1,187,322
CitiMortgage Alternative Loan Trust, Series 2007-A5, Class 1A6, 6.00%, 05/25/37		545	501,101
CSMC Trust[(b)]			
Series 2010-6R, Class 2A6B, 6.25%, 07/26/37		650	664,535
Series 2022-ATH2, Class A1, 4.55%, 05/25/67[(c)]		1,122	1,098,280
GSMPS Mortgage Loan Trust, Series 2005-RP2, Class 1AF, (1-mo. LIBOR USD at 0.35% Floor + 0.35%), 5.37%, 03/25/35[(b)(c)]		871	761,594
GSR Mortgage Loan Trust, Series 2006-9F, Class 3A1, 6.25%, 10/25/36		577	521,235
Homeward Opportunities Fund I Trust[(b)(c)]			
Series 2020-2, Class B1, 5.45%, 05/25/65		1,985	1,788,997
Series 2020-2, Class M1, 3.90%, 05/25/65		2,625	2,298,920
Impac Secured Assets Trust, Series 2006-1, Class 1A2B, (1-mo. LIBOR USD at 0.40% Floor and 11.50% Cap + 0.40%), 5.42%, 05/25/36[(c)]		1,070	793,314
IndyMac INDX Mortgage Loan Trust, Series 2006-AR15, Class A1, (1-mo. LIBOR USD at 0.24% Floor + 0.24%), 5.26%, 07/25/36[(c)]		597	548,091

Security		Par (000)	Value
Collateralized Mortgage Obligations (continued)			
Lehman XS Trust, Series 2007-16N, Class AF2, (1-mo. LIBOR USD at 1.90% Floor + 1.90%), 6.92%, 09/25/47[(c)]	USD	1,005	$ 1,237,957
MCM Trust[(d)]			
Series 2018-NPL2, 3.00%, 08/25/28[(b)]		479	459,234
Series 2021-VFN1, 3.00%, 08/28/28		294	193,138
New Residential Mortgage Loan Trust[(b)(c)]			
Series 2019-NQM5, Class A1, 2.71%, 11/25/59		2,168	2,007,866
Series 2020-RPL1, Class B3, 3.88%, 11/25/59		2,500	1,803,154
PRPM LLC, Series 2022-1, Class A1, 3.72%, 02/25/27[(a)(b)]		1,664	1,585,912
RALI Trust, Series 2007-QS1, Class 1A5, (1-mo. LIBOR USD at 0.55% Floor and 6.00% Cap + 0.55%), 5.57%, 01/25/37[(c)]		1,028	717,800
Reperforming Loan REMIC Trust, Series 2005-R3, Class AF, (1-mo. LIBOR USD at 0.40% Floor and 9.50% Cap + 0.40%), 5.42%, 09/25/35[(b)(c)]		157	134,976
Residential Asset Securitization Trust[(c)]			
Series 2006-A7CB, Class 2A2, (1-mo. LIBOR USD at 0.55% Floor and 6.50% Cap + 0.55%), 5.57%, 07/25/36		2,605	497,279
Series 2006-A7CB, Class 2A5, (1-mo. LIBOR USD at 0.25% Floor and 7.00% Cap + 0.25%), 5.27%, 07/25/36		570	101,642
Series 2006-A7CB, Class 2A6, (1-mo. LIBOR USD at 54.00% Cap + 54.00%), 13.84%, 07/25/36		458	527,018
RFMSI Trust[(c)]			
Series 2005-SA3, Class 1A, 3.59%, 08/25/35		1,801	867,834
Series 2006-SA2, Class 2A1, 4.95%, 08/25/36		96	66,472
RMF Buyout Issuance Trust, Series 2021-HB1, Class M6, 6.00%, 11/25/31[(b)(c)(d)]		1,625	937,546
Seasoned Loans Structured Transaction Trust[(b)(c)]			
Series 2020-2, Class M1, 4.75%, 09/25/60		3,320	3,214,507
Series 2020-3, Class M1, 4.75%, 04/26/60		2,489	2,415,611
Spruce Hill Mortgage Loan Trust[(b)]			
Series 2020-SH2, Class B1, 5.00%, 06/25/55[(c)]		2,764	2,548,580
Series 2022-SH1, Class A1A, 4.10%, 07/25/57[(a)]		1,307	1,260,156
TVC Mortgage Trust, Series 2020-RTL1, Class A1, 3.47%, 09/25/24[(b)]		208	207,256
Verus Securitization Trust[(b)(c)]			
Series 2020-INV1, Class B1, 5.75%, 03/25/60		1,100	1,042,296
Series 2023-INV1, Class M1, 7.65%, 02/25/68		1,200	1,192,555
WaMu Mortgage Pass-Through Certificates Trust, Series 2007-OA5, Class 2A, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT at 1.25% Floor + 0.80%), 4.26%, 06/25/47[(c)]		1,747	1,339,712
Washington Mutual Mortgage Pass-Through Certificates WMALT Trust			
Series 2005-9, 5.50%, 11/25/35.		1,116	862,006
Series 2006-2, Class 2CB, 6.50%, 03/25/36		742	523,466
Series 2006-6, 7.00%, 08/25/36		2,853	1,215,704

Security		Par (000)		Value
Collateralized Mortgage Obligations (continued)				
Series 2006-AR8, Class 2A, (Federal Reserve US 12 Month Cumulative Average 1 Year CMT at 0.85% Floor + 0.85%), 4.31%, 10/25/46(c)	USD	110	$	90,395
Series 2007-5, Class A3, 7.00%, 06/25/37		215		187,343
Western Mortgage Reference Notes(b)(c)				
Series 2021-CL2, Class M1, (SOFR 30 Day Average + 3.15%), 7.97%, 07/25/59		1,488		1,387,010
Series 2021-CL2, Class M2, (SOFR 30 Day Average + 3.70%), 8.52%, 07/25/59		1,497		1,373,770
				49,074,684
Commercial Mortgage-Backed Securities — 25.7%				
1211 Avenue of the Americas Trust, Series 2015-1211, Class A1A2, 3.90%, 08/10/35(b)		370		348,125
280 Park Avenue Mortgage Trust, Series 2017-280P, Class E, (1-mo. LIBOR USD at 2.12% Floor + 2.12%), 6.84%, 09/15/34(b)(c)		137		120,308
Alen Mortgage Trust, Series 2021-ACEN, Class D, (1-mo. LIBOR USD at 3.10% Floor + 3.10%), 8.05%, 04/15/34(b)(c)		276		201,787
Arbor Multifamily Mortgage Securities Trust, Series 2020-MF1, Class E, 1.75%, 05/15/53(b)		750		402,348
Ashford Hospitality Trust(b)(c)				
Series 2018-ASHF, Class D, (1-mo. LIBOR USD at 2.10% Floor + 2.10%), 7.17%, 04/15/35		280		264,681
Series 2018-ASHF, Class E, (1-mo. LIBOR USD at 3.10% Floor + 3.10%), 8.17%, 04/15/35		229		214,585
BAMLL Commercial Mortgage Securities Trust(b)(c)				
Series 2018-DSNY, Class A, (1-mo. LIBOR USD at 0.85% Floor + 0.85%), 5.80%, 09/15/34		529		524,379
Series 2018-DSNY, Class D, (1-mo. LIBOR USD at 1.70% Floor + 1.70%), 6.65%, 09/15/34		160		155,154
BANK				
Series 2021-BN35, Class A5, 2.29%, 06/15/64		730		602,488
Series 2021-BN38, Class A5, 2.52%, 12/15/64		1,700		1,419,700
Bayview Commercial Asset Trust(b)(c)				
Series 2006-3A, Class A2, (1-mo. LIBOR USD at 0.30% Floor + 0.45%), 5.47%, 10/25/36		811		750,975
Series 2006-4A, Class A1, (1-mo. LIBOR USD at 0.23% Floor + 0.35%), 5.37%, 12/25/36		647		598,758
BBCMS Mortgage Trust				
Series 2017-DELC, Class F, (1-mo. LIBOR USD at 3.50% Floor + 3.63%), 8.57%, 08/15/36(b)(c)		618		602,495
Series 2020-C7, Class A5, 2.04%, 04/15/53		1,950		1,620,883
Series 2020-C7, Class D, 3.72%, 04/15/53(b)(c)		500		287,929
Series 2021-C12, Class A5, 2.69%, 11/15/54		3,000		2,529,108
Series 2022-C18, Class ASB, 5.95%, 12/15/55(c)		650		689,189
Beast Mortgage Trust, Series 2021-SSCP, Class A, (1-mo. LIBOR USD at 0.75% Floor + 0.75%), 5.75%, 04/15/36(b)(c)		290		276,012
Benchmark Mortgage Trust				
Series 2019-B15, Class A5, 2.93%, 12/15/72		2,500		2,188,159

Security		Par (000)		Value
Commercial Mortgage-Backed Securities (continued)				
Series 2022-B35, Class A5, 4.59%, 05/15/55(c)	USD	2,500	$	2,373,422
BFLD Trust, Series 2020-EYP, Class E, (1-mo. LIBOR USD at 3.70% Floor + 3.70%), 8.65%, 10/15/35(b)(c)		120		78,747
BHMS, Series 2018-ATLS, Class C, (1-mo. LIBOR USD at 1.90% Floor + 1.90%), 6.85%, 07/15/35(b)(c)		269		253,908
BPR Trust(b)(c)				
Series 2021-TY, Class A, (1-mo. LIBOR USD at 1.05% Floor + 1.05%), 6.00%, 09/15/38		1,000		944,138
Series 2021-TY, Class E, (1-mo. LIBOR USD at 3.60% Floor + 3.60%), 8.55%, 09/15/38		750		687,547
Series 2022-SSP, Class A, (1-mo. CME Term SOFR at 3.00% Floor + 3.00%), 7.89%, 05/15/39		370		363,103
BX Commercial Mortgage Trust(b)				
Series 2019-XL, Class D, (1-mo. CME Term SOFR at 1.56% Floor + 1.56%), 6.45%, 10/15/36(c)		1,190		1,165,989
Series 2020-VIV3, Class B, 3.66%, 03/09/44(c)		683		583,480
Series 2020-VIV4, Class A, 2.84%, 03/09/44		1,370		1,157,222
Series 2021-SOAR, Class G, (1-mo. LIBOR USD at 2.80% Floor + 2.80%), 7.75%, 06/15/38(c)		145		135,084
Series 2021-VINO, Class A, (1-mo. LIBOR USD at 0.65% Floor + 0.65%), 5.60%, 05/15/38(c)		820		793,292
Series 2021-VINO, Class F, (1-mo. LIBOR USD at 2.80% Floor + 2.80%), 7.75%, 05/15/38(c)		175		162,287
Series 2021-XL2, Class A, (1-mo. LIBOR USD at 0.69% Floor + 0.69%), 5.64%, 10/15/38(c)		3,191		3,075,858
Series 2022-CSMO, Class C, (1-mo. CME Term SOFR at 3.89% Floor + 3.89%), 8.78%, 06/15/27(c)		260		255,438
Series 2022-LP2, Class A, (1-mo. CME Term SOFR at 1.01% Floor + 1.01%), 5.90%, 02/15/39(c)		1,569		1,520,778
Series 2022-LP2, Class B, (1-mo. CME Term SOFR at 1.31% Floor + 1.31%), 6.20%, 02/15/39(c)		1,439		1,376,623
BX Trust(b)				
Series 2019-OC11, Class A, 3.20%, 12/09/41		1,410		1,230,174
Series 2019-OC11, Class E, 4.08%, 12/09/41(c)		71		58,159
Series 2021-ARIA, Class G, (1-mo. LIBOR USD at 3.14% Floor + 3.14%), 8.09%, 10/15/36(c)		128		116,917
Series 2021-LBA, Class AJV, (1-mo. CME Term SOFR at 0.91% Floor + 0.91%), 5.80%, 02/15/36(c)		705		679,065
Series 2021-SDMF, Class A, (1-mo. LIBOR USD at 0.59% Floor + 0.59%), 5.54%, 09/15/34(c)		573		550,763
Series 2021-VIEW, Class D, (1-mo. LIBOR USD at 2.90% Floor + 2.90%), 7.85%, 06/15/36(c)		275		252,944
Series 2022-GPA, Class D, (1-mo. CME Term SOFR at 4.06% Floor + 4.06%), 8.95%, 10/15/39(c)		300		294,736

