

BlackRock Funds III

- ▶ BlackRock LifePath® Index Retirement Fund
- ▶ BlackRock LifePath® Index 2020 Fund
- ▶ BlackRock LifePath® Index 2025 Fund
- ▶ BlackRock LifePath® Index 2030 Fund
- ▶ BlackRock LifePath® Index 2035 Fund
- ▶ BlackRock LifePath® Index 2040 Fund
- ▶ BlackRock LifePath® Index 2045 Fund
- ▶ BlackRock LifePath® Index 2050 Fund
- ▶ BlackRock LifePath® Index 2055 Fund
- ▶ BlackRock LifePath® Index 2060 Fund

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The Markets in Review

Dear Shareholder,

In the 12 months ended December 31, 2018, concerns about a variety of political risks and a modest slowdown in global growth worked against the equity market despite solid corporate earnings, while rising interest rates constrained bond returns. Though the market's appetite for risk remained healthy for most of the reporting period, risk-taking declined sharply later in the reporting period. As a result, bonds held their value better than stocks, which posted negative returns across the globe. Shorter-term, higher-quality securities led the bond market, and U.S. equities outperformed most international stock markets.

Volatility rose in emerging market stocks, as the rising U.S. dollar and higher interest rates in the U.S. disrupted economic growth abroad. U.S.-China trade relations and debt concerns adversely affected the Chinese stock market, while Turkey and Argentina became embroiled in currency crises, largely due to hyperinflation in both countries. An economic slowdown in Europe also led to negative performance for European equities.

In fixed income markets, short-term U.S. Treasury interest rates rose the fastest, while longer-term rates slightly increased. This led to a negative return for long-term U.S. Treasuries and a substantial flattening of the yield curve. Many investors are concerned with the flattening yield curve as a harbinger of recession. However, given the extraordinary monetary measures in the last decade, we believe a more accurate barometer for the economy is the returns along the risk spectrums in stock and bond markets. Although the fundamentals in credit markets remained relatively solid, investment-grade bonds posted flat returns, and high-yield bonds declined slightly. Recent sell-offs in risk assets have flattened asset returns along the risk spectrum somewhat, which bears further scrutiny in the months ahead.

In response to rising growth and inflation, the U.S. Federal Reserve (the "Fed") increased short-term interest rates four times during the reporting period. The Fed also continued to reduce its balance sheet, gradually reversing the unprecedented stimulus measures it enacted after the financial crisis. By our estimation, the Fed's neutral interest rate, or the theoretical rate that is neither stimulative nor restrictive to the economy, is approximately 3.0%. With that perspective, the Fed's current policy is still mildly stimulative to the U.S. economy, which leaves room for further Fed rate hikes to arrive at monetary policy that is a neutral factor for economic growth.

Volatility in the U.S. equity market spiked in October, as a wide range of risks were brought to bear on markets, ranging from rising interest rates and slowing global growth to heightened trade tensions and political turmoil in several countries, including the United States. This was accompanied by a broad based risk-off in December — which was the worst December performance on record since 1931. Although fears of recession drove equity volatility higher at the end of 2018, we continue to believe the probability of recession in 2019 remains relatively low.

Economic growth and global earnings are likely to slow somewhat in 2019 — the tax cut stimulus will be less pronounced, and the Fed's rate hikes in 2018 will gain traction in 2019. Trade frictions look more baked into asset prices than a year ago, but markets may be overlooking European political risks. Consequently, we are cautious on European equities, as European unity remains tenuous with a history of flare-ups. We continue to prefer to take risk in U.S. and emerging market equities. Within U.S. equities, we believe that companies with high-quality earnings and strong balance sheets offer the most attractive risk/reward trade-off. Going into 2019, we also favor short-term bonds over long-term bonds because they offer nearly equivalent yields with far lower volatility.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes, 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 December 31, 2018

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	(6.85)%	(4.38)%
U.S. small cap equities (Russell 2000® Index)	(17.35)	(11.01)
International equities (MSCI Europe, Australasia, Far East Index)	(11.35)	(13.79)
Emerging market equities (MSCI Emerging Markets Index)	(8.48)	(14.57)
3-month Treasury bills (ICE BofAML 3-Month U.S. Treasury Bill Index)	1.06	1.87
U.S. Treasury securities (ICE BofAML 10-Year U.S. Treasury Index)	2.72	(0.03)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	1.65	0.01
Tax-exempt municipal bonds (S&P Municipal Bond Index)	1.38	1.36
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	(2.24)	(2.08)

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

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Portfolio Management Commentary

How did each Fund perform?

Each of the BlackRock LifePath Index Funds with target dates of 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060 and BlackRock LifePath Index Retirement Fund (together, the "LifePath Index Funds") invest in their respective LifePath Index Master Portfolio.

For the 12-month period ended December 31, 2018, for the LifePath Index Retirement Fund and the LifePath Index Fund with a target date of 2020, each Fund's shares underperformed its respective custom benchmark, except for the LifePath Index Retirement Fund's Class K Shares, which performed in line with its custom benchmark. For the LifePath Index Fund with a target date of 2025, the Fund's Institutional and Class K Shares performed in line with its respective custom benchmark, while the Fund's Investor A and Investor P Shares underperformed. For the LifePath Index Funds with target dates of 2030, 2035 and 2040, Class K Shares outperformed its respective custom benchmark, while Institutional Shares performed in line with its respective custom benchmark and Investor A and Investor P Shares underperformed. For the LifePath Index Fund with a target date of 2045, the Institutional and Class K Shares outperformed its respective custom benchmark, while the Investor A Shares underperformed and Investor P Shares performed in line. For the LifePath Index Fund with a target date of 2050, the Institutional and Class K Shares outperformed its respective custom benchmark, while the Investor A and Investor P Shares performed in line. For the LifePath Index Fund with a target date of 2055, the Institutional and Class K Shares outperformed its custom benchmark, while the Investor A and Investor P Shares performed in line. For the LifePath Index Fund with a target date of 2060, all of the share classes outperformed its custom benchmark.

What factors influenced performance?

Positive mistracking in the underlying iShares Developed Real Estate Index Fund, fair value pricing impact and ETF premiums over the period contributed to positive relative performance for the LifePath Index Funds, particularly in the farther-dated funds.

For the shorter-dated funds, the primary detractor from relative performance was negative mistracking in the underlying U.S. Total Bond Index Master Portfolio. The underperformance of the U.S. Total Bond Index Master Portfolio relative to its benchmark during the period was primarily due to security sampling, fund expenses and transaction costs. There were no major detractors within the farther-dated funds with higher allocations to equities. The Large Cap Index Master Portfolio, which detracted during the first half of the year, generated positive tracking during the fourth quarter.

Describe recent portfolio activity.

Each LifePath Index Fund has its own time horizon, which affects its acceptable level of risk and, in turn, the strategic allocation of its holdings across asset classes. On a quarterly basis, the strategic allocation of each LifePath Index Fund is systematically adjusted to reflect the shareholders' remaining investment time horizon. During the period, the LifePath Index Funds were rebalanced in accordance with their updated strategic allocations. Daily cash flows were allocated to the underlying funds and instruments as appropriate.

Describe portfolio positioning at period end.

At period end, each of the LifePath Index Funds was invested according to its respective strategic allocation benchmark within tolerance limits.

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.

Glide Path Evolution

Under normal circumstances, the asset allocation of each LifePath Index Fund will change over time according to a predetermined "glide path" as each LifePath Index Fund approaches its respective target date. The glide path represents the shifting of asset classes over time. Each LifePath Index Fund's asset allocations become more conservative prior to retirement as time elapses. This reflects the need for reduced investment risks as retirement approaches and the need for lower volatility of each LifePath Index Fund, which may be a primary source of income after retirement. As each LifePath Index Fund approaches its target date, its asset allocation will shift so that each LifePath Index Fund invests a greater percentage of its assets in fixed-income index funds. The asset allocation targets are established by the portfolio managers. The investment team, including the portfolio managers, meets regularly to assess market conditions, review the asset allocation targets of each LifePath Index Fund, and determine whether any changes are required to enable each LifePath Index Fund to achieve its investment objective.

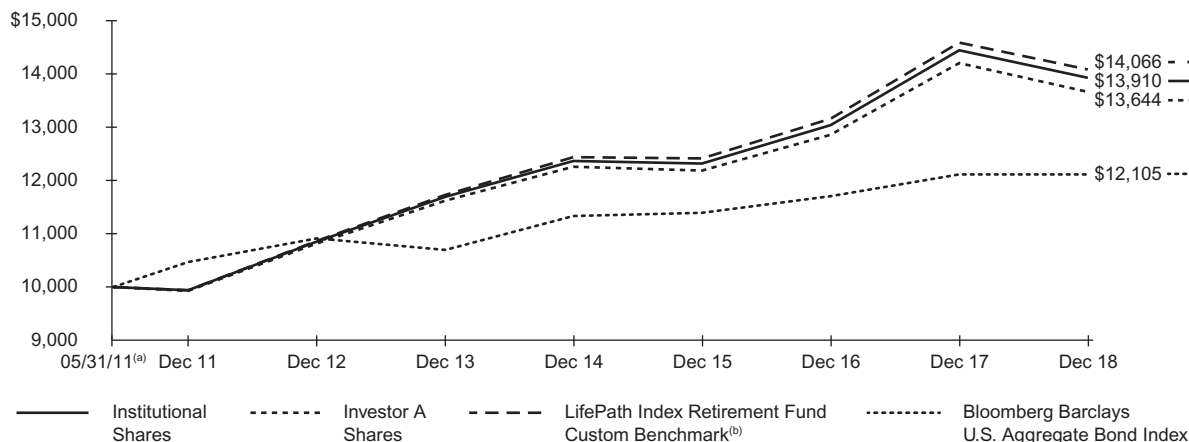
Although the asset allocation targets listed for the glide path are general, long-term targets, BlackRock Fund Advisors ("BFA" or the "Manager") may periodically adjust the proportion of equity index funds and fixed-income index funds in each LifePath Index Fund, based on an assessment of the current market conditions, the potential contribution of each asset class to the expected risk and return characteristics of each LifePath Index Fund, reallocations of each LifePath Index Fund's composition to reflect intra-year movement along the glide path and other factors. In general, such adjustments will be limited; however, BFA may determine that a greater degree of variation is warranted to protect a LifePath Index Fund or achieve a LifePath Index.

Investment Objective

BlackRock LifePath® Index Retirement Fund's ("LifePath Index Retirement Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes.

At a meeting held on May 17, 2018, the Board of Trustees of BlackRock Funds III (the "Trust") and, at a meeting held on May 23, 2018, the Board of Trustees of State Farm Mutual Fund Trust each approved a reorganization of the State Farm LifePath Retirement Fund (the "Target Fund"), with and into the LifePath Index Retirement Fund. At a special shareholder meeting on September 14, 2018, the shareholders of the Target Fund approved the reorganization, which was completed on November 19, 2018.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



(a) Commencement of operations.
 (b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index Retirement Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L)	FTSE EPRA Nareit Developed Index	MSCI ACWI ex USA IMI Index	Russell 1000® Index	Russell 2000® Index
05/31/11 to 12/31/11	37.1%	6.0%	N/A	17.5%	35.7%	3.7%
01/01/12 to 12/31/12	39.0	6.3	1.6%	16.6	32.9	3.6
01/01/13 to 12/31/13	40.9	6.6	3.1	16.0	29.7	3.7
01/01/14 to 12/31/14	42.1	6.8	3.0	16.0	28.4	3.7
01/01/15 to 12/31/15	40.4	6.7	3.3	16.9	29.3	3.4
01/01/16 to 12/31/16	51.2	8.8	0.6	13.3	22.3	3.8
01/01/17 to 12/31/17	51.2	8.8	0.5	13.3	21.8	4.4
01/01/18 to 12/31/18	51.2	8.8	0.5	13.7	21.8	4.0

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(3.25)%	(3.55)%	N/A	3.55%	N/A	4.44%	N/A
Investor A	(3.30)	(3.80)	N/A	3.28	N/A	4.18	N/A
Class K	(3.23)	(3.51)	N/A	3.58	N/A	4.48	N/A
Investor P	(3.32)	(3.74)	(8.80)%	3.30	2.20%	4.19	3.46%
LifePath Index Retirement Fund Custom Benchmark	(3.15)	(3.47)	N/A	3.72	N/A	4.60	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
Bloomberg Barclays U.S. TIPS Index (Series L)	(1.24)	(1.26)	N/A	1.69	N/A	1.86	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	N/A