Security		Par (000)		Value
Commercial Mortgage-Backed Securities (continued)				
Series 2022-IND, Class A, (1-mo. CME Term SOFR at 1.49% Floor + 1.49%), 6.38%, 04/15/37(c)	USD	131	$	128,874
Series 2022-LBA6, Class A, (1-mo. CME Term SOFR at 1.00% Floor + 1.00%), 5.89%, 01/15/39(c)		700		679,841
Series 2022-VAMF, Class F, (1-mo. CME Term SOFR at 3.30% Floor + 3.30%), 8.19%, 01/15/39(c)		450		423,679
BXP Trust, Series 2021-601L, Class D, 2.87%, 01/15/44(b)(c)		540		334,084
CFK Trust, Series 2020-MF2, Class B, 2.79%, 03/15/39(b)		336		288,954
Citigroup Commercial Mortgage Trust, Series 2019-PRM, Class E, 4.89%, 05/10/36(b)(c)		100		98,820
Cold Storage Trust, Series 2020-ICE5, Class A, (1-mo. LIBOR USD at 0.90% Floor + 0.90%), 5.85%, 11/15/37(b)(c)		688		672,559
Commercial Mortgage Trust				
Series 2014-UBS2, Class A5, 3.96%, 03/10/47		345		338,808
Series 2015-CR25, Class A3, 3.51%, 08/10/48		531		510,212
Series 2015-CR25, Class C, 4.67%, 08/10/48(c)		255		232,461
Series 2017-PANW, Class A, 3.24%, 10/10/29(b)		1,580		1,491,168
Credit Suisse Mortgage Capital Certificates(b)(c)				
Series 2019-ICE4, (1-mo. LIBOR USD at 0.98% Floor + 0.98%), 5.93%, 05/15/36		299		296,954
Series 2019-ICE4, Class E, (1-mo. LIBOR USD at 2.15% Floor + 2.15%), 7.10%, 05/15/36		279		273,630
CSAIL Commercial Mortgage Trust				
Series 2018-C14, Class A4, 4.42%, 11/15/51(c)		600		578,862
Series 2019-C16, Class C, 4.24%, 06/15/52(c)		251		200,822
Series 2019-C17, Class C, 3.93%, 09/15/52		392		309,556
CSMC Trust(b)(c)				
Series 2020-FACT, Class F, (1-mo. LIBOR USD at 6.16% Floor + 6.16%), 11.10%, 10/15/37		600		500,548
Series 2021-980M, Class E, 3.65%, 07/15/31		365		267,098
Series 2021-BHAR, Class E, (1-mo. LIBOR USD at 3.50% Floor + 3.50%), 8.45%, 11/15/38		300		285,641
DBGS Mortgage Trust, Series 2018-BIOD, Class F, (1-mo. LIBOR USD at 2.00% Floor + 2.00%), 6.95%, 05/15/35(b)(c)		210		200,655
Extended Stay America Trust(b)(c)				
Series 2021-ESH, Class A, (1-mo. LIBOR USD at 1.08% Floor + 1.08%), 6.03%, 07/15/38		171		166,448
Series 2021-ESH, Class F, (1-mo. LIBOR USD at 3.70% Floor + 3.70%), 8.65%, 07/15/38		207		194,645
Great Wolf Trust, Series 2019-WOLF, Class A, (1-mo. CME Term SOFR at 1.15% Floor + 1.15%), 6.04%, 12/15/36(b)(c)		608		597,271
GS Mortgage Securities Corp. II, Series 2005-ROCK, Class A, 5.37%, 05/03/32(b)		335		330,220

Security		Par (000)		Value
Commercial Mortgage-Backed Securities (continued)				
GS Mortgage Securities Corp. Trust(b)(c)				
Series 2021-DM, Class F, (1-mo. LIBOR USD at 3.44% Floor + 3.44%), 8.38%, 11/15/36	USD	240	$	221,831
Series 2021-IP, Class E, (1-mo. LIBOR USD at 3.55% Floor + 3.55%), 8.50%, 10/15/36		300		275,798
Series 2021-STAR, Class B, (1-mo. LIBOR USD at 1.40% Floor + 1.40%), 6.35%, 12/15/36		870		837,658
Series 2022-AGSS, Class A, (1-mo. CME Term SOFR at 2.79% Floor + 2.69%), 7.58%, 11/15/27		380		377,385
Hawaii Hotel Trust, Series 2019-MAUI, Class A, (1-mo. LIBOR USD at 1.15% Floor + 1.15%), 6.10%, 05/15/38(b)(c)		250		245,296
Hilton USA Trust, Series 2016-HHV, Class C, 4.33%, 11/05/38(b)(c)		519		481,252
HONO Mortgage Trust(b)(c)				
Series 2021-LULU, Class E, (1-mo. LIBOR USD at 3.35% Floor + 3.35%), 8.30%, 10/15/36		590		534,688
Series 2021-LULU, Class F, (1-mo. LIBOR USD at 4.40% Floor + 4.40%), 9.35%, 10/15/36		410		367,625
Hudson Yards Mortgage Trust, Series 2019-30HY, Class D, 3.56%, 07/10/39(b)(c)		208		163,446
IMT Trust, Series 2017-APTS, Class BFX, 3.61%, 06/15/34(b)(c)		1,250		1,198,779
JPMorgan Chase Commercial Mortgage Securities Trust(b)				
Series 2016-NINE, Class A, 2.95%, 09/06/38(c)		640		568,565
Series 2018-AON, Class A, 4.13%, 07/05/31		610		554,909
Series 2021-MHC, Class A, (1-mo. LIBOR USD at 0.80% Floor + 0.80%), 5.75%, 04/15/38(c)		576		561,931
Series 2022-ACB, (SOFR 30 Day Average at 1.40% Floor + 1.40%), 6.15%, 03/15/39(c)		150		146,620
Series 2022-ACB, Class D, (SOFR 30 Day Average at 2.90% Floor + 2.90%), 7.65%, 03/15/39(c)		600		575,974
Series 2022-CGSS, Class A, (1-mo. CME Term SOFR at 2.97% Floor + 2.47%), 7.36%, 12/15/36(c)		560		559,276
Series 2022-NXSS, Class A, (1-mo. CME Term SOFR at 2.18% Floor + 2.18%), 7.07%, 09/15/39(c)		539		537,645
Series 2022-OPO, Class D, 3.56%, 01/05/39(c)		350		255,814
KKR Industrial Portfolio Trust, Series 2021-KDIP, Class A, (1-mo. CME Term SOFR at 0.66% Floor + 0.66%), 5.55%, 12/15/37(b)(c)		631		612,744
Lehman Brothers Small Balance Commercial Mortgage Trust, Series 2007-2A, (1-mo. LIBOR USD at 0.40% Floor + 0.40%), 5.42%, 06/25/37(b)(c)		1,209		1,192,275
Life Mortgage Trust, Series 2021-BMR, Class F, (1-mo. CME Term SOFR at 2.46% Floor + 2.46%), 7.35%, 03/15/38(b)(c)		164		154,266
Med Trust, Series 2021-MDLN, Class G, (1-mo. LIBOR USD at 5.25% Floor + 5.25%), 10.20%, 11/15/38(b)(c)		244		224,427

Security		Par (000)		Value
Commercial Mortgage-Backed Securities (continued)				
MF1 Multifamily Housing Mortgage Loan Trust, Series 2021-W10, Class G, (1-mo. CME Term SOFR at 4.22% Floor + 4.22%), 9.11%, 12/15/34[b][c]	USD	300	$	276,532
MFT Trust, Series 2020-ABC, Class C, 3.59%, 02/10/42[b][c]		192		127,155
MHC Commercial Mortgage Trust, Series 2021-MHC, Class A, (1-mo. CME Term SOFR at 0.92% Floor + 0.92%), 5.81%, 04/15/38[b][c]		166		162,056
Morgan Stanley Bank of America Merrill Lynch Trust, Series 2015-C26, Class A5, 3.53%, 10/15/48		1,103		1,055,471
Morgan Stanley Capital I Trust				
Series 2014-150E, Class A, 3.91%, 09/09/32[b]		595		503,260
Series 2017-HR2, Class D, 2.73%, 12/15/50[b]		555		347,294
Series 2018-H4, Class A4, 4.31%, 12/15/51		1,824		1,754,741
Series 2018-SUN, Class A, (1-mo. LIBOR USD at 0.90% Floor + 0.90%), 5.85%, 07/15/35[b][c]		595		584,522
MSCG Trust, Series 2018-SELF, Class F, (1-mo. LIBOR USD at 3.05% Floor + 3.05%), 8.00%, 10/15/37[b][c]		270		255,961
Natixis Commercial Mortgage Securities Trust, Series 2018-FL1, Class A, (1-mo. LIBOR USD at 0.95% Floor + 0.95%), 5.90%, 06/15/35[b][c]		67		63,271
One Bryant Park Trust, Series 2019-OBP, Class A, 2.52%, 09/15/54[b]		1,072		889,209
PKHL Commercial Mortgage Trust, Series 2021-MF, Class NR, (1-mo. LIBOR USD at 6.00% Floor + 6.00%), 10.95%, 07/15/38[b][c]		300		274,797
SMRT Trust, Series 2022-MINI, Class E, (1-mo. CME Term SOFR at 2.70% Floor + 2.70%), 7.59%, 01/15/39[b][c]		450		417,591
SREIT Trust[b][c]				
Series 2021-MFP, Class A, (1-mo. LIBOR USD at 0.73% Floor + 0.73%), 5.68%, 11/15/38		600		579,162
Series 2021-MFP, Class F, (1-mo. LIBOR USD at 2.63% Floor + 2.62%), 7.57%, 11/15/38		750		700,728
Series 2021-MFP2, Class A, (1-mo. LIBOR USD at 0.82% Floor + 0.82%), 5.77%, 11/15/36		1,055		1,020,671
STWD Trust, Series 2021-FLWR, Class A, (1-mo. LIBOR USD at 0.58% Floor + 0.58%), 5.52%, 07/15/36[b][c]		1,208		1,162,617
Velocity Commercial Capital Loan Trust[b][c]				
Series 2019-3, Class M4, 3.68%, 10/25/49		1,313		1,045,287
Series 2019-3, Class M6, 6.03%, 10/25/49		1,480		1,068,718
Series 2020-1, Class M4, 3.54%, 02/25/50		704		556,677
Series 2021-4, Class M5, 5.68%, 12/26/51		1,970		1,395,558
Wells Fargo Commercial Mortgage Trust				
Series 2016-NXS5, Class C, 5.15%, 01/15/59[c]		133		112,585
Series 2018-1745, Class A, 3.87%, 06/15/36[b][c]		1,990		1,743,946
Series 2018-C44, Class A4, 3.95%, 05/15/51		1,650		1,565,872
Series 2021-C59, Class A5, 2.63%, 04/15/54		500		418,570
WFRBS Commercial Mortgage Trust				
Series 2014-C21, Class A4, 3.41%, 08/15/47		466		452,518
Commercial Mortgage-Backed Securities (continued)				
Series 2014-LC14, Class A4, 3.77%, 03/15/47	USD	598	$	590,029
WMRK Commercial Mortgage Trust, Series 2022-WMRK, Class A, (1-mo. CME Term SOFR at 2.79% Floor + 2.79%), 7.68%, 11/15/27[b][c]		660		658,341
				71,739,890
Interest Only Collateralized Mortgage Obligations — 0.3%[c]				
Alternative Loan Trust, Series 2006-45T1, Class 2A8, (1-mo. LIBOR USD at 6.60% Cap + 6.60%), 1.58%, 02/25/37		743		141,908
GSR Mortgage Loan Trust, Series 2007-3F, Class 4A2, (1-mo. LIBOR USD at 6.70% Cap + 6.70%), 1.68%, 05/25/37		3,915		615,619
				757,527
Interest Only Commercial Mortgage-Backed Securities — 0.6%[c]				
BANK, Series 2017-BNK9, Class XA, 0.91%, 11/15/54		3,451		89,625
BBCMS Mortgage Trust				
Series 2020-C7, Class XA, 1.73%, 04/15/53		3,002		213,840
Series 2020-C7, Class XB, 1.10%, 04/15/53		1,000		59,491
Benchmark Mortgage Trust, Series 2020-B17, Class XB, 0.65%, 03/15/53		15,395		420,517
Citigroup Commercial Mortgage Trust, Series 2020-420K, Class X, 0.91%, 11/10/42[b]		3,975		195,565
CSAIL Commercial Mortgage Trust				
Series 2018-C14, Class XA, 0.70%, 11/15/51		1,083		27,089
Series 2019-C16, Class XA, 1.71%, 06/15/52		3,902		272,173
UBS Commercial Mortgage Trust, Series 2019-C17, Class XA, 1.61%, 10/15/52		3,214		220,540
Wells Fargo Commercial Mortgage Trust, Series 2017-C41, Class XA, 1.30%, 11/15/50		3,642		148,461
				1,647,301
Total Non-Agency Mortgage-Backed Securities — 44.1% (Cost: $132,963,858)				123,219,402

U.S. Government Sponsored Agency Securities

Security		Par (000)		Value
Collateralized Mortgage Obligations — 0.4%				
Federal Home Loan Mortgage Corp., Series 4161, Class BW, 2.50%, 02/15/43		200		175,629
Federal Home Loan Mortgage Corp. Variable Rate Notes, Series 2411, Class FJ, (1-mo. LIBOR USD at 0.35% Floor and 9.00% Cap + 0.35%), 5.30%, 12/15/29[c]		2		2,029
Federal National Mortgage Association				
Series 2010-134, Class KZ, 4.50%, 12/25/40		103		98,379
Series 2010-141, Class LZ, 4.50%, 12/25/40		212		211,787
Series 2011-131, Class LZ, 4.50%, 12/25/41		146		145,055
Federal National Mortgage Association Variable Rate Notes, Series 2018-32, Class PS, (1-mo. LIBOR USD at 7.23% Cap + 7.23%), 1.38%, 05/25/48[c]		173		154,607
Government National Mortgage Association, Series 2019-29, Class HY, 3.50%, 03/20/49		100		86,197
Government National Mortgage Association Variable Rate Notes, Series 2014-107, Class WX, 6.72%, 07/20/39[c]		171		179,246
				1,052,929

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Security		Par (000)		Value
Commercial Mortgage-Backed Securities — 0.1%				
Federal Home Loan Mortgage Corp. Variable Rate Notes, Series 2018-W5FX, Class CFX, 3.79%, 04/25/28[b][c]	USD	288	$	241,455
Government National Mortgage Association, Series 2019-53, Class V, 2.75%, 08/16/31		178		164,753
				406,208
Interest Only Collateralized Mortgage Obligations — 0.9%				
Federal Home Loan Mortgage Corp.				
Series 4062, Class GI, 4.00%, 02/15/41		104		5,514
Series 4533, Class JI, 5.00%, 12/15/45		137		24,681
Series 5159, Class KI, 3.00%, 11/25/51		599		75,192
Series 5159, Class PI, 3.00%, 11/25/51		928		123,499
Series 5176, Class QI, 3.00%, 12/25/51		595		85,504
Federal Home Loan Mortgage Corp. Variable Rate Notes[c]				
Series 4119, Class SC, (1-mo. LIBOR USD at 6.15% Cap + 6.15%), 1.20%, 10/15/42		681		77,408
Series 4901, Class CS, (1-mo. LIBOR USD at 6.10% Cap + 6.10%), 1.08%, 07/25/49		487		51,429
Series 4941, Class SH, (1-mo. LIBOR USD at 5.95% Cap + 5.95%), 0.93%, 12/25/49		446		42,601
Federal National Mortgage Association				
Series 2013-10, Class PI, 3.00%, 02/25/43		484		57,931
Series 2014-68, Class YI, 4.50%, 11/25/44		208		43,202
Series 2015-74, Class IA, 6.00%, 10/25/45		930		220,724
Series 2015-77, 6.00%, 10/25/45		1,115		226,380
Series 2017-68, Class IE, 4.50%, 09/25/47		638		113,386
Series 2021-23, Class CI, 3.50%, 07/25/46		644		110,680
Series 2021-41, 3.50%, 07/25/51		769		132,202
Federal National Mortgage Association Variable Rate Notes[c]				
Series 2016-60, Class SD, (1-mo. LIBOR USD at 6.10% Cap + 6.10%), 1.08%, 09/25/46		980		78,546
Series 2016-78, Class CS, (1-mo. LIBOR USD at 6.10% Cap + 6.10%), 1.08%, 05/25/39		1,266		99,014
Series 2017-70, Class SA, (1-mo. LIBOR USD at 6.15% Cap + 6.15%), 1.13%, 09/25/47		623		76,541
Series 2019-5, Class SA, (1-mo. LIBOR USD at 6.10% Cap + 6.10%), 1.08%, 03/25/49[d]		770		77,040
Series 2019-25, Class SA, (1-mo. LIBOR USD at 6.05% Cap + 6.05%), 1.03%, 06/25/49		2,899		338,764
Series 2019-35, Class SA, (1-mo. LIBOR USD at 6.10% Cap + 6.10%), 1.08%, 07/25/49		379		40,230
Government National Mortgage Association				
Series 2017-139, Class IB, 4.50%, 09/20/47		505		97,686
Series 2017-144, Class DI, 4.50%, 09/20/47		346		62,001
Series 2021-104, Class IH, 3.00%, 06/20/51		1,069		162,147
Government National Mortgage Association Variable Rate Notes, Series 2017-101, Class SL, (1-mo. LIBOR USD at 6.20% Cap + 6.20%), 1.25%, 07/20/47[c]		417		51,174
				2,473,476

Security		Par (000)		Value
Interest Only Commercial Mortgage-Backed Securities — 0.3%[c]				
Federal Home Loan Mortgage Corp. Multifamily Structured Pass-Through Certificates Variable Rate Notes, Series K110, Class X1, 1.81%, 04/25/30	USD	5,323	$	480,145
Government National Mortgage Association Variable Rate Notes				
Series 2016-151, 0.81%, 06/16/58		8,880		322,246
Series 2020-43, 1.26%, 11/16/61		2,152		152,173
				954,564
Mortgage-Backed Securities — 55.3%				
Federal Home Loan Mortgage Corp.				
2.50%, 03/01/30 - 04/01/31		588		557,248
3.00%, 09/01/27 - 12/01/46		913		845,681
3.50%, 12/01/41 - 01/01/48		1,174		1,120,284
4.00%, 08/01/40 - 12/01/45		353		345,788
4.50%, 07/01/26 - 09/01/48		483		484,038
5.00%, 05/01/35 - 02/01/42		622		633,811
5.50%, 02/01/35 - 06/01/41		344		356,728
6.00%, 08/01/28 - 11/01/39		17		17,627
Federal National Mortgage Association				
3.50%, 11/01/46		347		326,214
4.00%, 01/01/41		28		26,989
6.00%, 07/01/39		261		270,477
Federal National Mortgage Association Variable Rate Notes[c]				
3.06%, 09/01/27		163		155,888
3.22%, 03/01/27		495		478,007
Government National Mortgage Association				
3.00%, 02/15/45 - 01/20/51		728		670,931
3.50%, 01/15/42 - 10/20/46		880		843,076
4.00%, 04/20/39 - 06/20/50		2,881		2,799,428
4.50%, 09/20/39 - 04/20/47		1,556		1,570,423
5.00%, 12/15/34 - 07/20/44		1,083		1,116,358
5.50%, 07/15/38 - 12/20/41		372		385,520
6.50%, 10/15/38 - 02/20/41		121		126,468
Uniform Mortgage-Backed Securities				
1.50%, 05/25/38 - 05/25/53[e]		8,437		7,015,305
2.00%, 10/01/31 - 03/01/52		8,674		7,281,034
2.00%, 05/25/53[e]		13,801		11,480,976
2.50%, 04/01/30 - 03/01/32		948		897,203
2.50%, 05/25/38 - 05/25/53[e]		19,190		16,714,173
3.00%, 04/01/28 - 08/01/50		2,861		2,695,671
3.00%, 05/25/53[e]		4,880		4,383,206
3.50%, 11/01/27 - 04/01/48		1,769		1,687,296
4.00%, 08/01/31 - 05/01/52		5,570		5,419,400
4.00%, 05/25/53[e]		2,697		2,578,229
4.50%, 07/01/24 - 10/01/52		29,228		28,696,798
4.50%, 05/25/53[e]		18,208		17,799,031
5.00%, 06/01/26 - 04/01/53		30,809		30,714,422
5.00%, 05/25/53[e]		3,030		3,012,601
5.50%, 06/01/24 - 03/01/40		513		532,019
6.00%, 12/01/32 - 09/01/40		346		361,083
6.50%, 09/01/36 - 05/01/40		89		93,577
				154,493,008
Total U.S. Government Sponsored Agency Securities — 57.0% (Cost: $161,193,490)				159,380,185
Total Long-Term Investments — 118.9% (Cost: $346,429,504)				332,275,685

Security		Shares	Value
Short-Term Securities			
Money Market Funds — 0.8%			
Dreyfus Treasury Prime Cash Management Institutional Shares, 4.31%[f]		2,174,959	$ 2,174,959
Total Money Market Funds — 0.8% **(Cost: $2,174,959)**			2,174,959
		Par (000)	
U.S. Treasury Obligations — 2.0%			
U.S. Treasury Bills[g]			
4.56%, 06/01/23	USD	194	193,285

Security		Par (000)	Value
U.S. Treasury Obligations (continued)			
4.79%, 06/29/23	USD	5,577	$ 5,532,088
Total U.S. Treasury Obligations — 2.0% **(Cost: $5,726,874)**			5,725,373
Total Short-Term Securities — 2.8% **(Cost: $7,901,833)**			7,900,332
Total Investments Before Options Written — 121.7% **(Cost: $354,331,337)**			340,176,017
Total Options Written — (0.1)% **(Premium Received — $(252,866))**			(263,268)
Total Investments Net of Options Written — 121.6% **(Cost: $354,078,471)**			339,912,749
Liabilities in Excess of Other Assets — (21.6)%			(60,362,315)
Net Assets — 100.0%			$ 279,550,434

[a] Step coupon security. Coupon rate will either increase (step-up bond) or decrease (step-down bond) at regular intervals until maturity. Interest rate shown reflects the rate currently in effect.
[b] Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
[c] Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of period end. Security description also includes the reference rate and spread if published and available.
[d] Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
[e] Represents or includes a TBA transaction.
[f] Annualized 7-day yield as of period end.
[g] Rates are discount rates or a range of discount rates as of period end.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Description	*Number of Contracts*	*Expiration Date*	*Notional Amount (000)*	*Value/ Unrealized Appreciation (Depreciation)*
Long Contracts				
U.S. Treasury 10 Year Ultra Note	4	06/21/23	$ 487	$ (534)
U.S. Treasury Long Bond	118	06/21/23	15,561	689,891
U.S. Treasury Ultra Bond	60	06/21/23	8,494	368,775
U.S. Treasury 2 Year Note	221	06/30/23	45,599	144,712
				1,202,844
Short Contracts				
3-mo. SOFR	3	06/20/23	713	614
U.S. Treasury 10 Year Note	120	06/21/23	13,854	(55,508)
U.S. Treasury 5 Year Note	655	06/30/23	72,019	(1,697,122)
3-mo. SOFR	3	09/19/23	712	1,907
3-mo. SOFR	3	12/19/23	714	745
3-mo. SOFR	3	03/19/24	717	5,024
				(1,744,340)
				$ (541,496)

OTC Interest Rate Swaptions Written

	Paid by the Fund		Received by the Fund							
Description	*Rate*	*Frequency*	*Rate*	*Frequency*	*Counterparty*	*Expiration Date*	*Exercise Rate*		*Notional Amount (000)*	*Value*
Call										
2-Year Interest Rate Swap[(a)]	3.99%	Semi-Annual	1-day SOFR	Annual	Bank of America NA	08/08/23	3.99%	USD	7,700	$ (72,156)
2-Year Interest Rate Swap[(a)]	4.07%	Semi-Annual	1-day SOFR	Annual	Deutsche Bank AG	08/14/23	4.07	USD	7,700	(82,084)
										(154,240)
Put										
2-Year Interest Rate Swap[(a)]	1-day SOFR	Annual	3.99%	Semi-Annual	Bank of America NA	08/08/23	3.99	USD	7,700	(36,868)
2-Year Interest Rate Swap[(a)]	1-day SOFR	Annual	4.07%	Semi-Annual	Deutsche Bank AG	08/14/23	4.07	USD	7,700	(32,310)
2-Year Interest Rate Swap[(a)]	1-day SOFR	Annual	4.15%	Semi-Annual	Deutsche Bank AG	12/11/23	4.15	USD	10,300	(39,850)
										(109,028)
										$ (263,268)

[(a)] Forward settling swaption.

Centrally Cleared Interest Rate Swaps

Paid by the Fund		Received by the Fund							
Rate	*Frequency*	*Rate*	*Frequency*	*Termination Date*		*Notional Amount (000)*	*Value*	*Upfront Premium Paid (Received)*	*Unrealized Appreciation (Depreciation)*
1-day SOFR	Annual	4.18%	Annual	03/23/25	USD	5,800	$ 3,865	$ —	$ 3,865
0.18%	Quarterly	1-day EFFR	Quarterly	10/21/25	USD	159	13,674	—	13,674
1-day SOFR	Quarterly	0.17%	Quarterly	10/21/25	USD	159	(13,809)	—	(13,809)
0.56%	Quarterly	1-day EFFR	Quarterly	10/21/30	USD	47	8,031	—	8,031
1-day SOFR	Quarterly	0.53%	Quarterly	10/21/30	USD	47	(8,221)	—	(8,221)
2.16%	Annual	1-day SOFR	Annual	04/01/32	USD	1,500	119,596	—	119,596
2.65%	Annual	1-day SOFR	Annual	06/02/32	USD	800	37,564	—	37,564
1-day SOFR	Annual	3.64%	Annual	09/28/32	USD	1,500	52,508	2,865	49,643
3.12%	Annual	1-day SOFR	Annual	02/06/33	USD	800	5,781	—	5,781

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Centrally Cleared Interest Rate Swaps (continued)

Paid by the Fund		Received by the Fund							
Rate	*Frequency*	*Rate*	*Frequency*	*Termination Date*		*Notional Amount (000)*	*Value*	*Upfront Premium Paid (Received)*	*Unrealized Appreciation (Depreciation)*
1-day SOFR	Annual	2.10%	Annual	03/21/33	USD	1,700	$ (157,260)	$ —	$ (157,260)
							$ 61,729	$ 2,865	$ 58,864

OTC Credit Default Swaps — Buy Protection

Reference Obligation/Index	*Financing Rate Paid by the Fund*	*Payment Frequency*	*Counterparty*	*Termination Date*		*Notional Amount (000)*	*Value*	*Upfront Premium Paid (Received)*	*Unrealized Appreciation (Depreciation)*
CMBX.NA.9.BBB-	3.00%	Monthly	J.P. Morgan Securities LLC	09/17/58	USD	3,100	$ 701,763	$ 293,577	$ 408,186

OTC Credit Default Swaps — Sell Protection

Reference Obligation/Index	*Financing Rate Received by the Fund*	*Payment Frequency*	*Counterparty*	*Termination Date*	*Credit Rating* [(a)]		*Notional Amount (000)* [(b)]	*Value*	*Upfront Premium Paid (Received)*	*Unrealized Appreciation (Depreciation)*
CMBX.NA.9.A	2.00%	Monthly	Goldman Sachs International	09/17/58	A	USD	275	$ (22,226)	$ (4,892)	$ (17,334)
CMBX.NA.9.A	2.00	Monthly	Morgan Stanley & Co. International plc	09/17/58	A	USD	275	(22,226)	(4,969)	(17,257)
CMBX.NA.9.BBB-	3.00	Monthly	Deutsche Bank AG	09/17/58	BBB-	USD	2,197	(497,346)	(227,723)	(269,623)
CMBX.NA.9.BBB-	3.00	Monthly	Goldman Sachs International	09/17/58	BBB-	USD	1,012	(229,092)	(41,465)	(187,627)
CMBX.NA.15.BBB-	3.00	Monthly	Morgan Stanley & Co. International plc	11/18/64	BBB-	USD	500	(133,342)	(91,525)	(41,817)
								$ (904,232)	$ (370,574)	$ (533,658)

(a) Using the rating of the issuer or the underlying securities of the index, as applicable, provided by S&P Global Ratings.
(b) The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

The following reference rates, and their values as of period end, are used for security descriptions:

Reference Index		*Reference Rate*
1-day EFFR	Effective Federal Funds Rate	4.83%
1-day SOFR	Secured Overnight Financing Rate	4.81

Balances Reported in the Statement of Assets and Liabilities for Centrally Cleared Swaps, OTC Swaps and Options Written

Description	*Swap Premiums Paid*	*Swap Premiums Received*	*Unrealized Appreciation*	*Unrealized Depreciation*	*Value*
Centrally Cleared Swaps[(a)]	$ 2,865	$ —	$ 238,154	$ (179,290)	$ —
OTC Swaps	293,577	(370,574)	408,186	(533,658)	—
Options Written	N/A	N/A	46,603	(57,005)	(263,268)

(a) Includes cumulative appreciation (depreciation) on centrally cleared swaps, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities and is net of any previously paid (received) swap premium amounts.