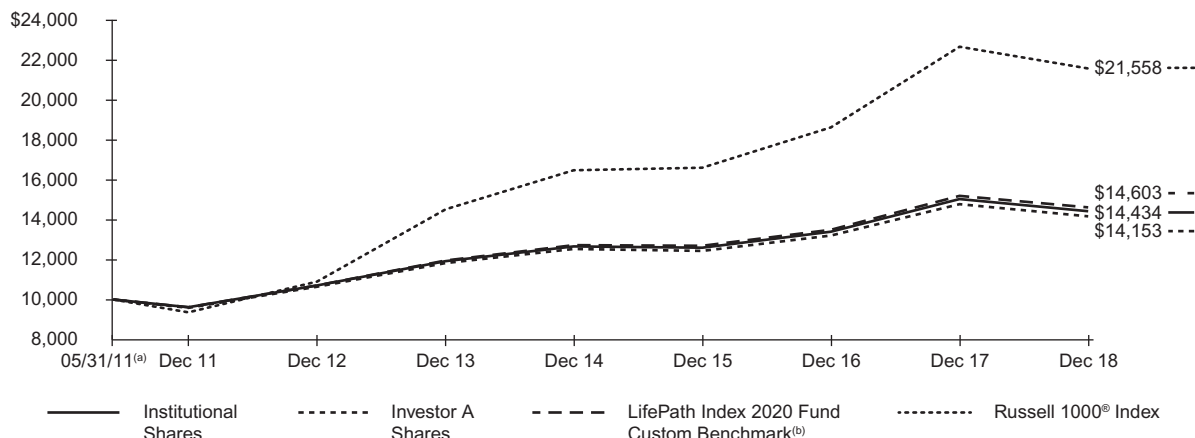
(a) Assuming maximum sales charges, if any. Average annual total returns with and without sales charges reflect reductions for distribution and service fees. See "About Fund Performance" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.
 (b) The LifePath Index Fund commenced operations on May 31, 2011.
 N/A — Not applicable as share class and index do not have a sales charge.
 Past performance is not indicative of future results.
 Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Investment Objective

BlackRock LifePath® Index 2020 Fund's ("LifePath Index 2020 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

At a meeting held on May 17, 2018, the Board of Trustees of BlackRock Funds III (the "Trust") and, at a meeting held on May 23, 2018, the Board of Trustees of State Farm Mutual Fund Trust each approved a reorganization of the State Farm LifePath 2020 Fund (the "Target Fund"), with and into the LifePath Index 2020 Fund. At a special shareholder meeting on September 14, 2018, the shareholders of the Target Fund approved the reorganization, which was completed on November 19, 2018.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



^(a) Commencement of operations.

^(b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2020 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L)	FTSE EPRA Nareit Developed Index	MSCI ACWI ex USA IMI Index	Russell 1000® Index	Russell 2000® Index
05/31/11 to 12/31/11	37.1%	6.0%	N/A	17.5%	35.7%	3.7%
01/01/12 to 12/31/12	39.0	6.3	1.6%	16.6	32.9	3.6
01/01/13 to 12/31/13	40.9	6.6	3.1	16.0	29.7	3.7
01/01/14 to 12/31/14	42.1	6.8	3.0	16.0	28.4	3.7
01/01/15 to 12/31/15	40.4	6.7	3.3	16.9	29.3	3.4
01/01/16 to 12/31/16	42.2	7.0	3.0	16.5	27.9	3.4
01/01/17 to 12/31/17	45.5	7.6	2.0	15.6	25.4	3.9
01/01/18 to 12/31/18	47.52	7.9	1.0	15.5	24.2	4.0

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(3.69)%	(4.01)%	N/A	3.88%	N/A	4.96%	N/A
Investor A	(3.82)	(4.26)	N/A	3.63	N/A	4.68	N/A
Class K	(3.67)	(3.97)	N/A	3.93	N/A	5.00	N/A
Investor P	(3.77)	(4.21)	(9.27)%	3.63	2.52%	4.70	3.96%
LifePath Index 2020 Fund Custom Benchmark	(3.56)	(3.83)	N/A	4.06	N/A	5.12	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
Bloomberg Barclays U.S. TIPS Index (Series L)	(1.24)	(1.26)	N/A	1.69	N/A	1.86	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	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" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.

^(b) The LifePath Index Fund commenced operations on May 31, 2011.

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

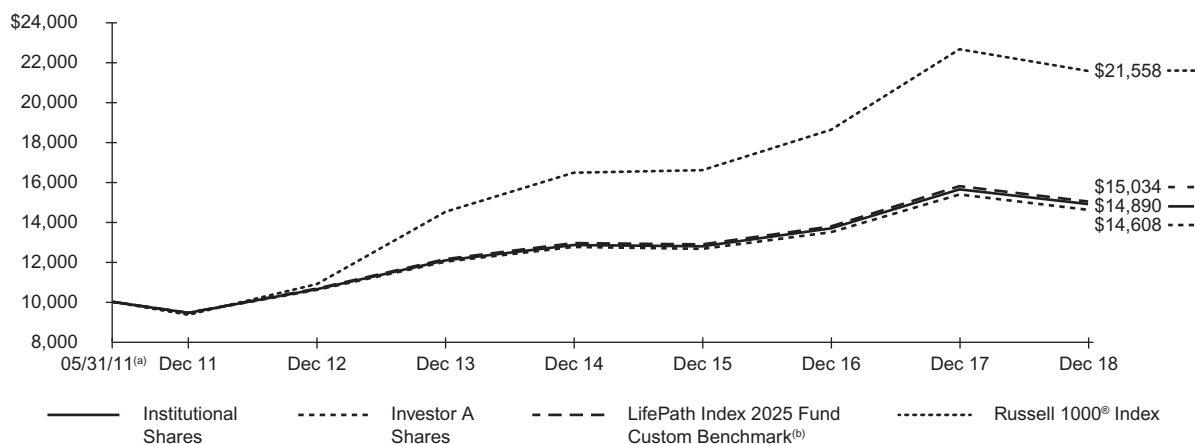
Past performance is not indicative of future results.

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

Investment Objective

BlackRock LifePath® Index 2025 Fund's ("LifePath Index 2025 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



- (a) Commencement of operations.
- (b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2025 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Treasury	FTSE	MSCI	Russell 1000®	Russell 2000®
	Bloomberg Barclays U.S. Aggregate Bond Index	Inflation Protected Securities (TIPS) Index (Series L)	EPRA Nareit Developed Index	ACWI ex USA IMI Index	Index
05/31/11 to 12/31/11	30.0%	4.7%	N/A	20.5%	41.2%
01/01/12 to 12/31/12	31.9	8.0	2.4%	19.3	38.1
01/01/13 to 12/31/13	33.7	5.3	4.8	18.3	34.6
01/01/14 to 12/31/14	34.5	5.4	4.9	18.5	33.4
01/01/15 to 12/31/15	30.9	5.0	5.9	20.1	35.1
01/01/16 to 12/31/16	32.4	5.3	5.8	19.8	33.8
01/01/17 to 12/31/17	35.0	5.7	5.3	19.3	31.7
01/01/18 to 12/31/18	36.5	5.9	4.5	19.3	30.7

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(4.76)%	(4.83)%	N/A	4.25%	N/A	5.39%	N/A
Investor A	(4.90)	(5.08)	N/A	3.98	N/A	5.12	N/A
Class K	(4.73)	(4.78)	N/A	4.30	N/A	5.43	N/A
Investor P	(4.89)	(5.08)	(10.08)%	3.99	2.87%	5.12	4.38%
LifePath Index 2025 Fund Custom Benchmark	(4.72)	(4.82)	N/A	4.37	N/A	5.52	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
Bloomberg Barclays U.S. TIPS Index (Series L)	(1.24)	(1.26)	N/A	1.69	N/A	1.86	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	N/A

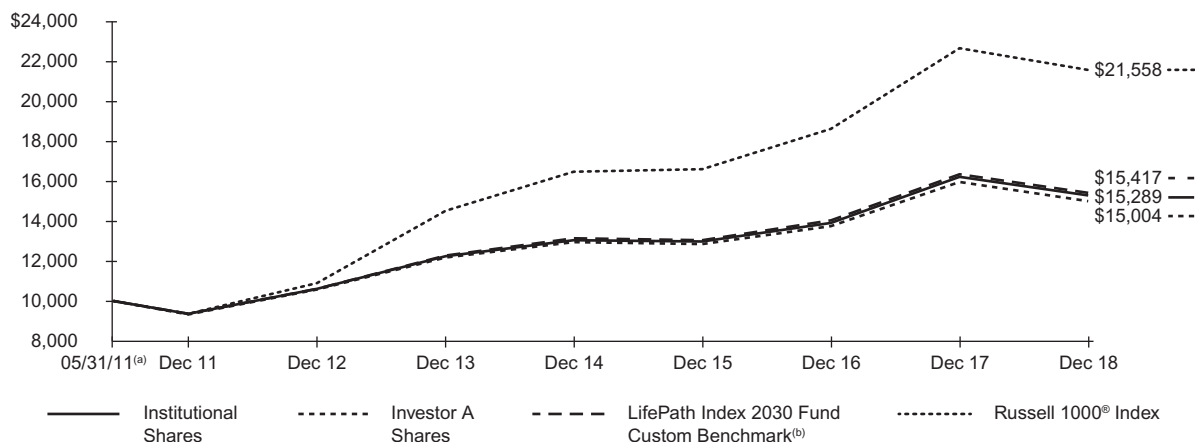
- (a) Assuming maximum sales charges, if any. Average annual total returns with and without sales charges reflect reductions for distribution and service fees. See "About Fund Performance" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.
- (b) The LifePath Index Fund commenced operations on May 31, 2011.
N/A — Not applicable as share class and index do not have a sales charge.
Past performance is not indicative of future results.
Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Investment Objective

BlackRock LifePath® Index 2030 Fund's ("LifePath Index 2030 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

At a meeting held on May 17, 2018, the Board of Trustees of BlackRock Funds III (the "Trust") and, at a meeting held on May 23, 2018, the Board of Trustees of State Farm Mutual Fund Trust each approved a reorganization of the State Farm LifePath 2030 Fund (the "Target Fund"), with and into the LifePath Index 2030 Fund. At a special shareholder meeting on September 14, 2018, the shareholders of the Target Fund approved the reorganization, which was completed on November 19, 2018.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



- (a) Commencement of operations.
- (b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2030 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Treasury	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays Inflation Protected Securities (TIPS) Index (Series L)	FTSE EPRA Nareit Developed Index	MSCI ACWI ex USA IMI Index	Russell 1000® Index	Russell 2000® Index
	05/31/11 to 12/31/11	23.8%	3.5%	N/A	23.1%	46.1%	3.5%
01/01/12 to 12/31/12	25.8	3.8	3.1%	21.6	42.6	3.1	
01/01/13 to 12/31/13	27.6	4.0	6.2	20.3	38.9	3.0	
01/01/14 to 12/31/14	27.7	4.1	6.6	20.9	37.8	2.9	
01/01/15 to 12/31/15	21.8	3.4	8.3	23.1	40.8	2.6	
01/01/16 to 12/31/16	23.4	3.6	8.3	22.9	39.3	2.5	
01/01/17 to 12/31/17	25.9	4.0	8.1	22.5	37.2	2.4	
01/01/18 to 12/31/18	27.2	4.2	7.5	22.5	36.2	2.5	

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

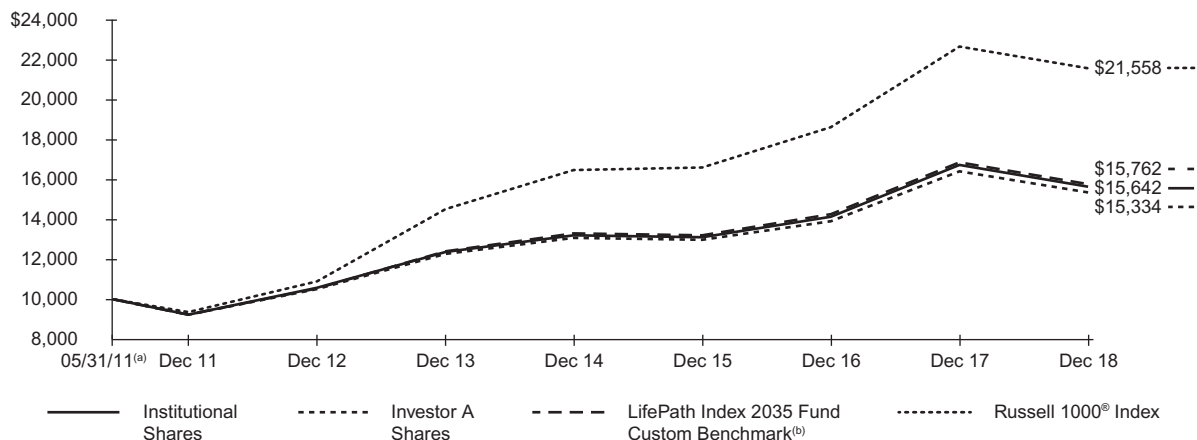
	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(5.70)%	(5.60)%	N/A	4.53%	N/A	5.75%	N/A
Investor A	(5.90)	(5.92)	N/A	4.26	N/A	5.49	N/A
Class K	(5.68)	(5.56)	N/A	4.58	N/A	5.79	N/A
Investor P	(5.77)	(5.79)	(10.71)%	4.28	3.15%	5.50	4.76%
LifePath Index 2030 Fund Custom Benchmark	(5.69)	(5.65)	N/A	4.63	N/A	5.87	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
Bloomberg Barclays U.S. TIPS Index (Series L)	(1.24)	(1.26)	N/A	1.69	N/A	1.86	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	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" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.
- (b) The LifePath Index Fund commenced operations on May 31, 2011.
N/A — Not applicable as share class and index do not have a sales charge.
Past performance is not indicative of future results.
Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Investment Objective