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Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statement of Assets and Liabilities were as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Assets — Derivative Financial Instruments							
Futures contracts							
Unrealized appreciation on futures contracts [(a)]	$ —	$ —	$ —	$ —	$ 1,211,668	$ —	$ 1,211,668
Swaps — centrally cleared							
Unrealized appreciation on centrally cleared swaps [(a)]	—	—	—	—	238,154	—	238,154
Swaps — OTC							
Unrealized appreciation on OTC swaps; Swap premiums paid	—	701,763	—	—	—	—	701,763
	$ —	$ 701,763	$ —	$ —	$ 1,449,822	$ —	$ 2,151,585
Liabilities — Derivative Financial Instruments							
Futures contracts							
Unrealized depreciation on futures contracts [(a)]	$ —	$ —	$ —	$ —	$ 1,753,164	$ —	$ 1,753,164
Options written [(b)]							
Options written at value	—	—	—	—	263,268	—	263,268
Swaps — centrally cleared							
Unrealized depreciation on centrally cleared swaps [(a)]	—	—	—	—	179,290	—	179,290
Swaps — OTC							
Unrealized depreciation on OTC swaps; Swap premiums received	—	904,232	—	—	—	—	904,232
	$ —	$ 904,232	$ —	$ —	$ 2,195,722	$ —	$ 3,099,954

(a) Net cumulative unrealized appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, are reported in the Schedule of Investments. In the Statement of Assets and Liabilities, only current day's variation margin is reported in receivables or payables and the net cumulative unrealized appreciation (depreciation) is included in accumulated earnings (loss).
(b) Includes forward settling swaptions.

For the period ended April 30, 2023, the effect of derivative financial instruments in the Statement of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from							
Futures contracts	$ —	$ —	$ —	$ —	$ (3,466,963)	$ —	$ (3,466,963)
Options written	—	—	—	—	1,088,154	—	1,088,154
Swaps	—	(91,747)	—	—	(2,185,233)	—	(2,276,980)
	$ —	$ (91,747)	$ —	$ —	$ (4,564,042)	$ —	$ (4,655,789)
Net Change in Unrealized Appreciation (Depreciation) on							
Futures contracts	$ —	$ —	$ —	$ —	$ 625,004	$ —	$ 625,004
Options written	—	—	—	—	411,589	—	411,589
Swaps	—	(143,219)	—	—	826,106	—	682,887
	$ —	$ (143,219)	$ —	$ —	$ 1,862,699	$ —	$ 1,719,480

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts	
Average notional value of contracts — long	$ 64,427,008
Average notional value of contracts — short	$ 71,982,485
Options	
Average notional value of swaption contracts written	$ 53,775,000
Credit default swaps	
Average notional value — buy protection	$ 3,100,000
Average notional value — sell protection	$ 5,038,750
Interest rate swaps	
Average notional value — pays fixed rate	$ 11,839,453
Average notional value — receives fixed rate	$ 8,514,453

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Derivative Financial Instruments — Offsetting as of Period End

The Fund's derivative assets and liabilities (by type) were as follows:

	Assets	Liabilities
Derivative Financial Instruments		
Futures contracts	$ 287,320	$ 336,538
Options[(a)]	—	263,268
Swaps — centrally cleared	—	10,450
Swaps — OTC[(b)]	701,763	904,232
Total derivative assets and liabilities in the Statement of Assets and Liabilities	$ 989,083	$ 1,514,488
Derivatives not subject to a Master Netting Agreement or similar agreement ("MNA")	(287,320)	(346,988)
Total derivative assets and liabilities subject to an MNA	$ 701,763	$ 1,167,500

(a) Includes forward settling swaptions.
(b) Includes unrealized appreciation (depreciation) on OTC swaps and swap premiums (paid/received) in the Statement of Assets and Liabilities.

The following tables present the Fund's derivative assets and liabilities by counterparty net of amounts available for offset under an MNA and net of the related collateral received and pledged by the Fund:

Counterparty	*Derivative Assets Subject to an MNA by Counterparty*	*Derivatives Available for Offset*	*Non-cash Collateral Received*	*Cash Collateral Received[(a)]*	*Net Amount of Derivative Assets*
J.P. Morgan Securities LLC	$ 701,763	$ —	$ —	$ (701,763)	$ —

Counterparty	*Derivative Liabilities Subject to an MNA by Counterparty*	*Derivatives Available for Offset*	*Non-cash Collateral Pledged*	*Cash Collateral Pledged[(a)]*	*Net Amount of Derivative Liabilities[(b)]*
Bank of America NA	$ 109,024	$ —	$ —	$ (109,024)	$ —
Deutsche Bank AG	651,590	—	—	(651,590)	—
Goldman Sachs International	251,318	—	—	(251,318)	—
Morgan Stanley & Co. International plc	155,568	—	—	(100,000)	55,568
	$ 1,167,500	$ —	$ —	$ (1,111,932)	$ 55,568

(a) Excess of collateral received/pledged, if any, from the individual counterparty is not shown for financial reporting purposes.
(b) Net amount represents the net amount payable due to the counterparty in the event of default.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of financial instruments. For a description of the input levels and information about the Fund’s policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund’s financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

	Level 1	*Level 2*	*Level 3*	*Total*
Assets				
Investments				
Long-Term Investments				
Asset-Backed Securities	$ —	$ 49,290,074	$ 386,024	$ 49,676,098
Non-Agency Mortgage-Backed Securities	—	121,261,022	1,958,380	123,219,402
U.S. Government Sponsored Agency Securities	—	159,303,145	77,040	159,380,185
Short-Term Securities				
Money Market Funds	2,174,959	—	—	2,174,959
U.S. Treasury Obligations	—	5,725,373	—	5,725,373
	$ 2,174,959	$ 335,579,614	$ 2,421,444	$ 340,176,017
Derivative Financial Instruments[(a)]				
Assets				
Credit contracts	$ —	$ 408,186	$ —	$ 408,186

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Fair Value Hierarchy as of Period End (continued)

	Level 1	Level 2	Level 3	Total
Interest rate contracts	$ 1,211,668	$ 238,154	$ —	$ 1,449,822
Liabilities				
Credit contracts	—	(533,658)	—	(533,658)
Interest rate contracts	(1,753,164)	(442,558)	—	(2,195,722)
	$ (541,496)	$ (329,876)	$ —	$ (871,372)

[a] Derivative financial instruments are swaps, futures contracts and options written. Swaps and futures contracts are valued at the unrealized appreciation (depreciation) on the instrument and options written are shown at value.

A reconciliation of Level 3 financial instruments is presented when the Fund had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the year in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

	Asset-Backed Securities	Non-Agency Mortgage-Backed Securities	U.S. Government Sponsored Agency Securities	Total
Investments				
Assets				
Opening balance, as of April 30, 2022	$ 2,132,033	$ 3,113,100	$ 1,508,483	$ 6,753,616
Transfers into Level 3 [a]	348,399	—	—	348,399
Transfers out of Level 3 [b]	(2,113,804)	—	(1,176,550)	(3,290,354)
Accrued discounts/premiums	1,258	(1,304)	(39,268)	(39,314)
Net realized loss	(30)	(139,630)	(13,938)	(153,598)
Net change in unrealized appreciation (depreciation) [c][d]	37,458	(507,134)	(17,062)	(486,738)
Purchases	—	117,146	—	117,146
Sales	(19,290)	(623,798)	(184,625)	(827,713)
Closing balance, as of April 30, 2023	$ 386,024	$ 1,958,380	$ 77,040	$ 2,421,444
Net change in unrealized appreciation (depreciation) on investments still held at April 30, 2023 [d]	$ 37,016	$ (549,355)	$ (19,526)	$ (531,865)

[a] As of April 30, 2022, the Fund used observable inputs in determining the value of certain investments. As of April 30, 2023, the Fund used significant unobservable inputs in determining the value of the same investments. As a result, investments at beginning of period value were transferred from Level 2 to Level 3 in the fair value hierarchy.

[b] As of April 30, 2022, the Fund used significant unobservable inputs in determining the value of certain investments. As of April 30, 2023, the Fund used observable inputs in determining the value of the same investments. As a result, investments at beginning of period value were transferred from Level 3 to Level 2 in the fair value hierarchy.

[c] Included in the related net change in unrealized appreciation (depreciation) in the Statement of Operations.

[d] Any difference between net change in unrealized appreciation (depreciation) and net change in unrealized appreciation (depreciation) on investments still held at April 30, 2023 is generally due to investments no longer held or categorized as Level 3 at period end.

The Fund's financial instruments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 financial instruments.

See notes to financial statements.

Statement of Assets and Liabilities
April 30, 2023

	BlackRock U.S. Mortgage Portfolio
ASSETS	
Investments, at value — unaffiliated[a]	$ 340,176,017
Cash	8,854
Cash pledged:	
Collateral — OTC derivatives	1,932,000
Futures contracts	1,045,000
Centrally cleared swaps	113,150
Receivables:	
Capital shares sold	765,590
Dividends — unaffiliated	9,772
Interest — unaffiliated	1,073,925
From the Manager	33,150
Variation margin on futures contracts	287,320
Swap premiums paid	293,577
Unrealized appreciation on:	
OTC swaps	408,186
Prepaid expenses	33,268
Total assets	346,179,809
LIABILITIES	
Cash received:	
Collateral — OTC derivatives	760,000
Collateral — TBA commitments	1,500
Options written, at value[b]	263,268
Payables:	
Investments purchased	63,005,583
Capital shares redeemed	854,937
Income dividend distributions	80,138
Investment advisory fees	163,821
Trustees' and Officer's fees	942
Professional fees	60,983
Service and distribution fees	4,758
Variation margin on futures contracts	336,538
Variation margin on centrally cleared swaps	10,450
Other accrued expenses	182,225
Swap premiums received	370,574
Unrealized depreciation on:	
OTC swaps	533,658
Total liabilities	66,629,375
NET ASSETS	$ 279,550,434
NET ASSETS CONSIST OF:	
Paid-in capital	$ 316,527,707
Accumulated loss	(36,977,273)
NET ASSETS	$ 279,550,434
[a] Investments, at cost — unaffiliated	$ 354,331,337
[b] Premiums received	$ 252,866

See notes to financial statements.

	BlackRock U.S. Mortgage Portfolio
NET ASSET VALUE	
Institutional	
Net assets	$ 259,478,544
Shares outstanding	29,042,449
Net asset value	$ 8.93
Shares authorized	Unlimited
Par value	$ 0.001
Investor A	
Net assets	$ 18,940,224
Shares outstanding	2,123,626
Net asset value	$ 8.92
Shares authorized	Unlimited
Par value	$ 0.001
Investor C	
Net assets	$ 1,131,666
Shares outstanding	126,853
Net asset value	$ 8.92
Shares authorized	Unlimited
Par value	$ 0.001

See notes to financial statements.

Statement of Operations
Year Ended April 30, 2023

	BlackRock U.S. Mortgage Portfolio
INVESTMENT INCOME	
Dividends — unaffiliated	$ 65,764
Interest — unaffiliated	11,467,584
Total investment income	11,533,348
EXPENSES	
Investment advisory	1,053,477
Transfer agent — class specific	173,689
Registration	102,156
Professional	85,848
Accounting services	73,407
Service and distribution — class specific	69,670
Printing and postage	32,133
Custodian	14,522
Trustees and Officer	5,452
Miscellaneous	30,379
Total expenses excluding interest expense	1,640,733
Interest expense	377
Total expenses	1,641,110
Less:	
Fees waived and/or reimbursed by the Manager	(214,956)
Transfer agent fees waived and/or reimbursed by the Manager — class specific	(170,182)
Total expenses after fees waived and/or reimbursed	1,255,972
Net investment income	10,277,376
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) from:	
Investments — unaffiliated	(5,192,580)
Futures contracts	(3,466,963)
Options written	1,088,154
Swaps	(2,276,980)
	(9,848,369)
Net change in unrealized appreciation (depreciation) on:	
Investments — unaffiliated	(3,613,889)
Futures contracts	625,004
Options written	411,589
Swaps	682,887
	(1,894,409)
Net realized and unrealized loss	(11,742,778)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (1,465,402)

See notes to financial statements.

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Statements of Changes in Net Assets

	BlackRock U.S. Mortgage Portfolio	
	Year Ended 04/30/23	Year Ended 04/30/22
INCREASE (DECREASE) IN NET ASSETS		
OPERATIONS		
Net investment income	$ 10,277,376	$ 5,951,109
Net realized loss	(9,848,369)	(8,056,759)
Net change in unrealized appreciation (depreciation)	(1,894,409)	(18,737,401)
Net decrease in net assets resulting from operations	(1,465,402)	(20,843,051)
DISTRIBUTIONS TO SHAREHOLDERS[(a)]		
Institutional	(9,669,534)	(5,964,892)
Investor A	(739,871)	(539,104)
Investor C	(51,980)	(48,313)
Decrease in net assets resulting from distributions to shareholders	(10,461,385)	(6,552,309)
CAPITAL SHARE TRANSACTIONS		
Net increase in net assets derived from capital share transactions	37,352,511	10,125,407
NET ASSETS		
Total increase (decrease) in net assets	25,425,724	(17,269,953)
Beginning of year	254,124,710	271,394,663
End of year	$ 279,550,434	$ 254,124,710

[(a)] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

See notes to financial statements.