BlackRock LifePath® Index 2035 Fund's ("LifePath Index 2035 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



- (a) Commencement of operations.
- (b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2035 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L)	FTSE EPRA Nareit Developed Index	MSCI ACWI ex USA IMI Index	Russell 1000® Index	Russell 2000® Index
05/31/11 to 12/31/11	18.2%	2.4%	N/A	25.4%	50.5%	3.5%
01/01/12 to 12/31/12	20.3	2.6	3.7%	23.7	46.7	3.0
01/01/13 to 12/31/13	22.1	2.9	7.5	22.2	42.7	2.6
01/01/14 to 12/31/14	21.6	2.9	8.1	23.0	41.8	2.6
01/01/15 to 12/31/15	13.2	1.9	10.6	26.0	46.0	2.3
01/01/16 to 12/31/16	14.7	2.2	10.7	25.7	44.6	2.1
01/01/17 to 12/31/17	17.1	2.5	10.8	25.5	42.4	1.7
01/01/18 to 12/31/18	18.4	2.7	10.3	25.5	41.3	1.8

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(6.64)%	(6.40)%	N/A	4.81%	N/A	6.07%	N/A
Investor A	(6.72)	(6.59)	N/A	4.53	N/A	5.80	N/A
Class K	(6.55)	(6.36)	N/A	4.86	N/A	6.10	N/A
Investor P	(6.74)	(6.62)	(11.52)%	4.55	3.43%	5.81	5.07%
LifePath Index 2035 Fund Custom Benchmark	(6.61)	(6.44)	N/A	4.87	N/A	6.18	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
Bloomberg Barclays U.S. TIPS Index (Series L)	(1.24)	(1.26)	N/A	1.69	N/A	1.86	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	N/A

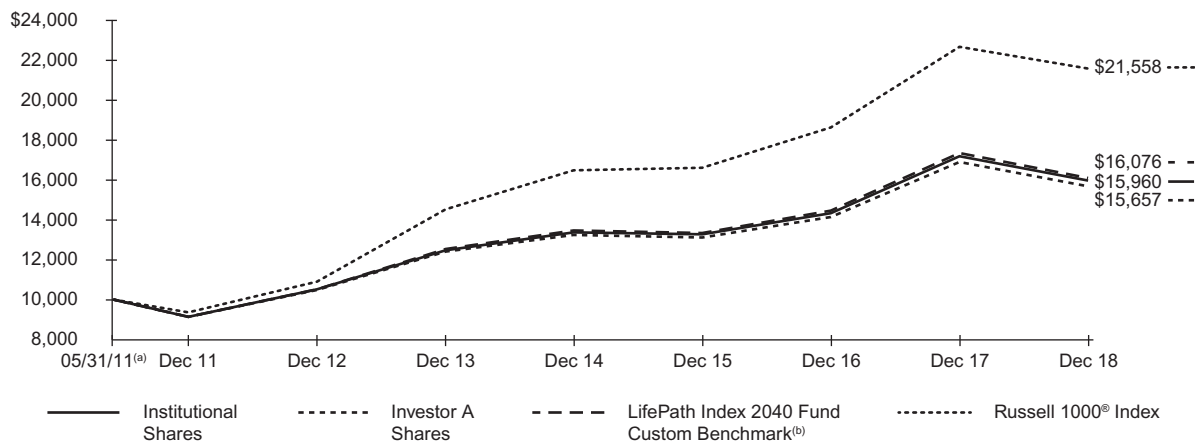
- (a) Assuming maximum sales charges, if any. Average annual total returns with and without sales charges reflect reductions for distribution and service fees. See "About Fund Performance" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.
- (b) The LifePath Index Fund commenced operations on May 31, 2011.
N/A — Not applicable as share class and index do not have a sales charge.
Past performance is not indicative of future results.
Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Investment Objective

BlackRock LifePath® Index 2040 Fund's ("LifePath Index 2040 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

At a meeting held on May 17, 2018, the Board of Trustees of BlackRock Funds III (the "Trust") and, at a meeting held on May 23, 2018, the Board of Trustees of State Farm Mutual Fund Trust each approved a reorganization of the State Farm LifePath 2040 Fund (the "Target Fund"), with and into the LifePath Index 2040 Fund. At a special shareholder meeting on September 14, 2018, the shareholders of the Target Fund approved the reorganization, which was completed on November 19, 2018.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



- (a) Commencement of operations.
- (b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2040 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L)	FTSE EPRA Nareit Developed Index	MSCI ACWI ex USA IMI Index	Russell 1000® Index	Russell 2000® Index
05/31/11 to 12/31/11	13.1%	1.3%	N/A	27.6%	54.6%	3.4%
01/01/12 to 12/31/12	15.3	1.6	4.2%	25.6	50.5	2.8
01/01/13 to 12/31/13	17.1	1.7	8.7	23.9	46.2	2.4
01/01/14 to 12/31/14	16.3	1.6	9.5	24.9	45.3	2.4
01/01/15 to 12/31/15	5.6	0.7	12.9	28.6	50.1	2.1
01/01/16 to 12/31/16	6.9	0.9	12.9	28.5	48.9	1.9
01/01/17 to 12/31/17	9.2	1.2	13.2	28.2	47.1	1.1
01/01/18 to 12/31/18	10.3	1.4	12.8	28.3	46.0	1.3

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(7.44)%	(7.12)%	N/A	5.03%	N/A	6.35%	N/A
Investor A	(7.58)	(7.30)	N/A	4.76	N/A	6.09	N/A
Class K	(7.42)	(7.08)	N/A	5.07	N/A	6.40	N/A
Investor P	(7.52)	(7.32)	(12.20)%	4.77	3.64%	6.09	5.35%
LifePath Index 2040 Fund Custom Benchmark	(7.44)	(7.17)	N/A	5.08	N/A	6.46	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
Bloomberg Barclays U.S. TIPS Index (Series L)	(1.24)	(1.26)	N/A	1.69	N/A	1.86	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	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" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.

(b) The LifePath Index Fund commenced operations on May 31, 2011.

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

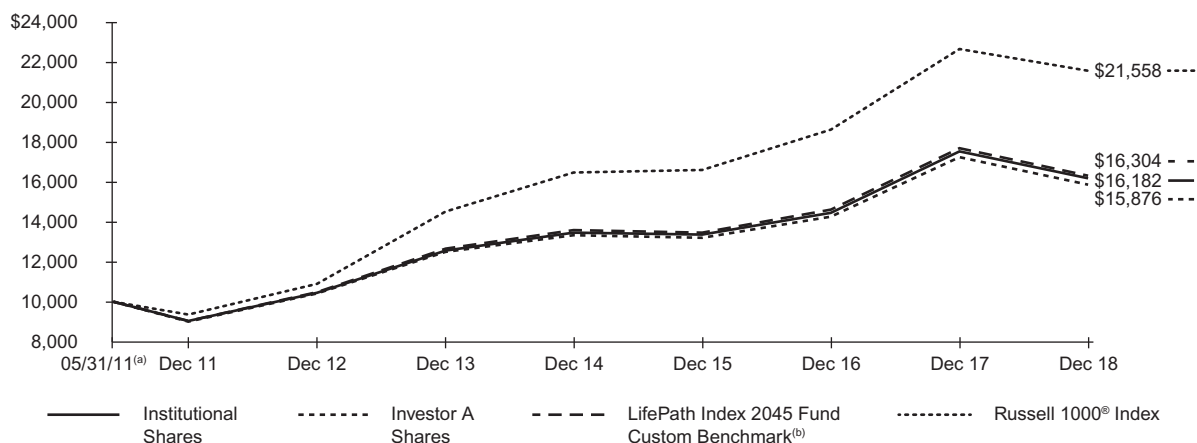
Past performance is not indicative of future results.

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

Investment Objective

BlackRock LifePath® Index 2045 Fund's ("LifePath Index 2045 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



^(a) Commencement of operations.

^(b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2045 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays	Bloomberg Barclays	FTSE	MSCI	Russell 1000®	Russell 2000®
	U.S. Aggregate Bond Index	Inflation Protected Securities (TIPS) Index (Series L)	EPRA Nareit Developed Index	ACWI ex USA IMI Index	Index	Index
05/31/11 to 12/31/11	8.7%	N/A	N/A	29.6%	58.3%	3.4%
01/01/12 to 12/31/12	11.2	N/A	4.8%	27.4	54.0	2.6
01/01/13 to 12/31/13	13.2	N/A	9.8	25.4	49.5	2.1
01/01/14 to 12/31/14	12.6	N/A	10.7	26.4	48.1	2.2
01/01/15 to 12/31/15	1.8	0.2%	14.2	30.0	51.7	2.1
01/01/16 to 12/31/16	2.3	0.2	14.6	30.2	50.8	1.9
01/01/17 to 12/31/17	3.4	0.3	15.3	30.5	49.5	0.9
01/01/18 to 12/31/18	4.0	0.4	15.0	30.7	48.9	1.1

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(7.99)%	(7.56)%	N/A	5.18%	N/A	6.55%	N/A
Investor A	(8.14)	(7.87)	N/A	4.91	N/A	6.28	N/A
Class K	(7.96)	(7.50)	N/A	5.23	N/A	6.60	N/A
Investor P	(8.16)	(7.85)	(12.70)%	4.91	3.79%	6.27	5.53%
LifePath Index 2045 Fund Custom Benchmark	(8.13)	(7.80)	N/A	5.19	N/A	6.66	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
Bloomberg Barclays U.S. TIPS Index (Series L)	(1.24)	(1.26)	N/A	1.69	N/A	1.86	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	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" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.

^(b) The LifePath Index Fund commenced operations on May 31, 2011.

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

Past performance is not indicative of future results.

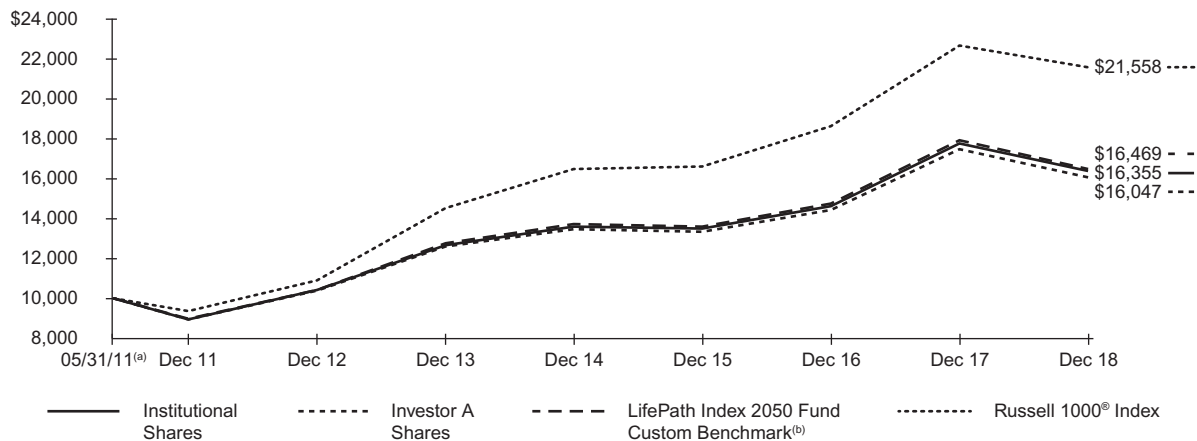
Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Investment Objective

BlackRock LifePath® Index 2050 Fund's ("LifePath Index 2050 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

At a meeting held on May 17, 2018, the Board of Trustees of BlackRock Funds III (the "Trust") and, at a meeting held on May 23, 2018, the Board of Trustees of State Farm Mutual Fund Trust each approved a reorganization of the State Farm LifePath 2050 Fund (the "Target Fund"), with and into the LifePath Index 2050 Fund. At a special shareholder meeting on September 14, 2018, the shareholders of the Target Fund approved the reorganization, which was completed on November 19, 2018.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



^(a) Commencement of operations.