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Financial Highlights
(For a share outstanding throughout each period)

	BlackRock U.S. Mortgage Portfolio				
	Institutional				
	Year Ended 04/30/23	Year Ended 04/30/22	Year Ended 04/30/21	Year Ended 04/30/20	Year Ended 04/30/19
Net asset value, beginning of year	$ 9.47	$ 10.46	$ 10.07	$ 10.04	$ 9.96
Net investment income[a]	0.36	0.22	0.27	0.28	0.32
Net realized and unrealized gain (loss)	(0.55)	(0.97)	0.43	0.08	0.14
Net increase (decrease) from investment operations	(0.19)	(0.75)	0.70	0.36	0.46
Distributions from net investment income[b]	(0.35)	(0.24)	(0.31)	(0.33)	(0.38)
Net asset value, end of year	$ 8.93	$ 9.47	$ 10.46	$ 10.07	$ 10.04
Total Return[c]					
Based on net asset value	(1.91)%	(7.33)%	7.07%	3.61%	4.73%
Ratios to Average Net Assets[d]					
Total expenses	0.59%	0.58%[e]	0.58%	0.81%	1.62%
Total expenses after fees waived and/or reimbursed	0.45%	0.47%[e]	0.45%	0.68%	1.44%
Total expenses after fees waived and/or reimbursed and excluding interest expense	0.45%	0.47%[e]	0.45%	0.45%	0.45%
Net investment income	3.94%	2.10%	2.65%	2.73%	3.26%
Supplemental Data					
Net assets, end of year (000)	$ 259,479	$ 227,622	$ 242,171	$ 221,437	$ 211,534
Portfolio turnover rate[f]	533%	937%	1,196%	1,334%	1,580%

[a] Based on average shares outstanding.
[b] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
[c] Where applicable, assumes the reinvestment of distributions.
[d] Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.
[e] Includes non-recurring expenses of proxy costs. Without these costs, total expenses, total expenses after fees waived and/or reimbursed, and total expenses after fees waived and/or reimbursed and excluding interest expense would have been 0.56%, 0.45% and 0.45%, respectively.
[f] Includes mortgage dollar roll transactions ("MDRs"). Additional information regarding portfolio turnover rate is as follows:

	Year Ended 04/30/23	Year Ended 04/30/22	Year Ended 04/30/21	Year Ended 04/30/20	Year Ended 04/30/19
Portfolio turnover rate (excluding MDRs)	140%	378%	654%	860%	841%

See notes to financial statements.

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(For a share outstanding throughout each period)

	BlackRock U.S. Mortgage Portfolio				
	Investor A				
	Year Ended 04/30/23	Year Ended 04/30/22	Year Ended 04/30/21	Year Ended 04/30/20	Year Ended 04/30/19
Net asset value, beginning of year	$ 9.46	$ 10.44	$ 10.05	$ 10.02	$ 9.94
Net investment income[a]	0.32	0.19	0.25	0.25	0.30
Net realized and unrealized gain (loss)	(0.53)	(0.96)	0.43	0.09	0.14
Net increase (decrease) from investment operations	(0.21)	(0.77)	0.68	0.34	0.44
Distributions from net investment income[b]	(0.33)	(0.21)	(0.29)	(0.31)	(0.36)
Net asset value, end of year	$ 8.92	$ 9.46	$ 10.44	$ 10.05	$ 10.02
Total Return[c]					
Based on net asset value	(2.16)%	(7.49)%	6.81%	3.35%	4.47%
Ratios to Average Net Assets[d]					
Total expenses	0.92%	0.92%[e]	0.90%	1.14%	1.94%
Total expenses after fees waived and/or reimbursed	0.70%	0.72%[e]	0.70%	0.93%	1.69%
Total expenses after fees waived and/or reimbursed and excluding interest expense	0.70%	0.72%[e]	0.70%	0.70%	0.70%
Net investment income	3.59%	1.86%	2.43%	2.50%	3.01%
Supplemental Data					
Net assets, end of year (000)	$ 18,940	$ 23,728	$ 25,047	$ 21,913	$ 26,577
Portfolio turnover rate[f]	533%	937%	1,196%	1,334%	1,580%

[a] Based on average shares outstanding.
[b] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
[c] Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
[d] Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.
[e] Includes non-recurring expenses of proxy costs. Without these costs, total expenses, total expenses after fees waived and/or reimbursed, and total expenses after fees waived and/or reimbursed and excluding interest expense would have been 0.89%, 0.70% and 0.70%, respectively.
[f] Includes mortgage dollar roll transactions ("MDRs"). Additional information regarding portfolio turnover rate is as follows:

	Year Ended 04/30/23	Year Ended 04/30/22	Year Ended 04/30/21	Year Ended 04/30/20	Year Ended 04/30/19
Portfolio turnover rate (excluding MDRs)	140%	378%	654%	860%	841%

See notes to financial statements.

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(For a share outstanding throughout each period)

	BlackRock U.S. Mortgage Portfolio				
	Investor C				
	Year Ended 04/30/23	Year Ended 04/30/22	Year Ended 04/30/21	Year Ended 04/30/20	Year Ended 04/30/19
Net asset value, beginning of year	$ 9.46	$ 10.44	$ 10.05	$ 10.02	$ 9.94
Net investment income[(a)]	0.24	0.12	0.18	0.18	0.22
Net realized and unrealized gain (loss)	(0.52)	(0.96)	0.42	0.08	0.14
Net increase (decrease) from investment operations	(0.28)	(0.84)	0.60	0.26	0.36
Distributions from net investment income[(b)]	(0.26)	(0.14)	(0.21)	(0.23)	(0.28)
Net asset value, end of year	$ 8.92	$ 9.46	$ 10.44	$ 10.05	$ 10.02
Total Return[(c)]					
Based on net asset value	(2.89)%	(8.18)%	6.01%	2.58%	3.70%
Ratios to Average Net Assets[(d)]					
Total expenses	1.69%	1.67%[(e)]	1.66%	1.89%	2.69%
Total expenses after fees waived and/or reimbursed	1.45%	1.47%[(e)]	1.45%	1.68%	2.44%
Total expenses after fees waived and/or reimbursed and excluding interest expense	1.45%	1.47%[(e)]	1.45%	1.45%	1.45%
Net investment income	2.68%	1.12%	1.72%	1.75%	2.25%
Supplemental Data					
Net assets, end of year (000)	$ 1,132	$ 2,775	$ 4,177	$ 6,258	$ 7,786
Portfolio turnover rate[(f)]	533%	937%	1,196%	1,334%	1,580%

(a) Based on average shares outstanding.
(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(c) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
(d) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.
(e) Includes non-recurring expenses of proxy costs. Without these costs, total expenses, total expenses after fees waived and/or reimbursed, and total expenses after fees waived and/or reimbursed and excluding interest expense would have been 1.64%, 1.45% and 1.45%, respectively.
(f) Includes mortgage dollar roll transactions ("MDRs"). Additional information regarding portfolio turnover rate is as follows:

	Year Ended 04/30/23	Year Ended 04/30/22	Year Ended 04/30/21	Year Ended 04/30/20	Year Ended 04/30/19
Portfolio turnover rate (excluding MDRs)	140%	378%	654%	860%	841%

See notes to financial statements.

1. ORGANIZATION

Managed Account Series II (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust is organized as a Delaware statutory trust. BlackRock U.S. Mortgage Portfolio (the “Fund”) is a series of the Trust. The Fund is classified as diversified.

The Fund offers multiple classes of shares. All classes of shares have identical voting, dividend, liquidation and other rights and are subject to the same terms and conditions, except that certain classes bear expenses related to the shareholder servicing and distribution of such shares. Institutional Shares are sold only to certain eligible investors. Investor A and Investor C Shares bear certain expenses related to shareholder servicing of such shares, and Investor C Shares also bear certain expenses related to the distribution of such shares. Investor A and Investor C Shares are generally available through financial intermediaries. Each class has exclusive voting rights with respect to matters relating to its shareholder servicing and distribution expenditures (except that Investor C shareholders may vote on material changes to the Investor A Shares distribution and service plan).

Share Class	*Initial Sales Charge*	*Contingent Deferred Sales Charge (“CDSC”)*	*Conversion Privilege*
Institutional Shares	No	No	None
Investor A Shares	Yes	No [(a)]	None
Investor C Shares	No	Yes [(b)]	To Investor A Shares after approximately 8 years

[(a)] Investor A Shares may be subject to a CDSC for certain redemptions where no initial sales charge was paid at the time of purchase.
[(b)] A CDSC of 1.00% is assessed on certain redemptions of Investor C Shares made within one year after purchase.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the “Manager”) or its affiliates, is included in a complex of funds referred to as the BlackRock Fixed-Income Complex.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized daily on an accrual basis. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Collateralization: If required by an exchange or counterparty agreement, the Fund may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments.

Distributions: Distributions from net investment income are declared daily and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates and made at least annually. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

Deferred Compensation Plan: Under the Deferred Compensation Plan (the “Plan”) approved by the Board of Trustees of the Trust (the “Board”), the trustees who are not “interested persons” of the Fund, as defined in the 1940 Act (“Independent Trustees”), may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain funds in the BlackRock Fixed-Income Complex selected by the Independent Trustees. This has the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain funds in the BlackRock Fixed-Income Complex.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of the Fund, as applicable. Deferred compensation liabilities, if any, are included in the Trustees’ and Officer’s fees payable in the Statement of Assets and Liabilities and will remain as a liability of the Fund until such amounts are distributed in accordance with the Plan. Net appreciation (depreciation) in the value of participants’ deferral accounts is allocated among the participating funds in the BlackRock Fixed-Income Complex and reflected as Trustee and Officer expense on the Statement of Operations. The Trustee and Officer expense may be negative as a result of a decrease in value of the deferred accounts.

Indemnifications: In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnification. The Fund’s maximum exposure under these arrangements is unknown because it involves future potential claims against the Fund, which cannot be predicted with any certainty.

Other: Expenses directly related to the Fund or its classes are charged to the Fund or the applicable class. Expenses directly related to the Fund and other shared expenses prorated to the Fund are allocated daily to each class based on its relative net assets or other appropriate methods. Other operating expenses shared by several funds, including other funds managed by the Manager, are prorated among those funds on the basis of relative net assets or other appropriate methods.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investment Valuation Policies: The Fund's investments are valued at fair value (also referred to as "market value" within the financial statements) each day that the Fund is open for business and, for financial reporting purposes, as of the report date. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Board has approved the designation of the Fund's Manager as the valuation designee for the Fund. The Fund determines the fair values of its financial instruments using various independent dealers or pricing services under the Manager's policies. If a security's market price is not readily available or does not otherwise accurately represent the fair value of the security, the security will be valued in accordance with the Manager's policies and procedures as reflecting fair value. The Manager has formed a committee (the "Valuation Committee") to develop pricing policies and procedures and to oversee the pricing function for all financial instruments, with assistance from other BlackRock pricing committees.

Fair Value Inputs and Methodologies: The following methods and inputs are used to establish the fair value of the Fund's assets and liabilities:

- Fixed-income investments for which market quotations are readily available are generally valued using the last available bid price or current market quotations provided by independent dealers or third-party pricing services. Pricing services generally value fixed-income securities assuming orderly transactions of an institutional round lot size, but a fund may hold or transact in such securities in smaller, odd lot sizes. Odd lots may trade at lower prices than institutional round lots. The pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values, including transaction data (e.g., recent representative bids and offers), market data, credit quality information, perceived market movements, news, and other relevant information. Certain fixed-income securities, including asset-backed and mortgage related securities may be valued based on valuation models that consider the estimated cash flows of each tranche of the entity, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. The amortized cost method of valuation may be used with respect to debt obligations with sixty days or less remaining to maturity unless the Manager determines such method does not represent fair value.

- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").

- Futures contracts are valued based on that day's last reported settlement or trade price on the exchange where the contract is traded.

- Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter ("OTC") options and options on swaps ("swaptions") are valued by an independent pricing service using a mathematical model, which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

- Swap agreements are valued utilizing quotes received daily by independent pricing services or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments.

If events (e.g., market volatility, company announcement or a natural disaster) occur that are expected to materially affect the value of such investment, or in the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Valuation Committee in accordance with the Manager's policies and procedures as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the Valuation Committee include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Valuation Committee seeks to determine the price that the Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Valuation Committee deems relevant and consistent with the principles of fair value measurement.

For investments in equity or debt issued by privately held companies or funds ("Private Company" or collectively, the "Private Companies") and other Fair Valued Investments, the fair valuation approaches that are used by the Valuation Committee and third-party pricing services utilized by the Valuation Committee include one or a combination of, but not limited to, the following inputs.

	Standard Inputs Generally Considered By The Valuation Committee And Third-Party Pricing Services	
Market approach	(i)	recent market transactions, including subsequent rounds of financing, in the underlying investment or comparable issuers;
	(ii)	recapitalizations and other transactions across the capital structure; and
	(iii)	market multiples of comparable issuers.
Income approach	(i)	future cash flows discounted to present and adjusted as appropriate for liquidity, credit, and/or market risks;
	(ii)	quoted prices for similar investments or assets in active markets; and
	(iii)	other risk factors, such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates.
Cost approach	(i)	audited or unaudited financial statements, investor communications and financial or operational metrics issued by the Private Company;
	(ii)	changes in the valuation of relevant indices or publicly traded companies comparable to the Private Company;
	(iii)	relevant news and other public sources; and
	(iv)	known secondary market transactions in the Private Company's interests and merger or acquisition activity in companies comparable to the Private Company.

Investments in series of preferred stock issued by Private Companies are typically valued utilizing market approach in determining the enterprise value of the company. Such investments often contain rights and preferences that differ from other series of preferred and common stock of the same issuer. Enterprise valuation techniques such as an option pricing model ("OPM"), a probability weighted expected return model ("PWERM"), current value method or a hybrid of those techniques are used as deemed appropriate under the circumstances. The use of these valuation techniques involve a determination of the exit scenarios of the investment in order to appropriately allocate the enterprise value of the company among the various parts of its capital structure.