^(b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2050 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays	FTSE	MSCI	Russell 1000®	Russell 2000®
	U.S. Aggregate Bond Index	EPRA Nareit Developed Index	ACWI ex USA IMI Index	Index	Index
05/31/11 to 12/31/11	3.3%	N/A	31.6%	61.7%	3.4%
01/01/12 to 12/31/12	5.8	5.3%	29.2	57.1	2.6
01/01/13 to 12/31/13	7.9	10.8	26.9	52.5	1.9
01/01/14 to 12/31/14	8.3	11.7	27.7	50.4	1.9
01/01/15 to 12/31/15	1.0	14.5	30.3	52.1	2.1
01/01/16 to 12/31/16	1.0	15.0	30.9	51.2	1.9
01/01/17 to 12/31/17	1.0	16.2	31.5	50.4	0.9
01/01/18 to 12/31/18	1.2	16.0	31.7	50.2	1.0

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(8.29)%	(7.87)%	N/A	5.23%	N/A	6.70%	N/A
Investor A	(8.43)	(8.11)	N/A	4.97	N/A	6.43	N/A
Class K	(8.27)	(7.82)	N/A	5.28	N/A	6.74	N/A
Investor P	(8.39)	(8.07)	(12.90)%	4.97	3.84%	6.44	5.69%
LifePath Index 2050 Fund Custom Benchmark	(8.43)	(8.07)	N/A	5.25	N/A	6.80	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	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" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.

^(b) The LifePath Index Fund commenced operations on May 31, 2011.

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

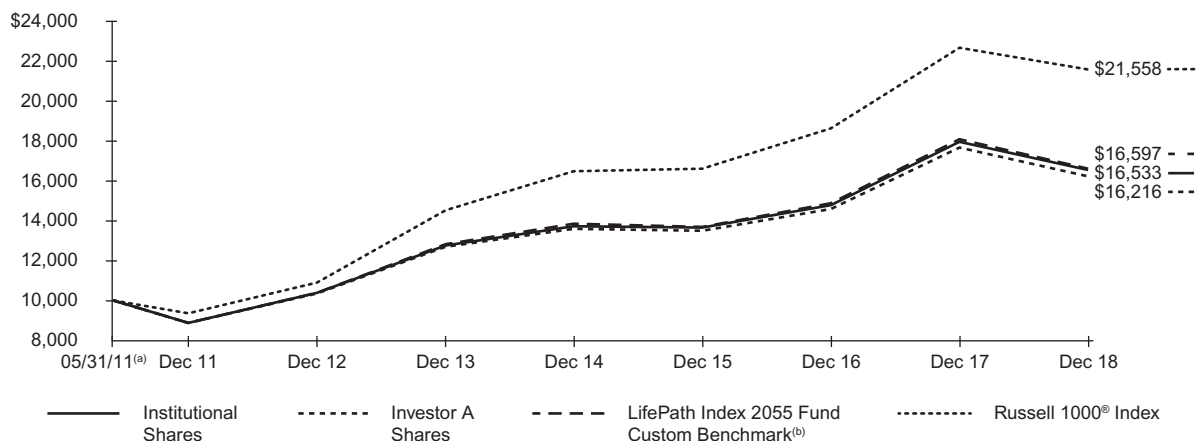
Past performance is not indicative of future results.

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

Investment Objective

BlackRock LifePath® Index 2055 Fund's ("LifePath Index 2055 Fund" or the "LifePath Index Fund") investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



(a) Commencement of operations.

(b) The LifePath Index Fund compares its performance to that of a customized weighted index (the "LifePath Index 2055 Fund Custom Benchmark"), comprised of the indexes indicated below, which reflects the investment adviser's changes to the benchmark's weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund's asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund's custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Aggregate Bond Index	FTSE EPRA Nareit Developed Index	MSCI ACWI ex USA IMI Index	Russell 1000® Index	Russell 2000® Index
05/31/11 to 12/31/11	1.0%	N/A	33.2%	59.8%	6.0%
01/01/12 to 12/31/12	1.1	5.9%	31.4	57.4	4.2
01/01/13 to 12/31/13	2.7	12.2	28.4	54.8	1.9
01/01/14 to 12/31/14	4.2	12.8	29.0	52.1	1.9
01/01/15 to 12/31/15	1.0	14.5	30.3	52.1	2.1
01/01/16 to 12/31/16	1.0	15.0	30.9	51.2	1.9
01/01/17 to 12/31/17	1.0	16.2	31.5	50.4	0.9
01/01/18 to 12/31/18	1.0	16.1	31.8	50.1	1.0

See "About Fund Performance" on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)					
		1 Year		5 Years		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(8.32)%	(7.83)	N/A	5.29%	N/A	6.85%	N/A
Investor A	(8.46)	(8.08)	N/A	5.02	N/A	6.58	N/A
Class K	(8.30)	(7.79)	N/A	5.34	N/A	6.89	N/A
Investor P	(8.50)	(8.13)	(12.98)%	5.01	3.88%	6.57	5.82%
LifePath Index 2055 Fund Custom Benchmark	(8.47)	(8.11)	N/A	5.27	N/A	6.91	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	2.52	N/A	2.55	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.34	N/A	4.66	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	0.85	N/A	1.89	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	8.21	N/A	10.66	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	4.41	N/A	7.79	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" on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.

(b) The LifePath Index Fund commenced operations on May 31, 2011.

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

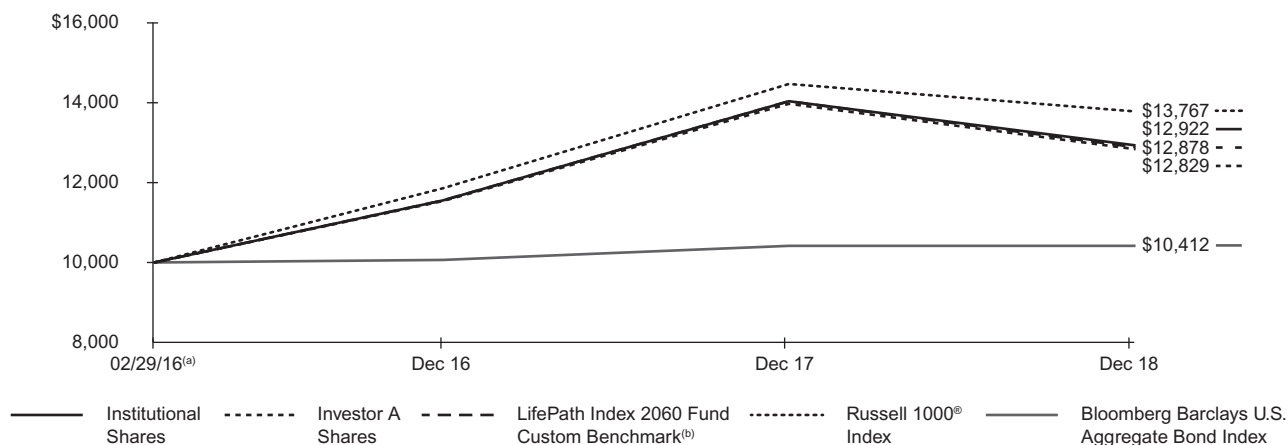
Past performance is not indicative of future results.

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

Investment Objective

BlackRock LifePath® Index 2060 Fund’s (“LifePath Index 2060 Fund” or the “LifePath Index Fund”) investment objective is to seek to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, the LifePath Index Fund will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



^(a) Commencement of operations.

^(b) The LifePath Index Fund compares its performance to that of a customized weighted index (the “LifePath Index 2060 Fund Custom Benchmark”), comprised of the indexes indicated below, which reflects the investment adviser’s changes to the benchmark’s weightings over time. The investment adviser adjusts the weightings of these indexes periodically based upon its evaluation and adjustment of the LifePath Index Fund’s asset allocation strategy. The weightings are presented annually but they are adjusted quarterly.

The LifePath Index Fund’s custom benchmark consists of the following:

Period ^(a)	Bloomberg Barclays U.S. Aggregate Bond Index	FTSE EPRA Nareit Developed Index	MSCI ACWI ex USA IMI Index	Russell 1000® Index	Russell 2000® Index
02/29/16 to 12/31/16	1.0%	15.0%	30.9%	51.2%	1.9%
01/01/17 to 12/31/17	1.0	16.2	31.5	50.4	0.9
01/01/18 to 12/31/18	1.0	16.1	31.8	50.1	1.0

See “About Fund Performance” on page 15 for descriptions of the indexes.

Performance Summary for the Period Ended December 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^(a)			
		1 Year		Since Inception ^(b)	
		w/o sales charge	w/sales charge	w/o sales charge	w/sales charge
Institutional	(8.33)%	(7.82)%	N/A	9.44%	N/A
Investor A	(8.45)	(8.04)	N/A	9.17	N/A
Class K	(8.30)	(7.84)	N/A	9.49	N/A
Investor P	(8.36)	(7.97)	(12.81)%	9.21	7.17%
LifePath Index 2060 Fund Custom Benchmark	(8.47)	(8.11)	N/A	9.33	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	1.65	0.01	N/A	1.43	N/A
FTSE EPRA Nareit Developed Index	(5.97)	(5.63)	N/A	4.32	N/A
MSCI ACWI ex USA IMI Index	(11.53)	(14.76)	N/A	7.68	N/A
Russell 1000® Index	(7.42)	(4.78)	N/A	11.81	N/A
Russell 2000® Index	(17.35)	(11.01)	N/A	11.35	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” on page 15 for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.

^(b) The LifePath Index Fund commenced operations on February 29, 2016.

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

Past performance is not indicative of future results.

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

About Fund Performance

Institutional and Class K 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 not subject to any sales charge and bear no ongoing distribution fee. These shares are subject to an ongoing service fee of 0.25% per year. These shares are generally available through financial intermediaries.

Investor P Shares are subject to a maximum initial sales charge (front-end load) of 5.25% 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 only available to investors purchasing shares through registered representatives of an insurance company's broker-dealer that has entered into an agreement with the LifePath Index Funds' distributor to offer such shares. Investor P Share performance shown prior to the Investor P Shares inception date of August 6, 2018 is that of Institutional Shares (which have no distribution or service fees) and was restated to reflect Investor P Shares fees.

Performance information reflects past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Refer to www.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 distributions or the redemption of shares. Figures shown in the performance tables on the previous pages assume reinvestment of all distributions, if any, at net asset value ("NAV") on the ex-dividend date. 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 ("BAL" or the "Administrator"), each LifePath Index Fund's administrator, has contractually agreed to waive and/or reimburse a portion of each LifePath Index Fund's expenses. Without such waiver and/or reimbursement, each LifePath Index Fund's performance would have been lower. The Administrator is under no obligation to continue waiving and/or reimbursing its fees after the applicable termination date of such agreement. See Note 4 of the Notes to Financial Statements for additional information on waivers and/or reimbursements.

The LifePath Index Funds' custom benchmarks are hypothetical representations of the performance of the respective LifePath Index Fund's asset classes according to their weightings as of the most recent quarter-end. The weightings of the various indexes that are included in the LifePath Index Funds' custom benchmarks are adjusted quarterly to reflect the LifePath Index Fund's changing asset allocations over time. As of December 31, 2018, the following indexes are used to calculate the LifePath Index Funds' custom benchmarks: Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. Treasury Inflation Protected Securities ("TIPS") Index (Series L), FTSE EPRA Nareit Developed Index, MSCI ACWI ex USA IMI Index, Russell 1000® Index and Russell 2000® Index.

The Bloomberg Barclays U.S. Aggregate Bond Index is a widely recognized unmanaged market-weighted index comprised of investment-grade corporate bonds rated BBB or better, mortgages and U.S. Treasury and U.S. Government agency issues with at least one year to maturity. The Bloomberg Barclays U.S. TIPS Index (Series L) is a market value-weighted index that tracks inflation-protected securities issued by the U.S. Treasury. The FTSE EPRA Nareit Developed Index is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia. The MSCI ACWI ex USA IMI Index is a free float-adjusted market capitalization weighted index that measures the equity market performance of the developed (excluding the U.S.) and emerging investable market universe. The Russell 1000® Index is an index that measures the performance of the large cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market capitalization and current index membership. The Russell 1000® Index represents approximately 92% of the total market capitalization of the Russell 3000® Index. The Russell 2000® Index is an unmanaged index that is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that Index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Disclosure of Expenses

Shareholders of each LifePath Index Fund may incur the following charges: (a) transactional expenses, such as sales charges; and (b) operating expenses, including administration fees, service and distribution fees, including 12b-1 fees, and other fund expenses. The expense examples shown below (which are based on a hypothetical investment of \$1,000 invested on July 1, 2018 and held through December 31, 2018, except with respect to Investor P Shares which are based on a hypothetical investment of \$1,000 on August 6, 2018 (commencement of operations) and held through December 31, 2018) are intended to assist shareholders both in calculating expenses based on an investment in a LifePath Index Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The expense examples provide information about actual account values and actual expenses. 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 LifePath Index Fund and share class under the heading entitled "Expenses Paid During the Period."

The expense examples also provide information about hypothetical account values and hypothetical expenses based on each LifePath Index 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 a LifePath Index Fund and other funds, compare the 5% hypothetical examples with the 5% hypothetical examples that appear in shareholder reports of other funds.

The expenses shown in the expense examples are intended to highlight shareholders' ongoing costs only and do not reflect transactional expenses, such as sales charges, if any. Therefore, the hypothetical examples are 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.

Disclosure of Expenses (continued)

	Actual			Hypothetical ^(b)			Annualized Expense Ratio
	Beginning Account Value 07/01/18	Ending Account Value 12/31/18	Expenses Paid During the Period ^(a)	Beginning Account Value 07/01/18	Ending Account Value 12/31/18	Expenses Paid During the Period ^(a)	
LifePath Index Retirement Fund							
Institutional	\$ 1,000.00	\$ 967.50	\$ 0.60	\$ 1,000.00	\$ 1,024.60	\$ 0.61	0.12%
Investor A	1,000.00	967.00	1.88	1,000.00	1,023.29	1.94	0.38
Class K	1,000.00	967.70	0.40	1,000.00	1,024.80	0.41	0.08
Investor P	1,000.00	954.40	1.42	1,000.00	1,018.69	1.46	0.36
LifePath Index 2020 Fund							
Institutional	\$ 1,000.00	\$ 963.10	\$ 0.59	\$ 1,000.00	\$ 1,024.60	\$ 0.61	0.12%
Investor A	1,000.00	961.80	1.88	1,000.00	1,023.29	1.94	0.38
Class K	1,000.00	963.30	0.40	1,000.00	1,024.80	0.41	0.08
Investor P	1,000.00	948.20	1.41	1,000.00	1,018.69	1.46	0.36
LifePath Index 2025 Fund							
Institutional	\$ 1,000.00	\$ 952.40	\$ 0.54	\$ 1,000.00	\$ 1,024.65	\$ 0.56	0.11%
Investor A	1,000.00	951.00	1.77	1,000.00	1,023.39	1.84	0.36
Class K	1,000.00	952.70	0.30	1,000.00	1,024.90	0.31	0.06
Investor P	1,000.00	934.30	1.36	1,000.00	1,018.73	1.42	0.35
LifePath Index 2030 Fund							
Institutional	\$ 1,000.00	\$ 943.00	\$ 0.54	\$ 1,000.00	\$ 1,024.65	\$ 0.56	0.11%
Investor A	1,000.00	941.00	1.76	1,000.00	1,023.39	1.84	0.36
Class K	1,000.00	943.20	0.29	1,000.00	1,024.90	0.31	0.06
Investor P	1,000.00	922.70	1.36	1,000.00	1,018.73	1.42	0.35
LifePath Index 2035 Fund							
Institutional	\$ 1,000.00	\$ 933.60	\$ 0.54	\$ 1,000.00	\$ 1,024.65	\$ 0.56	0.11%
Investor A	1,000.00	932.80	1.75	1,000.00	1,023.39	1.84	0.36
Class K	1,000.00	934.50	0.29	1,000.00	1,024.90	0.31	0.06
Investor P	1,000.00	911.30	1.31	1,000.00	1,018.77	1.38	0.34
LifePath Index 2040 Fund							
Institutional	\$ 1,000.00	\$ 925.60	\$ 0.49	\$ 1,000.00	\$ 1,024.70	\$ 0.51	0.10%
Investor A	1,000.00	924.20	1.70	1,000.00	1,023.44	1.79	0.35
Class K	1,000.00	925.80	0.24	1,000.00	1,024.95	0.26	0.05
Investor P	1,000.00	901.10	1.30	1,000.00	1,018.77	1.38	0.34
LifePath Index 2045 Fund							
Institutional	\$ 1,000.00	\$ 920.10	\$ 0.48	\$ 1,000.00	\$ 1,024.70	\$ 0.51	0.10%
Investor A	1,000.00	918.60	1.69	1,000.00	1,023.44	1.79	0.35
Class K	1,000.00	920.40	0.24	1,000.00	1,024.95	0.26	0.05
Investor P	1,000.00	893.60	1.22	1,000.00	1,018.85	1.30	0.32
LifePath Index 2050 Fund							
Institutional	\$ 1,000.00	\$ 917.10	\$ 0.48	\$ 1,000.00	\$ 1,024.70	\$ 0.51	0.10%
Investor A	1,000.00	915.70	1.69	1,000.00	1,023.44	1.79	0.35
Class K	1,000.00	917.30	0.24	1,000.00	1,024.95	0.26	0.05
Investor P	1,000.00	890.70	1.29	1,000.00	1,018.77	1.38	0.34
LifePath Index 2055 Fund							
Institutional	\$ 1,000.00	\$ 916.80	\$ 0.43	\$ 1,000.00	\$ 1,024.75	\$ 0.46	0.09%
Investor A	1,000.00	915.40	1.64	1,000.00	1,023.49	1.73	0.34
Class K	1,000.00	917.00	0.19	1,000.00	1,025.00	0.20	0.04
Investor P	1,000.00	890.00	1.18	1,000.00	1,018.89	1.26	0.32
LifePath Index 2060 Fund							
Institutional	\$ 1,000.00	\$ 916.70	\$ 0.43	\$ 1,000.00	\$ 1,024.75	\$ 0.46	0.09%
Investor A	1,000.00	915.50	1.64	1,000.00	1,023.49	1.73	0.34
Class K	1,000.00	917.00	0.19	1,000.00	1,025.00	0.20	0.04
Investor P	1,000.00	890.80	1.18	1,000.00	1,018.89	1.26	0.33

^(a) For each class of LifePath Index Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period shown, except Investor P which is multiplied by 147/365 to reflect the period since inception date of August 6, 2018). Because LifePath Index Fund invests all of its assets in LifePath Index Master Portfolio, and the expense examples reflect the net expenses of both the LifePath Index Fund and the LifePath Index Master Portfolio in which it invests.

^(b) Hypothetical 5% return before expenses is calculated by pro rating the number of days in the most recent fiscal half year divided by 365.

Statements of Assets and Liabilities

December 31, 2018

	BlackRock LifePath Index Retirement Fund	BlackRock LifePath Index 2020 Fund	BlackRock LifePath Index 2025 Fund	BlackRock LifePath Index 2030 Fund	BlackRock LifePath Index 2035 Fund
ASSETS					
Investments at value — from the applicable LifePath Index Master Portfolio	\$2,301,173,144	\$4,331,216,420	\$3,005,549,776	\$5,731,660,763	\$2,593,234,250
Receivables:					
Capital shares sold	3,360,210	8,353,174	17,155,981	16,505,155	12,865,709
Withdrawals from the LifePath Index Master Portfolio	10,450,976	8,570,789	—	—	—
From the Administrator/Manager	57,417	68,741	86,781	91,871	91,779
Deferred offering costs	20,211	20,211	20,211	20,211	20,211
Prepaid expenses	24,032	27,678	32,579	26,081	23,537
Total assets	<u>2,315,085,990</u>	<u>4,348,257,013</u>	<u>3,022,845,328</u>	<u>5,748,304,081</u>	<u>2,606,235,486</u>
LIABILITIES					
Bank overdraft	63,338	107,274	100,070	142,625	90,953
Payables:					
Capital shares redeemed	13,811,186	16,923,963	6,039,473	16,074,211	8,582,626
Income dividend distributions	442,041	673,814	1,099,053	954,804	822,003
Professional fees	22,078	20,391	19,425	19,642	21,986
Transfer agent fees	83,589	142,533	42,019	197,815	38,413
Service fees	226,587	402,212	24,505	475,224	21,261
Printing fees	3,915	11,371	7,837	11,357	5,469
Offering costs	33,403	33,403	33,403	33,403	33,403
Officer's fees	266	484	545	671	483
Capital gains distributions	48,151	295,408	277,839	48,879	15,729
Recoupment of past waived fees	151	326	—	—	—
Contributions to the LifePath Index Master Portfolio	—	—	11,116,508	430,944	4,283,083
Board realignment and consolidation	26,661	28,175	30,661	37,264	35,737
Registration fees	15,070	30,606	56,899	62,109	57,535
Other accrued expenses	3,449	3,666	3,634	3,754	3,557
Total liabilities	<u>14,779,885</u>	<u>18,673,626</u>	<u>18,851,871</u>	<u>18,492,702</u>	<u>14,012,238</u>
NET ASSETS	<u>\$2,300,306,105</u>	<u>\$4,329,583,387</u>	<u>\$3,003,993,457</u>	<u>\$5,729,811,379</u>	<u>\$2,592,223,248</u>
NET ASSETS CONSIST OF					
Paid-in capital	\$2,303,812,438	\$4,304,693,851	\$2,962,451,368	\$5,738,537,459	\$2,547,083,140
Accumulated earnings (loss)	(3,506,333)	24,889,536	41,542,089	(8,726,080)	45,140,108
NET ASSETS	<u>\$2,300,306,105</u>	<u>\$4,329,583,387</u>	<u>\$3,003,993,457</u>	<u>\$5,729,811,379</u>	<u>\$2,592,223,248</u>
NET ASSET VALUE					
Institutional					
Net assets	<u>\$ 145,418,367</u>	<u>\$ 284,473,840</u>	<u>\$ 104,907,644</u>	<u>\$ 393,583,640</u>	<u>\$ 94,316,270</u>
Shares outstanding ^(a)	<u>12,594,046</u>	<u>23,877,700</u>	<u>8,497,603</u>	<u>31,313,873</u>	<u>7,323,720</u>
Net asset value	<u>\$ 11.55</u>	<u>\$ 11.91</u>	<u>\$ 12.35</u>	<u>\$ 12.57</u>	<u>\$ 12.88</u>
Investor A					
Net assets	<u>\$ 82,453,920</u>	<u>\$ 195,699,305</u>	<u>\$ 119,566,362</u>	<u>\$ 283,011,037</u>	<u>\$ 103,712,517</u>
Shares outstanding ^(a)	<u>7,147,756</u>	<u>16,453,257</u>	<u>9,694,692</u>	<u>22,524,886</u>	<u>8,071,599</u>
Net asset value	<u>\$ 11.54</u>	<u>\$ 11.89</u>	<u>\$ 12.33</u>	<u>\$ 12.56</u>	<u>\$ 12.85</u>
Class K					
Net assets	<u>\$1,160,343,535</u>	<u>\$2,279,771,873</u>	<u>\$2,777,709,801</u>	<u>\$3,250,556,441</u>	<u>\$2,393,633,624</u>
Shares outstanding ^(a)	<u>100,554,448</u>	<u>191,370,519</u>	<u>224,913,415</u>	<u>258,852,640</u>	<u>186,028,080</u>
Net asset value	<u>\$ 11.54</u>	<u>\$ 11.91</u>	<u>\$ 12.35</u>	<u>\$ 12.56</u>	<u>\$ 12.87</u>
Investor P					
Net assets	<u>\$ 912,090,283</u>	<u>\$1,569,638,369</u>	<u>\$ 1,809,650</u>	<u>\$1,802,660,261</u>	<u>\$ 560,837</u>
Shares outstanding ^(a)	<u>79,137,946</u>	<u>132,140,020</u>	<u>146,896</u>	<u>143,575,460</u>	<u>43,689</u>
Net asset value	<u>\$ 11.53</u>	<u>\$ 11.88</u>	<u>\$ 12.32</u>	<u>\$ 12.56</u>	<u>\$ 12.84</u>

^(a) No par value, unlimited number of shares authorized.

See notes to financial statements.