The Private Companies are not subject to the public company disclosure, timing, and reporting standards applicable to other investments held by the Fund. Typically, the most recently available information by a Private Company is as of a date that is earlier than the date the Fund is calculating its NAV. This factor may result in a difference between the value of the investment and the price the Fund could receive upon the sale of the investment.

Fair Value Hierarchy: Various inputs are used in determining the fair value of financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

- Level 1 — Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access;
- Level 2 — Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market–corroborated inputs); and
- Level 3 — Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Valuation Committee's assumptions used in determining the fair value of financial instruments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by Private Companies that may not have a secondary market and/or may have a limited number of investors. The categorization of a value determined for financial instruments is based on the pricing transparency of the financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

4. SECURITIES AND OTHER INVESTMENTS

Asset-Backed and Mortgage-Backed Securities: Asset-backed securities are generally issued as pass-through certificates or as debt instruments. Asset-backed securities issued as pass-through certificates represent undivided fractional ownership interests in an underlying pool of assets. Asset-backed securities issued as debt instruments, which are also known as collateralized obligations, are typically issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security will have the effect of shortening the maturity of the security. In addition, a fund may subsequently have to reinvest the proceeds at lower interest rates. If a fund has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

For mortgage pass-through securities (the "Mortgage Assets") there are a number of important differences among the agencies and instrumentalities of the U.S. Government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States, but are supported by the right of the issuer to borrow from the U.S. Treasury.

Non-agency mortgage-backed securities are securities issued by non-governmental issuers and have no direct or indirect government guarantees of payment and are subject to various risks. Non-agency mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The ability of a borrower to repay a loan is dependent upon the income or assets of the borrower. A number of factors, including a general economic downturn, acts of God, terrorism, social unrest and civil disturbances, may impair a borrower's ability to repay its loans.

Collateralized Debt Obligations: Collateralized debt obligations ("CDOs"), including collateralized bond obligations ("CBOs") and collateralized loan obligations ("CLOs"), are types of asset-backed securities. A CDO is an entity that is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called "tranches," which will vary in risk profile and yield. The riskiest segment is the subordinated or "equity" tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a "senior" tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

Multiple Class Pass-Through Securities: Multiple class pass-through securities, including collateralized mortgage obligations ("CMOs") and commercial mortgage-backed securities, may be issued by Ginnie Mae, U.S. Government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by a pool of residential or commercial mortgage loans or Mortgage Assets. The payments on these are used to make payments on the CMOs or multiple pass-through securities. Multiple class pass-through securities represent direct ownership interests in the Mortgage Assets. Classes of CMOs include interest only ("IOs"), principal only ("POs"), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated prepayments of principal, a fund's initial investment in the IOs may not fully recoup.

Stripped Mortgage-Backed Securities: Stripped mortgage-backed securities are typically issued by the U.S. Government, its agencies and instrumentalities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest (IOs) and principal (POs) distributions on a pool of Mortgage Assets. Stripped mortgage-backed securities may be privately issued.

TBA Commitments: TBA commitments are forward agreements for the purchase or sale of securities, including mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate and mortgage terms. When entering into TBA commitments, a fund may take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date, if there are expenses or delays in connection with the TBA transactions, or if the counterparty fails to complete the transaction.

In order to better define contractual rights and to secure rights that will help a fund mitigate its counterparty risk, TBA commitments may be entered into by a fund under Master Securities Forward Transaction Agreements (each, an "MSFTA"). An MSFTA typically contains, among other things, collateral posting terms and netting provisions in the event of default and/or termination event. The collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of the collateral currently pledged by a fund and the counterparty. Cash collateral that has been pledged to cover the obligations of a fund and cash collateral received from the counterparty, if any, is reported separately in the Statement of Assets and Liabilities as cash pledged as collateral for TBA commitments or cash received as collateral for TBA commitments, respectively. Non-cash collateral pledged by a fund, if any, is noted in the Schedule of Investments. Typically, a fund is permitted to sell, re-pledge or use the collateral it receives; however, the counterparty is not permitted to do so. To the extent amounts due to a fund are not fully collateralized, contractually or otherwise, a fund bears the risk of loss from counterparty non-performance.

Mortgage Dollar Roll Transactions: The Fund may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (i.e., same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, a fund is not entitled to receive interest and principal payments on the securities sold. Mortgage dollar roll transactions are treated as purchases and sales and a fund realizes gains and losses on these transactions. Mortgage dollar rolls involve the risk that the market value of the securities that a fund is required to purchase may decline below the agreed upon repurchase price of those securities.

Reverse Repurchase Agreements: Reverse repurchase agreements are agreements with qualified third-party broker dealers in which a fund sells securities to a bank or broker-dealer and agrees to repurchase the same securities at a mutually agreed upon date and price. A fund receives cash from the sale to use for other investment purposes. During the term of the reverse repurchase agreement, a fund continues to receive the principal and interest payments on the securities sold. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. A fund may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk. If a fund suffers a loss on its investment of the transaction proceeds from a reverse repurchase agreement, a fund would still be required to pay the full repurchase price. Further, a fund remains subject to the risk that the market value of the securities repurchased declines below the repurchase price. In such cases, a fund would be required to return a portion of the cash received from the transaction or provide additional securities to the counterparty.

Cash received in exchange for securities delivered plus accrued interest due to the counterparty is recorded as a liability in the Statement of Assets and Liabilities at face value including accrued interest. Due to the short-term nature of the reverse repurchase agreements, face value approximates fair value. Interest payments made by a fund to the counterparties are recorded as a component of interest expense in the Statement of Operations. In periods of increased demand for the security, a fund may receive a fee for the use of the security by the counterparty, which may result in interest income to a fund.

For the year ended April 30, 2023, the average daily amount of reverse repurchase agreements outstanding and the weighted average interest rate for the Fund were $8,361 and 4.45%, respectively.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund engages in various portfolio investment strategies using derivative contracts both to increase the returns of the Fund and/or to manage its exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk, commodity price risk or other risks (e.g., inflation risk). Derivative financial instruments categorized by risk exposure are included in the Schedule of Investments. These contracts may be transacted on an exchange or OTC.

Futures Contracts: Futures contracts are purchased or sold to gain exposure to, or manage exposure to, changes in interest rates (interest rate risk) and changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk).

Futures contracts are exchange-traded agreements between the Fund and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Amounts pledged, which are considered restricted, are included in cash pledged for futures contracts in the Statement of Assets and Liabilities.

Securities deposited as initial margin are designated in the Schedule of Investments and cash deposited, if any, are shown as cash pledged for futures contracts in the Statement of Assets and Liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract ("variation margin"). Variation margin is recorded as unrealized appreciation (depreciation) and, if any, shown as variation margin receivable (or payable) on futures contracts in the Statement of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the notional amount of the contract at the time it was opened and the notional amount at the time it was closed. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and interest rates, foreign currency exchange rates or underlying assets.

Options: The Fund may purchase and write call and put options to increase or decrease its exposure to the risks of underlying instruments, including equity risk, interest rate risk and/or commodity price risk and/or, in the case of options written, to generate gains from options premiums.

A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period.

Premiums paid on options purchased and premiums received on options written, as well as the daily fluctuation in market value, are included in investments at value – unaffiliated and options written at value, respectively, in the Statement of Assets and Liabilities. When an instrument is purchased or sold through the exercise of an option, the premium is offset against the cost or proceeds of the underlying instrument. When an option expires, a realized gain or loss is recorded in the Statement of Operations to the extent of the premiums received or paid. When an option is closed or sold, a gain or loss is recorded in the Statement of Operations to the extent the cost of the closing transaction exceeds the premiums received or paid. When the Fund writes a call option, such option is typically "covered," meaning that it holds the underlying instrument subject to being called by the option counterparty. When the Fund writes a put option, cash is segregated in an amount sufficient to cover the obligation. These amounts, which are considered restricted, are included in cash pledged as collateral for options written in the Statement of Assets and Liabilities.

- Swaptions – The Fund may purchase and write options on swaps ("swaptions") primarily to preserve a return or spread on a particular investment or portion of the Fund's holdings, as a duration management technique or to protect against an increase in the price of securities it anticipates purchasing at a later date. The purchaser and writer of a swaption is buying or granting the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

In purchasing and writing options, the Fund bears the risk of an unfavorable change in the value of the underlying instrument or the risk that it may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Fund purchasing or selling a security when it otherwise would not, or at a price different from the current market value.

Swaps: Swap contracts are entered into to manage exposure to issuers, markets and securities. Such contracts are agreements between the Fund and a counterparty to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract ("OTC swaps") or centrally cleared ("centrally cleared swaps").

For OTC swaps, any upfront premiums paid and any upfront fees received are shown as swap premiums paid and swap premiums received, respectively, in the Statement of Assets and Liabilities and amortized over the term of the contract. The daily fluctuation in market value is recorded as unrealized appreciation (depreciation) on OTC Swaps in the Statement of Assets and Liabilities. Payments received or paid are recorded in the Statement of Operations as realized gains or losses, respectively. When an OTC swap is terminated, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Generally, the basis of the contract is the premium received or paid.

In a centrally cleared swap, immediately following execution of the swap contract, the swap contract is novated to a central counterparty (the "CCP") and the CCP becomes the Fund's counterparty on the swap. The Fund is required to interface with the CCP through the broker. Upon entering into a centrally cleared swap, the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated in the Schedule of Investments and cash deposited is shown as cash pledged for centrally cleared swaps in the Statement of Assets and Liabilities. Amounts pledged, which are considered restricted cash, are included in cash pledged for centrally cleared swaps in the Statement of Assets and Liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker variation margin. Variation margin is recorded as unrealized appreciation (depreciation) and shown as variation margin receivable (or payable) on centrally cleared swaps in the Statement of Assets and Liabilities. Payments received from (paid to) the counterparty are amortized over the term of the contract and recorded as realized gains (losses) in the Statement of Operations, including those at termination.

- Credit default swaps — Credit default swaps are entered into to manage exposure to the market or certain sectors of the market, to reduce risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which a fund is not otherwise exposed (credit risk).

  The Fund may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps are agreements in which the protection buyer pays fixed periodic payments to the seller in consideration for a promise from the protection seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation acceleration, repudiation, moratorium or restructuring). As a buyer, if an underlying credit event occurs, the Fund will either (i) receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index, or (ii) receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

- Interest rate swaps — Interest rate swaps are entered into to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate (interest rate risk).

Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, in exchange for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. In more complex interest rate swaps, the notional principal amount may decline (or amortize) over time.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risks in excess of the amounts recognized in the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Master Netting Arrangements: In order to define its contractual rights and to secure rights that will help it mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its counterparties. An ISDA Master Agreement is a bilateral agreement between a Fund and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, a Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

Collateral Requirements: For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Fund(s) and the counterparty.

Cash collateral that has been pledged to cover obligations of the Fund and cash collateral received from the counterparty, if any, is reported separately in the Statement of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Fund, if any, is noted in the Schedule of Investments. Generally, the amount of collateral due from or to a counterparty is subject to a certain minimum transfer amount threshold before a transfer is required, which is determined at the close of business of the Fund. Any additional required collateral is delivered to/pledged by the Fund on the next business day. Typically, the counterparty is not permitted to sell, re-pledge or use cash and non-cash collateral it receives. The Fund generally agrees not to use non-cash collateral that it receives but may, absent default or certain other circumstances defined in the underlying ISDA Master Agreement, be permitted to use cash collateral received. In such cases, interest may be paid pursuant to the collateral arrangement with the counterparty. To the extent amounts due to the Fund from the counterparties are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance. Likewise, to the extent the Fund has delivered collateral to a counterparty and stands ready to perform under the terms of its agreement with such counterparty, the Fund bears the risk of loss from a counterparty in the amount of the value of the collateral in the event the counterparty fails to return such collateral. Based on the terms of agreements, collateral may not be required for all derivative contracts.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Statement of Assets and Liabilities.

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisory: The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement with the Manager, the Fund's investment adviser and an indirect, wholly-owned subsidiary of BlackRock, Inc. ("BlackRock"), to provide investment advisory and administrative services. The Manager is responsible for the management of the Fund's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of the Fund.

For such services, the Fund pays the Manager a monthly fee at an annual rate equal to the following percentages of the average daily value of the Fund's net assets:

Average Daily Net Assets	*Investment Advisory Fees*
First $1 billion	0.40%
$1 billion - $3 billion	0.38
$3 billion - $5 billion	0.36
$5 billion - $10 billion	0.35
Greater than $10 billion	0.34

Service and Distribution Fees: The Trust, on behalf of the Fund, entered into a Distribution Agreement and a Distribution and Service Plan with BlackRock Investments, LLC ("BRIL"), an affiliate of the Manager. Pursuant to the Distribution and Service Plan and in accordance with Rule 12b-1 under the 1940 Act, the Fund pays BRIL ongoing service and distribution fees. The fees are accrued daily and paid monthly at annual rates based upon the average daily net assets of the relevant share class of the Fund as follows:

Share Class	*Service Fees*	*Distribution Fees*
Investor A	0.25%	—%
Investor C	0.25	0.75

BRIL and broker-dealers, pursuant to sub-agreements with BRIL, provide shareholder servicing and distribution services to the Fund. The ongoing service and/or distribution fee compensates BRIL and each broker-dealer for providing shareholder servicing and/or distribution related services to shareholders.