Statements of Assets and Liabilities (continued)

December 31, 2018

	BlackRock LifePath Index 2040 Fund	BlackRock LifePath Index 2045 Fund	BlackRock LifePath Index 2050 Fund	BlackRock LifePath Index 2055 Fund	BlackRock LifePath Index 2060 Fund
ASSETS					
Investments at value — from the applicable LifePath Index Master Portfolio	\$4,386,502,291	\$1,782,209,760	\$1,966,269,526	\$819,985,378	\$157,590,826
Receivables:					
Capital shares sold	9,082,741	6,561,845	4,728,884	3,495,081	1,701,808
From the Administrator/Manager	89,785	89,799	45,557	87,086	41,037
Deferred offering costs	20,211	20,211	20,211	20,211	20,211
Prepaid expenses	26,961	23,832	11,641	21,425	15,750
Total assets	<u>4,395,721,989</u>	<u>1,788,905,447</u>	<u>1,971,075,819</u>	<u>823,609,181</u>	<u>159,369,632</u>
LIABILITIES					
Bank overdraft	116,251	72,535	73,003	47,497	25,001
Payables:					
Capital shares redeemed	8,259,304	5,633,038	4,080,555	1,933,265	85,545
Income dividend distributions	693,007	481,330	316,282	157,530	35,834
Professional fees	21,374	31,729	22,862	24,014	18,853
Transfer agent fees	147,799	29,832	—	18,959	—
Service fees	334,912	13,678	108,939	8,690	839
Offering costs	33,403	33,403	33,403	33,403	33,403
Printing fees	6,888	1,800	1,605	—	4,601
Officer's fees	524	339	304	157	—
Capital gains distributions	56,850	26,966	20,285	—	—
Contributions to the LifePath Index Master Portfolio	823,437	928,807	648,329	1,561,816	1,616,263
Board realignment and consolidation	38,860	39,323	45,557	50,863	16,393
Registration fees	52,467	46,822	38,122	—	7,500
Other accrued expenses	2,475	3,466	3,449	27,483	3,367
Total liabilities	<u>10,587,551</u>	<u>7,343,068</u>	<u>5,392,695</u>	<u>3,863,677</u>	<u>1,847,599</u>
NET ASSETS	<u>\$4,385,134,438</u>	<u>\$1,781,562,379</u>	<u>\$1,965,683,124</u>	<u>\$819,745,504</u>	<u>\$157,522,033</u>
NET ASSETS CONSIST OF					
Paid-in capital	\$4,424,665,561	\$1,770,328,337	\$1,982,838,258	\$830,424,493	\$168,170,411
Accumulated earnings (loss)	(39,531,123)	11,234,042	(17,155,134)	(10,678,989)	(10,648,378)
NET ASSETS	<u>\$4,385,134,438</u>	<u>\$1,781,562,379</u>	<u>\$1,965,683,124</u>	<u>\$819,745,504</u>	<u>\$157,522,033</u>
NET ASSET VALUE					
Institutional					
Net assets	\$ 446,191,762	\$ 70,629,460	\$ 68,948,809	\$ 60,992,571	\$ 2,773,416
Shares outstanding ^(a)	34,128,807	5,300,459	5,104,462	4,430,811	227,463
Net asset value	\$ 13.07	\$ 13.33	\$ 13.51	\$ 13.77	\$ 12.19
Investor A					
Net assets	\$ 174,340,224	\$ 65,641,507	\$ 82,676,803	\$ 41,909,380	\$ 4,370,673
Shares outstanding ^(a)	13,358,835	4,935,192	6,133,945	3,050,768	359,133
Net asset value	\$ 13.05	\$ 13.30	\$ 13.48	\$ 13.74	\$ 12.17
Class K					
Net assets	\$2,478,916,161	\$1,645,042,111	\$1,420,615,872	\$716,634,396	\$150,118,485
Shares outstanding ^(a)	189,630,167	123,359,616	105,175,522	52,053,166	12,311,841
Net asset value	\$ 13.07	\$ 13.34	\$ 13.51	\$ 13.77	\$ 12.19
Investor P					
Net assets	\$1,285,686,291	\$ 249,301	\$ 393,441,640	\$ 209,157	\$ 259,459
Shares outstanding ^(a)	98,596,064	18,756	29,218,044	15,229	21,323
Net asset value	\$ 13.04	\$ 13.29	\$ 13.47	\$ 13.73	\$ 12.17

^(a) No par value, unlimited number of shares authorized.

See notes to financial statements.

Statements of Operations

Year Ended December 31, 2018

	BlackRock LifePath Index Retirement Fund	BlackRock LifePath Index 2020 Fund	BlackRock LifePath Index 2025 Fund	BlackRock LifePath Index 2030 Fund	BlackRock LifePath Index 2035 Fund
INVESTMENT INCOME					
Net investment income allocated from the applicable LifePath Index Master Portfolio:					
Dividends — affiliated	\$ 17,267,237	\$ 36,899,423	\$ 44,413,460	\$ 75,035,374	\$ 51,802,678
Interest — affiliated	20,732,291	36,542,227	28,861,305	28,837,812	12,717,797
Securities lending income — affiliated — net	17,772	26,644	89,606	75,953	24,580
Expenses	(1,249,748)	(2,354,745)	(2,381,401)	(3,063,840)	(1,995,314)
Fees waived	166,297	262,280	467,400	665,426	448,610
Total investment income	<u>36,933,849</u>	<u>71,375,829</u>	<u>71,450,370</u>	<u>101,550,725</u>	<u>62,998,351</u>
FUND EXPENSES					
Administration	432,924	838,191	868,528	1,145,577	755,470
Service — class specific	489,880	948,843	357,492	1,253,717	335,093
Transfer agent — class specific	175,943	314,845	201,322	418,559	199,919
Reorganization costs	166,013	169,260	—	178,044	—
Registration	78,203	81,562	116,727	100,435	112,480
Professional	20,254	28,828	38,902	28,183	36,489
Printing	17,305	20,392	18,413	19,509	17,950
Offering	13,628	13,628	13,628	13,628	13,628
Accounting services	2,475	2,475	2,475	2,475	2,475
Officer	525	1,009	1,155	1,395	994
Board realignment and consolidation	26,661	28,175	30,661	37,264	35,737
Miscellaneous	11,274	12,576	12,552	12,972	11,793
Recoupment of past waived and/or reimbursed fees — class specific	85	74	—	—	—
Total expenses	<u>1,435,170</u>	<u>2,459,858</u>	<u>1,661,855</u>	<u>3,211,758</u>	<u>1,522,028</u>
Less:					
Fees waived and/or reimbursed by the Administrator/Manager	(768,121)	(1,194,597)	(1,101,539)	(1,537,986)	(985,877)
Transfer agent fees waived and/or reimbursed	(48,965)	(71,978)	(75,225)	(93,873)	(82,619)
Total expenses after fees waived and/or reimbursed	<u>618,084</u>	<u>1,193,283</u>	<u>485,091</u>	<u>1,579,899</u>	<u>453,532</u>
Net investment income	<u>36,315,765</u>	<u>70,182,546</u>	<u>70,965,279</u>	<u>99,970,826</u>	<u>62,544,819</u>
REALIZED AND UNREALIZED GAIN (LOSS) ALLOCATED FROM THE MASTER PORTFOLIO					
Net realized loss from investments	(5,296,150)	(5,944,043)	(5,159,414)	(8,831,035)	(3,348,596)
Net change in unrealized appreciation (depreciation) on investments	(99,347,538)	(211,759,456)	(218,830,890)	(402,679,866)	(238,976,379)
Total realized and unrealized loss	<u>(104,643,688)</u>	<u>(217,703,499)</u>	<u>(223,990,304)</u>	<u>(411,510,901)</u>	<u>(242,324,975)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (68,327,923)</u>	<u>\$ (147,520,953)</u>	<u>\$ (153,025,025)</u>	<u>\$ (311,540,075)</u>	<u>\$ (179,780,156)</u>

See notes to financial statements.

Statements of Operations (continued)

Year Ended December 31, 2018

	BlackRock LifePath Index 2040 Fund	BlackRock LifePath Index 2045 Fund	BlackRock LifePath Index 2050 Fund	BlackRock LifePath Index 2055 Fund	BlackRock LifePath Index 2060 Fund
INVESTMENT INCOME					
Net investment income allocated from the applicable LifePath Index Master Portfolio:					
Dividends — affiliated	\$ 73,399,141	\$ 42,782,311	\$ 42,203,679	\$ 19,382,093	\$ 3,218,325
Interest — affiliated	8,467,286	2,041,580	812,333	371,706	60,467
Securities lending income — affiliated — net	72,435	20,549	3,991	27,017	1,974
Expenses	(2,251,747)	(1,320,925)	(1,200,007)	(590,677)	(135,009)
Fees waived	768,010	470,506	430,672	306,361	89,837
Total investment income	<u>80,455,125</u>	<u>43,994,021</u>	<u>42,250,668</u>	<u>19,496,500</u>	<u>3,235,594</u>
FUND EXPENSES					
Administration	875,541	520,250	474,182	225,535	35,816
Service — class specific	875,417	193,939	347,176	106,256	8,199
Transfer agent — class specific	340,138	161,224	210,519	151,210	41,449
Reorganization costs	176,052	—	170,548	—	—
Registration	107,613	109,050	97,675	79,846	60,212
Professional	26,208	32,333	26,690	28,021	25,581
Printing	18,741	17,428	9,190	15,999	26,540
Offering	13,628	13,628	13,628	13,628	13,628
Accounting services	2,475	2,475	2,475	2,475	2,475
Officer	1,066	694	605	322	68
Board realignment and consolidation	38,860	39,323	45,557	50,863	16,393
Miscellaneous	11,317	10,341	10,227	9,273	9,525
Total expenses excluding interest expense and fees	<u>2,487,056</u>	<u>1,100,685</u>	<u>1,408,472</u>	<u>683,428</u>	<u>239,886</u>
Less:					
Fees waived and/or reimbursed by the Administrator/Manager	(1,271,131)	(745,353)	(850,607)	(425,907)	(190,567)
Transfer agent fees waived and/or reimbursed	(97,108)	(83,945)	(105,477)	(100,157)	(38,515)
Total expenses after fees waived and/or reimbursed	<u>1,118,817</u>	<u>271,387</u>	<u>452,388</u>	<u>157,364</u>	<u>10,804</u>
Net investment income	<u>79,336,308</u>	<u>43,722,634</u>	<u>41,798,280</u>	<u>19,339,136</u>	<u>3,224,790</u>
REALIZED AND UNREALIZED GAIN (LOSS) ALLOCATED FROM THE MASTER PORTFOLIO					
Net realized loss from investments	(17,782,484)	(4,471,220)	(9,596,714)	(5,510,087)	(4,528,884)
Net change in unrealized appreciation (depreciation) on investments	(373,948,239)	(188,690,572)	(196,328,322)	(84,811,123)	(12,235,947)
Total realized and unrealized loss	<u>(391,730,723)</u>	<u>(193,161,792)</u>	<u>(205,925,036)</u>	<u>(90,321,210)</u>	<u>(16,764,831)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$(312,394,415)</u>	<u>\$(149,439,158)</u>	<u>\$(164,126,756)</u>	<u>\$(70,982,074)</u>	<u>\$(13,540,041)</u>

See notes to financial statements.

Statements of Changes in Net Assets

	BlackRock LifePath Index Retirement Fund		BlackRock LifePath Index 2020 Fund	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
<i>INCREASE (DECREASE) IN NET ASSETS</i>				
OPERATIONS				
Net investment income	\$ 36,315,765	\$ 22,041,068	\$ 70,182,546	\$ 45,883,090
Net realized gain (loss)	(5,296,150)	2,801,608	(5,944,043)	6,999,035
Net change in unrealized appreciation (depreciation)	(99,347,538)	79,605,920	(211,759,456)	187,374,092
Net increase (decrease) in net assets resulting from operations	(68,327,923)	104,448,596	(147,520,953)	240,256,217
DISTRIBUTIONS^{(a)(b)}				
Institutional	(1,863,610)	(1,655,463)	(4,186,883)	(2,398,254)
Investor A	(1,701,611)	(1,736,764)	(4,275,370)	(4,139,425)
Class K	(28,326,410)	(21,954,434)	(60,056,816)	(46,790,752)
Investor P	(6,176,947)	—	(14,269,585)	—
Decrease in net assets resulting from distributions to shareholders	(38,068,578)	(25,346,661)	(82,788,654)	(53,328,431)
CAPITAL SHARE TRANSACTIONS				
Net increase in net assets derived from capital share transactions	1,171,859,011	345,485,383	2,152,208,345	543,599,844
NET ASSETS^(b)				
Total increase in net assets	1,065,462,510	424,587,318	1,921,898,738	730,527,630
Beginning of year	1,234,843,595	810,256,277	2,407,684,649	1,677,157,019
End of year	\$2,300,306,105	\$1,234,843,595	\$4,329,583,387	\$2,407,684,649

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

^(b) Prior year distribution character information and distributions in excess of net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 7 for this prior year information.

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	BlackRock LifePath Index 2025 Fund		BlackRock LifePath Index 2030 Fund	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 70,965,279	\$ 46,273,201	\$ 99,970,826	\$ 62,195,880
Net realized gain (loss)	(5,159,414)	3,872,502	(8,831,035)	6,167,849
Net change in unrealized appreciation (depreciation)	(218,830,890)	215,776,463	(402,679,866)	318,231,460
Net increase (decrease) in net assets resulting from operations	<u>(153,025,025)</u>	<u>265,922,166</u>	<u>(311,540,075)</u>	<u>386,595,189</u>
DISTRIBUTIONS^{(a)(b)}				
Institutional	(2,690,202)	(2,092,496)	(4,756,501)	(2,977,500)
Investor A	(3,022,227)	(3,106,590)	(5,489,756)	(5,709,237)
Class K	(70,018,318)	(44,507,737)	(74,020,681)	(58,150,971)
Investor P	(18,628)	—	(12,415,867)	—
Decrease in net assets resulting from distributions to shareholders	<u>(75,749,375)</u>	<u>(49,706,823)</u>	<u>(96,682,805)</u>	<u>(66,837,708)</u>
CAPITAL SHARE TRANSACTIONS				
Net increase in net assets derived from capital share transactions	<u>732,145,328</u>	<u>848,663,357</u>	<u>3,007,159,930</u>	<u>900,282,496</u>
NET ASSETS^(b)				
Total increase in net assets	503,370,928	1,064,878,700	2,598,937,050	1,220,039,977
Beginning of year	<u>2,500,622,529</u>	<u>1,435,743,829</u>	<u>3,130,874,329</u>	<u>1,910,834,352</u>
End of year	<u>\$3,003,993,457</u>	<u>\$2,500,622,529</u>	<u>\$5,729,811,379</u>	<u>\$3,130,874,329</u>

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

^(b) Prior year distribution character information and distributions in excess of net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 7 for this prior year information.

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	BlackRock LifePath Index 2035 Fund		BlackRock LifePath Index 2040 Fund	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 62,544,819	\$ 42,072,220	\$ 79,336,308	\$ 49,123,074
Net realized gain (loss)	(3,348,596)	2,720,980	(17,782,484)	3,490,373
Net change in unrealized appreciation (depreciation)	(238,976,379)	230,966,946	(373,948,239)	286,092,538
Net increase (decrease) in net assets resulting from operations	(179,780,156)	275,760,146	(312,394,415)	338,705,985
DISTRIBUTIONS^{(a)(b)}				
Institutional	(2,215,283)	(2,050,763)	(4,857,706)	(2,292,083)
Investor A	(2,509,087)	(3,148,041)	(3,596,340)	(4,083,534)
Class K	(54,921,017)	(38,509,125)	(56,256,528)	(43,462,281)
Investor P	(5,192)	—	(9,370,925)	—
Decrease in net assets resulting from distributions to shareholders	(59,650,579)	(43,707,929)	(74,081,499)	(49,837,898)
CAPITAL SHARE TRANSACTIONS				
Net increase in net assets derived from capital share transactions	714,943,481	714,831,441	2,437,404,493	690,639,528
NET ASSETS^(b)				
Total increase in net assets	475,512,746	946,883,658	2,050,928,579	979,507,615
Beginning of year	2,116,710,502	1,169,826,844	2,334,205,859	1,354,698,244
End of year	\$2,592,223,248	\$2,116,710,502	\$4,385,134,438	\$2,334,205,859

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

^(b) Prior year distribution character information and distributions in excess of net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 7 for this prior year information.

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	BlackRock LifePath Index 2045 Fund		BlackRock LifePath Index 2050 Fund	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 43,722,634	\$ 28,748,738	\$ 41,798,280	\$ 26,520,357
Net realized gain (loss)	(4,471,220)	1,341,648	(9,596,714)	1,220,362
Net change in unrealized appreciation (depreciation)	(188,690,572)	168,824,455	(196,328,322)	157,524,336
Net increase (decrease) in net assets resulting from operations	(149,439,158)	198,914,841	(164,126,756)	185,265,055
DISTRIBUTIONS^{(a)(b)}				
Institutional	(1,664,434)	(1,564,110)	(1,584,622)	(1,511,930)
Investor A	(1,476,281)	(1,677,352)	(1,684,498)	(1,924,919)
Class K	(37,519,200)	(25,634,876)	(31,641,931)	(23,186,239)
Investor P	(2,779)	—	(3,032,970)	—
Decrease in net assets resulting from distributions to shareholders	(40,662,694)	(28,876,338)	(37,944,021)	(26,623,088)
CAPITAL SHARE TRANSACTIONS				
Net increase in net assets derived from capital share transactions	585,732,158	524,323,582	915,730,764	443,592,939
NET ASSETS^(b)				
Total increase in net assets	395,630,306	694,362,085	713,659,987	602,234,906
Beginning of year	1,385,932,073	691,569,988	1,252,023,137	649,788,231
End of year	\$1,781,562,379	\$1,385,932,073	\$1,965,683,124	\$1,252,023,137

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

^(b) Prior year distribution character information and distributions in excess of net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 7 for this prior year information.

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	BlackRock LifePath Index 2055 Fund		BlackRock LifePath Index 2060 Fund	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 19,339,136	\$ 11,652,545	\$ 3,224,790	\$ 1,170,654
Net realized gain (loss)	(5,510,087)	78,355	(4,528,884)	(40,316)
Net change in unrealized appreciation (depreciation)	(84,811,123)	67,867,815	(12,235,947)	5,776,913
Net increase (decrease) in net assets resulting from operations	<u>(70,982,074)</u>	<u>79,598,715</u>	<u>(13,540,041)</u>	<u>6,907,251</u>
DISTRIBUTIONS^{(a)(b)}				
Institutional	(1,303,230)	(1,077,347)	(54,600)	(16,254)
Investor A	(825,974)	(807,139)	(64,121)	(44,563)
Class K	(15,248,291)	(9,766,420)	(2,729,840)	(1,109,098)
Investor P	(2,309)	—	(2,587)	—
Decrease in net assets resulting from distributions to shareholders	<u>(17,379,804)</u>	<u>(11,650,906)</u>	<u>(2,851,148)</u>	<u>(1,169,915)</u>
CAPITAL SHARE TRANSACTIONS				
Net increase in net assets derived from capital share transactions	<u>330,037,613</u>	<u>259,140,949</u>	<u>99,363,718</u>	<u>58,074,168</u>
NET ASSETS^(b)				
Total increase in net assets	241,675,735	327,088,758	82,972,529	63,811,504
Beginning of year	<u>578,069,769</u>	<u>250,981,011</u>	<u>74,549,504</u>	<u>10,738,000</u>
End of year	<u>\$819,745,504</u>	<u>\$578,069,769</u>	<u>\$157,522,033</u>	<u>\$74,549,504</u>

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

^(b) Prior year distribution character information and distributions in excess of net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 7 for this prior year information.

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

	BlackRock LifePath Index Retirement Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 12.26	\$ 11.33	\$ 10.97	\$ 11.33	\$ 11.05
Net investment income ^(a)	0.30	0.25	0.23	0.21	0.21
Net realized and unrealized gain (loss)	(0.73)	0.96	0.41	(0.25)	0.42
Net increase (decrease) from investment operations	(0.43)	1.21	0.64	(0.04)	0.63
Distributions^(b)					
From net investment income	(0.27)	(0.25)	(0.22)	(0.21)	(0.21)
From net realized gain	(0.01)	(0.03)	(0.06)	(0.11)	(0.14)
Total distributions	(0.28)	(0.28)	(0.28)	(0.32)	(0.35)
Net asset value, end of year	\$ 11.55	\$ 12.26	\$ 11.33	\$ 10.97	\$ 11.33
Total Return^(c)					
Based on net asset value	(3.55)%	10.69%	5.86%	(0.36)%	5.73%
Ratios to Average Net Assets^{(d)(e)}					
Total expenses	0.18% ^(f)	0.17%	0.19%	0.21%	0.23%
Total expenses after fees waived and/or reimbursed	0.12% ^(f)	0.13%	0.13%	0.14%	0.16%
Net investment income	2.51%	2.10%	2.02%	1.79%	1.82%
Supplemental Data					
Net assets, end of year (000)	\$145,418	\$72,929	\$71,606	\$68,492	\$68,385
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	25%	10%	13%	25%	15%

(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) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.02%	0.02%	0.02%	0.03%
Investments in underlying funds	0.03%	0.03%	0.03%	0.03%	0.03%

(f) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.17% and 0.12%, respectively.

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index Retirement Fund (continued)					
Investor A					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 12.25	\$ 11.32	\$ 10.97	\$ 11.33	\$ 11.05
Net investment income ^(a)	0.27	0.22	0.20	0.17	0.17
Net realized and unrealized gain (loss)	(0.73)	0.96	0.40	(0.24)	0.43
Net increase (decrease) from investment operations	(0.46)	1.18	0.60	(0.07)	0.60
Distributions^(b)					
From net investment income	(0.24)	(0.22)	(0.19)	(0.18)	(0.18)
From net realized gain	(0.01)	(0.03)	(0.06)	(0.11)	(0.14)
Total distributions	(0.25)	(0.25)	(0.25)	(0.29)	(0.32)
Net asset value, end of year	\$ 11.54	\$ 12.25	\$ 11.32	\$ 10.97	\$ 11.33
Total Return^(c)					
Based on net asset value	(3.80)%	10.43%	5.51%	(0.61)%	5.50%
Ratios to Average Net Assets^{(d)(e)}					
Total expenses	0.44% ^(f)	0.42%	0.44%	0.46%	0.48%
Total expenses after fees waived and/or reimbursed	0.38% ^(f)	0.38%	0.38%	0.39%	0.41%
Net investment income	2.24%	1.84%	1.75%	1.54%	1.55%
Supplemental Data					
Net assets, end of year (000)	\$82,454	\$89,720	\$72,286	\$61,886	\$55,156
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	25%	10%	13%	25%	15%

(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) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

Year Ended December 31,					
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.02%	0.02%	0.02%	0.03%
Investments in underlying funds	0.03%	0.03%	0.03%	0.03%	0.03%

(f) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed have been 0.43% and 0.38%, respectively.

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index Retirement Fund (continued)				
	Class K				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 12.25	\$ 11.32	\$ 10.97	\$ 11.33	\$ 11.05
Net investment income ^(a)	0.31	0.26	0.23	0.20	0.21
Net realized and unrealized gain (loss)	(0.73)	0.95	0.40	(0.23)	0.42
Net increase (decrease) from investment operations	(0.42)	1.21	0.63	(0.03)	0.63
Distributions^(b)					
From net investment income	(0.28)	(0.25)	(0.22)	(0.22)	(0.21)
From net realized gain	(0.01)	(0.03)	(0.06)	(0.11)	(0.14)
Total distributions	(0.29)	(0.28)	(0.28)	(0.33)	(0.35)
Net asset value, end of year	\$ 11.54	\$ 12.25	\$ 11.32	\$ 10.97	\$ 11.33
Total Return^(c)					
Based on net asset value	(3.51)%	10.75%	5.82%	(0.31)%	5.78%
Ratios to Average Net Assets^{(d)(e)}					
Total expenses	0.13% ^(f)	0.12%	0.14%	0.15%	0.19%
Total expenses after fees waived and/or reimbursed	0.08% ^(f)	0.08%	0.08%	0.09%	0.11%
Net investment income	2.54%	2.13%	2.05%	1.84%	1.87%
Supplemental Data					
Net assets, end of year (000)	\$1,160,344	\$1,072,195	\$666,364	\$369,359	\$307,946
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	25%	10%	13%	25%	15%

^(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) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.02%	0.02%	0.02%	0.03%
Investments in underlying funds	0.03%	0.03%	0.03%	0.03%	0.03%

^(f) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.12% and 0.08%, respectively.

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index Retirement Fund (continued)

Investor P

Period from
08/06/18^(a)
to 12/31/18

Net asset value, beginning of period	\$ 12.23
Net investment income ^(b)	0.12
Net realized and unrealized loss	<u>(0.67)</u>
Net decrease from investment operations	<u>(0.55)</u>
Distributions^(c)	
From net investment income	(0.14)
From net realized gain	<u>(0.01)</u>
Total distributions	<u>(0.15)</u>
Net asset value, end of period	\$ 11.53
Total Return^(d)	
Based on net asset value	<u>(4.56)%^(e)</u>

Ratios to Average Net Assets

Total expenses	<u>0.41%^{(f)(g)(h)(i)(j)}</u>
Total expenses after fees waived and/or reimbursed	<u>0.36%^{(f)(g)(h)(i)(j)}</u>
Net investment income	<u>2.47%^{(f)(g)(h)}</u>

Supplemental Data

Net assets, end of period (000)	<u>\$912,090</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ^(k)	<u>25%</u>

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

(e) Aggregate total return.

(f) Annualized.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(h) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.01%
Investments in underlying funds	<u>0.03%</u>

(i) Reorganization, offering, and board realignment and consolidation costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses and total expenses after fees waived and/or reimbursed would have been 0.42% and 0.37%, respectively.

(j) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.39% and 0.36%, respectively.

(k) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2020 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 12.73	\$ 11.61	\$ 11.20	\$ 11.57	\$ 11.25
Net investment income ^(a)	0.32	0.26	0.24	0.22	0.22
Net realized and unrealized gain (loss)	(0.82)	1.15	0.45	(0.27)	0.46
Net increase (decrease) from investment operations	(0.50)	1.41	0.69	(0.05)	0.68
Distributions^(b)					
From net investment income	(0.28)	(0.26)	(0.23)	(0.22)	(0.22)
From net realized gain	(0.04)	(0.03)	(0.05)	(0.10)	(0.14)
Total distributions	(0.32)	(0.29)	(0.28)	(0.32)	(0.36)
Net asset value, end of year	\$ 11.91	\$ 12.73	\$ 11.61	\$ 11.20	\$ 11.57
Total Return^(c)					
Based on net asset value	(4.01)%	12.28%	6.17%	(0.38)%	6.10%
Ratios to Average Net Assets^{(d)(e)}					
Total expenses	0.17% ^(f)	0.17%	0.18%	0.20%	0.22%
Total expenses after fees waived and/or reimbursed	0.12% ^(f)	0.13%	0.13%	0.14%	0.16%
Net investment income	2.55%	2.16%	2.08%	1.89%	1.93%
Supplemental Data					
Net assets, end of year (000)	\$284,474	\$106,140	\$87,573	\$89,773	\$81,485
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	20%	9%	14%	14%	12%

^(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) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.01%	0.01%	0.02%	0.02%
Investments in underlying funds	0.03%	0.03%	0.04%	0.04%	0.04%

^(f) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.16% and 0.12%, respectively.