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For the year ended April 30, 2023, the following table shows the class specific service and distribution fees borne directly by each share class of the Fund:

Share Class	*Service and Distribution Fees - Class Specific*
Investor A	$ 50,670
Investor C	19,000
	$ 69,670

Transfer Agent: Pursuant to written agreements, certain financial intermediaries, some of which may be affiliates, provide the Fund with sub-accounting, recordkeeping, sub-transfer agency and other administrative services with respect to servicing of underlying investor accounts. For these services, these entities receive an asset-based fee or an annual fee per shareholder account, which will vary depending on share class and/or net assets. For the year ended April 30, 2023, the Fund did not pay any amounts to affiliates in return for these services.

For the year ended April 30, 2023, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

	Institutional	*Investor A*	*Investor C*	*Total*
Transfer agent fees - class specific	$ 142,892	$ 27,909	$ 2,888	$ 173,689

The Manager maintains a call center that is responsible for providing certain shareholder services to the Fund. Shareholder services include responding to inquiries and processing purchases and sales based upon instructions from shareholders. For the year ended April 30, 2023, the Fund reimbursed the Manager the following amounts for costs incurred in running the call center, which are included in transfer agent — class specific in the Statement of Operations:

	Institutional	*Investor A*	*Investor C*	*Total*
Reimbursed Amount	$ 620	$ 674	$ 242	$ 1,536

Other Fees: For the year ended April 30, 2023, affiliates earned underwriting discounts, direct commissions and dealer concessions on sales of the Fund's Investor A Shares for a total of $183.

For the year ended April 30, 2023, affiliates received CDSCs as follows:

Investor A	$ 866
Investor C	640

Expense Limitations, Waivers and Reimbursements: The Manager contractually agreed to waive its investment advisory fees by the amount of investment advisory fees the Fund pays to the Manager indirectly through its investment in affiliated money market funds (the “affiliated money market fund waiver”) through June 30, 2024. The contractual agreement may be terminated upon 90 days’ notice by a majority of the Independent Trustees, or by a vote of a majority of the outstanding voting securities of the Fund. The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation described below will be reduced by the amount of the affiliated money market fund waiver. For the year ended April 30, 2023, there were no fees waived and/or reimbursed by the Manager pursuant to this agreement.

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of the Fund’s assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2024. The contractual agreement may be terminated upon 90 days’ notice by a majority of the Independent Trustees, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended April 30, 2023, there were no fees waived and/or reimbursed by the Manager pursuant to this arrangement.

The Manager contractually agreed to waive and/or reimburse fees or expenses in order to limit expenses, excluding interest expense, dividend expense, tax expense, acquired fund fees and expenses, and certain other fund expenses, which constitute extraordinary expenses not incurred in the ordinary course of the Fund’s business (“expense limitation”). The expense limitations as a percentage of average daily net assets are as follows:

	Institutional	*Investor A*	*Investor C*
Expense Limitations	0.45%	0.70%	1.45%

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2024, unless approved by the Board, including a majority of the Independent Trustees, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended April 30, 2023, the Manager waived and/or reimbursed investment advisory fees of $214,956 which is included in fees waived and/or reimbursed by the Manager in the Statement of Operations.

In addition, these amounts waived and/or reimbursed by the Manager are included in transfer agent fees waived and/or reimbursed by the Manager — class specific in the Statement of Operations. For the year ended April 30, 2023, class specific expense waivers and/or reimbursements are as follows:

Share Class	*Transfer Agent Fees Waived and/or Reimbursed by the Manager - Class Specific*
Institutional	$ 139,617
Investor A	27,687
Investor C	2,878
	$ 170,182

Interfund Lending: In accordance with an exemptive order (the "Order") from the U.S. Securities and Exchange Commission ("SEC"), the Fund may participate in a joint lending and borrowing facility for temporary purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the Fund's investment policies and restrictions. The Fund is currently permitted to borrow and lend under the Interfund Lending Program.

A lending BlackRock fund may lend in aggregate up to 15% of its net assets but may not lend more than 5% of its net assets to any one borrowing fund through the Interfund Lending Program. A borrowing BlackRock fund may not borrow through the Interfund Lending Program or from any other source more than 33 1/3% of its total assets (or any lower threshold provided for by the fund's investment restrictions). If a borrowing BlackRock fund's total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interest rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending fund and the bank loan rate, as calculated according to a formula established by the Board.

During the year ended April 30, 2023, the Fund did not participate in the Interfund Lending Program.

Trustees and Officers: Certain trustees and/or officers of the Trust are directors and/or officers of BlackRock or its affiliates. The Fund reimburses the Manager for a portion of the compensation paid to the Trust's Chief Compliance Officer, which is included in Trustees and Officer in the Statement of Operations.

7. PURCHASES AND SALES

For the year ended April 30, 2023, purchases and sales of investments, including paydowns/payups and mortgage dollar rolls, excluding short-term securities, were $1,698,553,431 and $1,699,050,953, respectively.

For the year ended April 30, 2023, purchases and sales related to mortgage dollar rolls were $1,252,718,126 and $1,253,248,964, respectively.

8. INCOME TAX INFORMATION

It is the Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

The Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund's U.S. federal tax returns generally remains open for a period of three years after they are filed. The statutes of limitations on the Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Fund as of April 30, 2023, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund's financial statements.

The tax character of distributions paid was as follows:

Fund Name	*Year Ended 04/30/23*	*Year Ended 04/30/22*
BlackRock U.S. Mortgage Portfolio		
Ordinary income	$ 10,461,385	$ 6,552,309
	$ 10,461,385	$ 6,552,309

As of April 30, 2023, the tax components of accumulated earnings (loss) were as follows:

Fund Name	*Undistributed Ordinary Income*	*Non-Expiring Capital Loss Carryforwards*[a]	*Net Unrealized Gains (Losses)*[b]	*Total*
BlackRock U.S. Mortgage Portfolio	$ 219,143	$ (21,775,703)	$ (15,420,713)	$ (36,977,273)

[a] Amounts available to offset future realized capital gains.
[b] The difference between book-basis and tax-basis net unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales, amortization and accretion methods of premiums and discounts on fixed income securities, the realization for tax purposes of unrealized gains (losses) on certain futures contracts and the accounting for swap agreements.

As of April 30, 2023, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

Fund Name	*Tax Cost*	*Gross Unrealized Appreciation*	*Gross Unrealized Depreciation*	*Net Unrealized Appreciation (Depreciation)*
BlackRock U.S. Mortgage Portfolio	$ 355,521,991	$ 6,120,327	$ (21,541,040)	$ (15,420,713)

9. BANK BORROWINGS

The Trust, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is party to a 364-day, $2.50 billion credit agreement with a group of lenders. Under this agreement, the Fund may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Fund, can borrow up to an aggregate commitment amount of $1.75 billion at any time outstanding, subject to asset coverage and other limitations as specified in the agreement. The credit agreement has the following terms: a fee of 0.10% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) Overnight Bank Funding Rate ("OBFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum, (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed or (c) the sum of (x) Daily Simple Secured Overnight Financing Rate ("SOFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.10% and (y) 0.80% per annum. The agreement expires in April 2024 unless extended or renewed. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the year ended April 30, 2023, the Fund did not borrow under the credit agreement.

10. PRINCIPAL RISKS

In the normal course of business, the Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject the Fund to various risks, including among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate and price fluctuations. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments. The Fund's prospectus provides details of the risks to which the Fund is subject.

Market Risk: The Fund may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force the Fund to reinvest in lower yielding securities. The Fund may also be exposed to reinvestment risk, which is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below the Fund portfolio's current earnings rate.

Infectious Illness Risk: An outbreak of an infectious illness, such as the COVID-19 pandemic, may adversely impact the economies of many nations and the global economy, and may impact individual issuers and capital markets in ways that cannot be foreseen. An infectious illness outbreak may result in, among other things, closed international borders, prolonged quarantines, supply chain disruptions, market volatility or disruptions and other significant economic, social and political impacts.

Valuation Risk: The price the Fund could receive upon the sale of any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair valuation technique or a price provided by an independent pricing service. Changes to significant unobservable inputs and assumptions (i.e., publicly traded company multiples, growth rate, time to exit) due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations. As a result, the price received upon the sale of an investment may be less than the value ascribed by the Fund, and the Fund could realize a greater than expected loss or lesser than expected gain upon the sale of the investment. The Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third-party service providers.

Counterparty Credit Risk: The Fund may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions, including making timely interest and/or principal payments or otherwise honoring its obligations. The Fund manages counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Fund to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Fund's exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statement of Assets and Liabilities, less any collateral held by the Fund.

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

For OTC options purchased, the Fund bears the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral held by the Fund should the counterparty fail to perform under the contracts. Options written by the Fund do not typically give rise to counterparty credit risk, as options written generally obligate the Fund, and not the counterparty, to perform. The Fund may be exposed to counterparty credit risk with respect to options written to the extent the Fund deposits collateral with its counterparty to a written option.

With exchange-traded futures and centrally cleared swaps, there is less counterparty credit risk to the Fund since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency). Additionally, credit risk exists in exchange-traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Fund.

Concentration Risk: A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within the Fund's portfolio are disclosed in its Schedule of Investments.

The Fund invests a significant portion of its assets in high yield securities. High yield securities that are rated below investment-grade (commonly referred to as "junk bonds") or are unrated may be deemed speculative, involve greater levels of risk than higher-rated securities of similar maturity and are more likely to default. High yield securities may be issued by less creditworthy issuers, and issuers of high yield securities may be unable to meet their interest or principal payment obligations. High yield securities are subject to extreme price fluctuations, may be less liquid than higher rated fixed-income securities, even under normal economic conditions, and frequently have redemption features.

The Fund invests a significant portion of its assets in fixed-income securities and/or uses derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will decrease as interest rates rise and increase as interest rates fall. The Fund may be subject to a greater risk of rising interest rates due to the recent period of historically low interest rates. The Federal Reserve has recently begun to raise the federal funds rate as part of its efforts to address inflation. There is a risk that interest rates will continue to rise, which will likely drive down the prices of bonds and other fixed-income securities, and could negatively impact the Fund's performance.

The Fund invests a significant portion of its assets in securities of issuers located in the United States. A decrease in imports or exports, changes in trade regulations, inflation and/or an economic recession in the United States may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Proposed and adopted policy and legislative changes in the United States may also have a significant effect on U.S. markets generally, as well as on the value of certain securities. Governmental agencies project that the United States will continue to maintain elevated public debt levels for the foreseeable future which may constrain future economic growth. Circumstances could arise that could prevent the timely payment of interest or principal on U.S. government debt, such as reaching the legislative "debt ceiling." Such non-payment would result in substantial negative consequences for the U.S. economy and the global financial system. If U.S. relations with certain countries deteriorate, it could adversely affect issuers that rely on the United States for trade. The United States has also experienced increased internal unrest and discord. If these trends were to continue, they may have an adverse impact on the U.S. economy and the issuers in which the Fund invests.

The Fund invests a significant portion of its assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. When a Fund concentrates its investments in this manner, it assumes a greater risk of prepayment or payment extension by securities issuers. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions. Investment percentages in these securities are presented in the Schedule of Investments.

Significant Shareholder Redemption Risk: Certain shareholders may own or manage a substantial amount of fund shares and/or hold their fund investments for a limited period of time. Large redemptions of fund shares by these shareholders may force a fund to sell portfolio securities, which may negatively impact the fund's NAV, increase the fund's brokerage costs, and/or accelerate the realization of taxable income/gains and cause the fund to make additional taxable distributions to shareholders.

LIBOR Transition Risk: The Fund may be exposed to financial instruments that are tied to the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that a majority of USD LIBOR settings will no longer be published after June 30, 2023. All other LIBOR settings and certain other interbank offered rates ceased to be published after December 31, 2021. SOFR has been used increasingly on a voluntary basis in new instruments and transactions. The Federal Reserve Board adopted regulations that provide a fallback mechanism by identifying benchmark rates based on SOFR that will replace LIBOR in certain financial contracts after June 30, 2023. The ultimate effect of the LIBOR transition process on the Fund is uncertain.

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

	Year Ended 04/30/23		Year Ended 04/30/22	
Fund Name/Share Class	*Shares*	*Amount*	*Shares*	*Amount*
BlackRock U.S. Mortgage Portfolio				
Institutional				
Shares sold	18,643,231	$ 164,373,933	9,460,646	$ 98,677,744
Shares issued in reinvestment of distributions	948,944	8,506,037	459,611	4,738,155
Shares redeemed	(14,573,216)	(130,448,672)	(9,052,933)	(93,426,929)
	5,018,959	$ 42,431,298	867,324	$ 9,988,970
Investor A				
Shares sold and automatic conversion of shares	677,781	$ 5,987,452	618,957	$ 6,447,353
Shares issued in reinvestment of distributions	79,052	708,793	50,246	517,238
Shares redeemed	(1,141,726)	(10,273,579)	(559,827)	(5,723,271)
	(384,893)	$ (3,577,334)	109,376	$ 1,241,320
Investor C				
Shares sold	623	$ 5,833	33,728	$ 351,369
Shares issued in reinvestment of distributions	5,634	50,685	4,603	47,521
Shares redeemed and automatic conversion of shares	(172,695)	(1,557,971)	(145,042)	(1,503,773)
	(166,438)	$ (1,501,453)	(106,711)	$ (1,104,883)
	4,467,628	$ 37,352,511	869,989	$ 10,125,407

12. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

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Report of Independent Registered Public Accounting Firm

To the Shareholders of BlackRock U.S. Mortgage Portfolio and the Board of Trustees of Managed Account Series II:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of BlackRock U.S. Mortgage Portfolio of Managed Account Series II (the "Fund"), including the schedule of investments, as of April 30, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of April 30, 2023, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of April 30, 2023, by correspondence with custodians or counterparties; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP
Boston, Massachusetts
June 22, 2023

We have served as the auditor of one or more BlackRock investment companies since 1992.

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Important Tax Information (unaudited)

The Fund hereby designates the following amount, or maximum amount allowable by law, of distributions from direct federal obligation interest for the fiscal year ended April 30, 2023:

Fund Name	*Federal Obligation Interest*
BlackRock U.S. Mortgage Portfolio	$ 1,496,293

The law varies in each state as to whether and what percent of ordinary income dividends attributable to federal obligations is exempt from state income tax. Shareholders are advised to check with their tax advisers to determine if any portion of the dividends received is exempt from state income tax.

The Fund hereby designates the following amount, or maximum amount allowable by law, as interest income eligible to be treated as a Section 163(j) interest dividend for the fiscal year ended April 30, 2023:

Fund Name	*Interest Dividends*
BlackRock U.S. Mortgage Portfolio	$ 10,439,879

The Fund hereby designates the following amount, or maximum amount allowable by law, as interest-related dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations for the fiscal year ended April 30, 2023:

Fund Name	*Interest-Related Dividends*
BlackRock U.S. Mortgage Portfolio	$ 9,886,581

Statement Regarding Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), Managed Account Series II (the "Trust") has adopted and implemented a liquidity risk management program (the "Program") for BlackRock U.S. Mortgage Portfolio (the "Fund"), a series of the Trust, which is reasonably designed to assess and manage the Fund's liquidity risk.

The Board of Trustees (the "Board") of the Trust, on behalf of the Fund, met on November 10-11, 2022 (the "Meeting") to review the Program. The Board previously appointed BlackRock Advisors, LLC, the investment adviser to the Fund, as the program administrator for the Fund's Program. BlackRock also previously delegated oversight of the Program to the 40 Act Liquidity Risk Management Committee (the "Committee"). At the Meeting, the Committee, on behalf of BlackRock, provided the Board with a report that addressed the operation of the Program and assessed its adequacy and effectiveness of implementation, including the management of the Fund's Highly Liquid Investment Minimum ("HLIM") where applicable, and any material changes to the Program (the "Report"). The Report covered the period from October 1, 2021 through September 30, 2022 (the "Program Reporting Period").

The Report described the Program's liquidity classification methodology for categorizing the Fund's investments (including derivative transactions) into one of four liquidity buckets. It also referenced the methodology used by BlackRock to establish the Fund's HLIM and noted that the Committee reviews and ratifies the HLIM assigned to the Fund no less frequently than annually. The Report also discussed notable events affecting liquidity over the Program Reporting Period, including the imposition of capital controls in certain countries.

The Report noted that the Program complied with the key factors for consideration under the Liquidity Rule for assessing, managing and periodically reviewing the Fund's liquidity risk, as follows:

a) ***The Fund's investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed whether the Fund's strategy is appropriate for an open-end fund structure with a focus on funds with more significant and consistent holdings of less liquid and illiquid assets. The Committee also factored a fund's concentration in an issuer into the liquidity classification methodology by taking issuer position sizes into account. Where a fund participated in borrowings for investment purposes (such as tender option bonds or reverse repurchase agreements), such borrowings were factored into the Program's calculation of a fund's liquidity bucketing. A fund's derivative exposure was also considered in such calculation.

b) ***Short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed historical redemption activity and used this information as a component to establish the Fund's reasonably anticipated trading size utilized for liquidity classifications. The Fund has adopted an in-kind redemption policy which may be utilized to meet larger redemption requests. The Committee may also take into consideration a fund's shareholder ownership concentration (which, depending on product type and distribution channel, may or may not be available), a fund's distribution channels, and the degree of certainty associated with a fund's short-term and long-term cash flow projections.

c) ***Holdings of cash and cash equivalents, as well as borrowing arrangements.*** The Committee considered the terms of the credit facility committed to the Fund, the financial health of the institution providing the facility and the fact that the credit facility is shared among multiple funds (including that a portion of the aggregate commitment amount is specifically designated for BlackRock Floating Rate Income Portfolio, a series of BlackRock Funds V, and BlackRock Floating Rate Loan ETF, a series of BlackRock ETF Trust II). The Committee also considered other types of borrowing available to the funds, such as the ability to use reverse repurchase agreements and interfund lending, as applicable.

There were no material changes to the Program during the Program Reporting Period other than the enhancement of certain model components in the Program's classification methodology. The Report provided to the Board stated that the Committee concluded that based on the operation of the functions, as described in the Report, the Program is operating as intended and is effective in implementing the requirements of the Liquidity Rule.

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Trustee and Officer Information

Independent Trustees [(a)]

Name Year of Birth [(b)]	Position(s) Held (Length of Service) [(c)]	Principal Occupation(s) During Past 5 Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past 5 Years
R. Glenn Hubbard 1958	Chair of the Board (Since 2022) Trustee (Since 2019)	Dean, Columbia Business School from 2004 to 2019; Faculty member, Columbia Business School since 1988.	70 RICs consisting of 100 Portfolios	ADP (data and information services) from 2004 to 2020; Metropolitan Life Insurance Company (insurance); TotalEnergies SE (multi-energy)
W. Carl Kester [(d)] 1951	Vice Chair of the Board (Since 2022) Trustee (Since 2019)	Baker Foundation Professor and George Fisher Baker Jr. Professor of Business Administration, Emeritus, Harvard Business School since 2022; George Fisher Baker Jr. Professor of Business Administration, Harvard Business School from 2008 to 2022; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Unit, from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program from 1999 to 2005; Member of the faculty of Harvard Business School since 1981.	72 RICs consisting of 102 Portfolios	None
Cynthia L. Egan 1955	Trustee (Since 2019)	Advisor, U.S. Department of the Treasury from 2014 to 2015; President, Retirement Plan Services, for T. Rowe Price Group, Inc. from 2007 to 2012; executive positions within Fidelity Investments from 1989 to 2007.	70 RICs consisting of 100 Portfolios	Unum (insurance); The Hanover Insurance Group (Board Chair); Huntsman Corporation (Lead Independent Director and non Executive Vice Chair of the Board) (chemical products)
Frank J. Fabozzi [(d)] 1948	Trustee (Since 2019)	Editor of The Journal of Portfolio Management since 1986; Professor of Finance, EDHEC Business School (France) from 2011 to 2022; Professor of Practice, Johns Hopkins University since 2021; Professor in the Practice of Finance, Yale University School of Management from 1994 to 2011 and currently a Teaching Fellow in Yale's Executive Programs; Visiting Professor, Rutgers University for the Spring 2019 semester; Visiting Professor, Rutgers University for the Spring 2019 semester; Visiting Professor, New York University for the 2019 academic year; Adjunct Professor of Finance, Carnegie Mellon University in fall 2020 semester.	72 RICs consisting of 102 Portfolios	None
Lorenzo A. Flores 1964	Trustee (Since 2021)	Vice Chairman, Kioxia, Inc. since 2019; Chief Financial Officer, Xilinx, Inc. from 2016 to 2019; Corporate Controller, Xilinx, Inc. from 2008 to 2016.	70 RICs consisting of 100 Portfolios	None
Stayce D. Harris 1959	Trustee (Since 2021)	Lieutenant General, Inspector General, Office of the Secretary of the United States Air Force from 2017 to 2019; Lieutenant General, Assistant Vice Chief of Staff and Director, Air Staff, United States Air Force from 2016 to 2017; Major General, Commander, 22nd Air Force, AFRC, Dobbins Air Reserve Base, Georgia from 2014 to 2016; Pilot, United Airlines from 1990 to 2020.	70 RICs consisting of 100 Portfolios	KULR Technology Group, Inc. in 2021; The Boeing Company (airplane manufacturer)
J. Phillip Holloman 1955	Trustee (Since 2021)	President and Chief Operating Officer, Cintas Corporation from 2008 to 2018.	70 RICs consisting of 100 Portfolios	PulteGroup, Inc. (home construction); Rockwell Automation Inc. (industrial automation)
Catherine A. Lynch [(d)] 1961	Trustee (Since 2019)	Chief Executive Officer, Chief Investment Officer and various other positions, National Railroad Retirement Investment Trust from 2003 to 2016; Associate Vice President for Treasury Management, The George Washington University from 1999 to 2003; Assistant Treasurer, Episcopal Church of America from 1995 to 1999.	72 RICs consisting of 102 Portfolios	PennyMac Mortgage Investment Trust

Interested Trustees [a][e]

Name Year of Birth [b]	Position(s) Held (Length of Service) [c]	Principal Occupation(s) During Past 5 Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past 5 Years
Robert Fairbairn 1965	Trustee (Since 2015)	Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares® businesses from 2012 to 2016.	98 RICs consisting of 266 Portfolios	None
John M. Perlowski [d] 1964	Trustee (Since 2015); President and Chief Executive Officer (Since 2010)	Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009.	100 RICs consisting of 268 Portfolios	None

[a] The address of each Trustee is c/o BlackRock, Inc., 50 Hudson Yards, New York, NY 10001.

[b] Each Independent Trustee holds office until his or her successor is duly elected and qualifies or until his or her earlier death, resignation, retirement or removal as provided by the Trust's by-laws or charter or statute, or until December 31 of the year in which he or she turns 75. Trustees who are "interested persons," as defined in the Investment Company Act serve until their successor is duly elected and qualifies or until their earlier death, resignation, retirement or removal as provided by the Trust's by-laws or statute, or until December 31 of the year in which they turn 72. The Board may determine to extend the terms of Independent Trustees on a case-by-case basis, as appropriate.

[c] Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. Certain Independent Trustees first became members of the boards of other legacy MLIM or legacy BlackRock funds as follows: Frank J. Fabozzi, 1988; R. Glenn Hubbard, 2004; and W. Carl Kester, 1995. Certain other Independent Trustees became members of the boards of the closed-end funds in the Fixed-Income Complex as follows: Cynthia L. Egan, 2016; and Catherine A. Lynch, 2016.

[d] Dr. Fabozzi, Dr. Kester, Ms. Lynch and Mr. Perlowski are also trustees of the BlackRock Credit Strategies Fund and BlackRock Private Investments Fund.

[e] Mr. Fairbairn and Mr. Perlowski are both "interested persons," as defined in the 1940 Act, of the Trust based on their positions with BlackRock, Inc. and its affiliates. Mr. Fairbairn and Mr. Perlowski are also board members of the BlackRock Multi-Asset Complex.

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Officers Who Are Not Trustees [a]

Name Year of Birth[b]	Position(s) Held (Length of Service)	Principal Occupation(s) During Past 5 Years
Jennifer McGovern 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Americas Product Development and Governance for BlackRock's Global Product Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019.
Trent Walker 1974	Chief Financial Officer (Since 2021)	Managing Director of BlackRock, Inc. since September 2019; Executive Vice President of PIMCO from 2016 to 2019; Senior Vice President of PIMCO from 2008 to 2015; Treasurer from 2013 to 2019 and Assistant Treasurer from 2007 to 2017 of PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, 2 PIMCO-sponsored interval funds and 21 PIMCO-sponsored closed-end funds.
Jay M. Fife 1970	Treasurer (Since 2007)	Managing Director of BlackRock, Inc. since 2007.
Charles Park 1967	Chief Compliance Officer (Since 2014)	Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares® Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares® exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012.
Lisa Belle 1968	Anti-Money Laundering Compliance Officer (Since 2019)	Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012.
Janey Ahn 1975	Secretary (Since 2019)	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017.

[a] The address of each Officer is c/o BlackRock, Inc., 50 Hudson Yards, New York, NY 10001.

[b] Officers of the Trust serve at the pleasure of the Board.

Further information about the Trust's Trustees and Officers is available in the Trust's Statement of Additional Information, which can be obtained without charge by calling (800) 441-7762.

Additional Information

General Information

Quarterly performance, semi-annual and annual reports, current net asset value and other information regarding the Fund may be found on BlackRock's website, which can be accessed at **blackrock.com.** Any reference to BlackRock's website in this report is intended to allow investors public access to information regarding the Fund and does not, and is not intended to, incorporate BlackRock's website in this report.

Householding

The Fund will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports, Rule 30e-3 notices and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Fund at (800) 441-7762.

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT is available on the SEC's website at **sec.gov.** Additionally, the Fund makes its portfolio holdings for the first and third quarters of each fiscal year available at **blackrock.com/fundreports**.

Availability of Proxy Voting Policies, Procedures and Voting Records

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available without charge, upon request (1) by calling (800) 441-7762; (2) on the BlackRock website at **blackrock.com**; and (3) on the SEC's website at **sec.gov**.

BlackRock's Mutual Fund Family

BlackRock offers a diverse lineup of open-end mutual funds crossing all investment styles and managed by experts in equity, fixed-income and tax-exempt investing. Visit **blackrock.com** for more information.

Shareholder Privileges

Account Information

Call us at (800) 441-7762 from 8:00 AM to 6:00 PM ET on any business day to get information about your account balances, recent transactions and share prices. You can also visit **blackrock.com** for more information.

Automatic Investment Plans

Investor class shareholders who want to invest regularly can arrange to have $50 or more automatically deducted from their checking or savings account and invested in any of the BlackRock funds.

Systematic Withdrawal Plans

Investor class shareholders can establish a systematic withdrawal plan and receive periodic payments of $50 or more from their BlackRock funds, as long as their account balance is at least $10,000.

Retirement Plans

Shareholders may make investments in conjunction with Traditional, Rollover, Roth, Coverdell, Simple IRAs, SEP IRAs and 403(b) Plans.

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Additional Information (continued)

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, “Clients”) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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New York, NY 10179

Custodian
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New York, NY 10179

Transfer Agent
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Distributor
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Glossary of Terms Used in this Report

Currency Abbreviation

USD	United States Dollar

Portfolio Abbreviation

CMT	Constant Maturity Treasury
CSMC	Credit Suisse Mortgage Capital
CWABS	Countrywide Asset-Backed Certificates
LIBOR	London Interbank Offered Rate
OTC	Over-the-counter
REMIC	Real Estate Mortgage Investment Conduit
SOFR	Secured Overnight Financing Rate
TBA	To-be-announced

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