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2020 Fund (continued)					
Investor A					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 12.71	\$ 11.59	\$ 11.18	\$ 11.55	\$ 11.23
Net investment income ^(a)	0.28	0.23	0.20	0.19	0.19
Net realized and unrealized gain (loss)	(0.81)	1.15	0.46	(0.26)	0.46
Net increase (decrease) from investment operations	(0.53)	1.38	0.66	(0.07)	0.65
Distributions^(b)					
From net investment income	(0.25)	(0.23)	(0.20)	(0.20)	(0.19)
From net realized gain	(0.04)	(0.03)	(0.05)	(0.10)	(0.14)
Total distributions	(0.29)	(0.26)	(0.25)	(0.30)	(0.33)
Net asset value, end of year	\$ 11.89	\$ 12.71	\$ 11.59	\$ 11.18	\$ 11.55
Total Return^(c)					
Based on net asset value	(4.26)%	12.03%	5.93%	(0.63)%	5.87%
Ratios to Average Net Assets^{(d)(e)}					
Total expenses	0.42% ^(f)	0.42%	0.43%	0.45%	0.47%
Total expenses after fees waived and/or reimbursed	0.38% ^(f)	0.38%	0.38%	0.39%	0.41%
Net investment income	2.22%	1.90%	1.79%	1.64%	1.68%
Supplemental Data					
Net assets, end of year (000)	\$195,699	\$198,412	\$161,273	\$109,566	\$99,790
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	20%	9%	14%	14%	12%

^(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) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.01%	0.01%	0.02%	0.02%
Investments in underlying funds	0.03%	0.03%	0.04%	0.04%	0.04%

^(f) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.41% and 0.38%, respectively.

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2020 Fund (continued)				
	Class K				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 12.73	\$ 11.61	\$ 11.19	\$ 11.57	\$ 11.25
Net investment income ^(a)	0.32	0.27	0.24	0.23	0.23
Net realized and unrealized gain (loss)	(0.81)	1.15	0.47	(0.28)	0.46
Net increase (decrease) from investment operations	(0.49)	1.42	0.71	(0.05)	0.69
Distributions^(b)					
From net investment income	(0.29)	(0.27)	(0.24)	(0.23)	(0.23)
From net realized gain	(0.04)	(0.03)	(0.05)	(0.10)	(0.14)
Total distributions	(0.33)	(0.30)	(0.29)	(0.33)	(0.37)
Net asset value, end of year	\$ 11.91	\$ 12.73	\$ 11.61	\$ 11.19	\$ 11.57
Total Return^(c)					
Based on net asset value	(3.97)%	12.34%	6.32%	(0.42)%	6.15%
Ratios to Average Net Assets^{(d)(e)}					
Total expenses	0.12% ^(f)	0.11%	0.13%	0.14%	0.17%
Total expenses after fees waived and/or reimbursed	0.08% ^(f)	0.08%	0.08%	0.09%	0.11%
Net investment income	2.52%	2.21%	2.12%	1.95%	1.98%
Supplemental Data					
Net assets, end of year (000)	\$2,279,772	\$2,103,133	\$1,428,311	\$875,791	\$699,797
Portfolio turnover rate of the LifePath Index Master Portfolio 2020 ^(g)	20%	9%	14%	14%	12%

^(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) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.01%	0.01%	0.02%	0.02%
Investments in underlying funds	0.03%	0.03%	0.04%	0.04%	0.04%

^(f) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.11% and 0.08%, respectively.

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index
2020 Fund (continued)

	Investor P
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$ 12.71
Net investment income ^(b)	0.14
Net realized and unrealized loss	(0.80)
Net decrease from investment operations	(0.66)
Distributions^(c)	
From net investment income	(0.14)
From net realized gain	(0.03)
Total distributions	(0.17)
Net asset value, end of period	\$ 11.88
Total Return^(d)	
Based on net asset value	(5.18)% ^(e)
Ratios to Average Net Assets	
Total expenses	0.40% ^{(f)(g)(h)}
Total expenses after fees waived and/or reimbursed	0.36% ^{(f)(g)(h)}
Net investment income	2.71% ^{(f)(h)}
Supplemental Data	
Net assets, end of period (000)	\$1,569,638
Portfolio turnover rate of the LifePath Index Master Portfolio ⁽ⁱ⁾	20%

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

(e) Aggregate total return.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.01%
Investments in underlying funds	0.03%

(h) Annualized.

(i) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International and U.S. Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2025 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 13.31	\$ 11.90	\$ 11.39	\$ 11.74	\$ 11.37
Net investment income ^(a)	0.32	0.29	0.25	0.24	0.24
Net realized and unrealized gain (loss)	(0.95)	1.41	0.53	(0.29)	0.47
Net increase (decrease) from investment operations	(0.63)	1.70	0.78	(0.05)	0.71
Distributions^(b)					
From net investment income	(0.30)	(0.28)	(0.24)	(0.23)	(0.22)
From net realized gain	(0.03)	(0.01)	(0.03)	(0.07)	(0.12)
From return of capital	—	—	(0.00) ^(c)	(0.00) ^(c)	—
Total distributions	(0.33)	(0.29)	(0.27)	(0.30)	(0.34)
Net asset value, end of year	\$ 12.35	\$ 13.31	\$ 11.90	\$ 11.39	\$ 11.74
Total Return^(d)					
Based on net asset value	(4.83)%	14.38%	6.82%	(0.42)%	6.33%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.16%	0.17%	0.18%	0.20%	0.23%
Total expenses after fees waived and/or reimbursed	0.12%	0.13%	0.13%	0.14%	0.16%
Net investment income	2.41%	2.26%	2.16%	2.00%	2.03%
Supplemental Data					
Net assets, end of year (000)	\$104,908	\$102,921	\$76,593	\$73,993	\$53,760
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	11%	8%	16%	12%	15%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.01%	0.01%	0.01%	0.02%
Investments in underlying funds	0.04%	0.04%	0.06%	0.05%	0.05%

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2025 Fund (continued)					
Investor A					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 13.29	\$ 11.89	\$ 11.38	\$ 11.73	\$ 11.36
Net investment income ^(a)	0.28	0.25	0.22	0.20	0.21
Net realized and unrealized gain (loss)	(0.94)	1.40	0.53	(0.28)	0.48
Net increase (decrease) from investment operations	(0.66)	1.65	0.75	(0.08)	0.69
Distributions^(b)					
From net investment income	(0.27)	(0.24)	(0.21)	(0.20)	(0.20)
From net realized gain	(0.03)	(0.01)	(0.03)	(0.07)	(0.12)
From return of capital	—	—	(0.00) ^(c)	(0.00) ^(c)	—
Total distributions	(0.30)	(0.25)	(0.24)	(0.27)	(0.32)
Net asset value, end of year	\$ 12.33	\$ 13.29	\$ 11.89	\$ 11.38	\$ 11.73
Total Return^(d)					
Based on net asset value	(5.08)%	14.03%	6.57%	(0.67)%	6.10%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.41%	0.41%	0.43%	0.45%	0.48%
Total expenses after fees waived and/or reimbursed	0.37%	0.38%	0.38%	0.39%	0.41%
Net investment income	2.10%	1.98%	1.90%	1.75%	1.77%
Supplemental Data					
Net assets, end of year (000)	\$119,566	\$157,207	\$133,514	\$104,993	\$89,983
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	11%	8%	16%	12%	15%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.01%	0.01%	0.01%	0.02%
Investments in underlying funds	0.04%	0.04%	0.06%	0.05%	0.05%

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2025 Fund (continued)					
Class K					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 13.31	\$ 11.90	\$ 11.39	\$ 11.75	\$ 11.37
Net investment income ^(a)	0.33	0.30	0.26	0.24	0.24
Net realized and unrealized gain (loss)	(0.95)	1.40	0.52	(0.29)	0.49
Net increase (decrease) from investment operations	(0.62)	1.70	0.78	(0.05)	0.73
Distributions^(b)					
From net investment income	(0.31)	(0.28)	(0.24)	(0.24)	(0.23)
From net realized gain	(0.03)	(0.01)	(0.03)	(0.07)	(0.12)
From return of capital	—	—	(0.00) ^(c)	(0.00) ^(c)	—
Total distributions	(0.34)	(0.29)	(0.27)	(0.31)	(0.35)
Net asset value, end of year	\$ 12.35	\$ 13.31	\$ 11.90	\$ 11.39	\$ 11.75
Total Return^(d)					
Based on net asset value	(4.78)%	14.43%	6.87%	(0.45)%	6.47%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.11%	0.11%	0.13%	0.14%	0.18%
Total expenses after fees waived and/or reimbursed	0.07%	0.07%	0.08%	0.09%	0.11%
Net investment income	2.47%	2.34%	2.19%	2.06%	2.08%
Supplemental Data					
Net assets, end of year (000)	\$2,777,710	\$2,240,495	\$1,225,637	\$597,527	\$374,396
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	11%	8%	16%	12%	15%

^(a) Based on average shares outstanding.

^(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(c) Amount is greater than \$(0.005) per share.

^(d) Where applicable, assumes the reinvestment of distributions.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.01%	0.01%	0.01%	0.02%
Investments in underlying funds	0.04%	0.04%	0.06%	0.05%	0.05%

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index
2025 Fund (continued)

Investor P	
	Period from 08/16/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$13.38
Net investment income ^(b)	0.17
Net realized and unrealized loss	<u>(1.04)</u>
Net decrease from investment operations	<u>(0.87)</u>
Distributions^(c)	
From net investment income	(0.16)
From net realized gain	<u>(0.03)</u>
Total distributions	<u>(0.19)</u>
Net asset value, end of period	\$12.32
Total Return^(d)	
Based on net asset value	<u>(6.57)%^(e)</u>
Ratios to Average Net Assets	
Total expenses	0.40% ^{(f)(g)(h)}
Total expenses after fees waived and/or reimbursed	<u>0.35%^{(f)(g)(h)}</u>
Net investment income	<u>3.53%^{(f)(g)(h)}</u>
Supplemental Data	
Net assets, end of period (000)	<u>\$1,810</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ⁽ⁱ⁾	<u>11%</u>

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

(e) Aggregate total return.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/16/18 ^(a) to 12/31/18
Allocated fees waived	0.01%
Investments in underlying funds	<u>0.04%</u>

(h) Annualized.

(i) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

	BlackRock LifePath Index 2030 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 13.62	\$ 11.99	\$ 11.45	\$ 11.86	\$ 11.49
Net investment income ^(a)	0.38	0.31	0.26	0.25	0.25
Net realized and unrealized gain (loss)	(1.13)	1.63	0.56	(0.31)	0.51
Net increase (decrease) from investment operations	(0.75)	1.94	0.82	(0.06)	0.76
Distributions^(b)					
From net investment income	(0.29)	(0.29)	(0.25)	(0.25)	(0.24)
From net realized gain	(0.01)	(0.02)	(0.03)	(0.10)	(0.15)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.30)	(0.31)	(0.28)	(0.35)	(0.39)
Net asset value, end of year	\$ 12.57	\$ 13.62	\$ 11.99	\$ 11.45	\$ 11.86
Total Return^(d)					
Based on net asset value	(5.60)%	16.29%	7.23%	(0.55)%	6.58%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.16% ^(g)	0.16%	0.19%	0.20%	0.22%
Total expenses after fees waived and/or reimbursed	0.11% ^(g)	0.12%	0.13%	0.14%	0.16%
Net investment income	2.82%	2.36%	2.22%	2.08%	2.10%
Supplemental Data					
Net assets, end of year (000)	\$393,584	\$137,120	\$99,722	\$88,246	\$73,640
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	15%	7%	19%	12%	20%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated expenses and/or net investment income. Excludes expenses incurred indirectly as a result of LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.02%	0.01%	0.01%	0.02%
Investments in underlying funds	0.04%	0.05%	0.07%	0.06%	0.05%

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.15% and 0.11%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2030 Fund (continued)				
	Investor A				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 13.62	\$ 11.99	\$ 11.45	\$ 11.85	\$ 11.49
Net investment income ^(a)	0.30	0.27	0.22	0.22	0.22
Net realized and unrealized gain (loss)	(1.09)	1.64	0.57	(0.30)	0.50
Net increase (decrease) from investment operations	(0.79)	1.91	0.79	(0.08)	0.72
Distributions^(b)					
From net investment income	(0.26)	(0.26)	(0.22)	(0.22)	(0.21)
From net realized gain	(0.01)	(0.02)	(0.03)	(0.10)	(0.15)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.27)	(0.28)	(0.25)	(0.32)	(0.36)
Net asset value, end of year	\$ 12.56	\$ 13.62	\$ 11.99	\$ 11.45	\$ 11.85
Total Return^(d)					
Based on net asset value	(5.92)%	16.01%	6.98%	(0.80)%	6.26%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.41% ^(g)	0.41%	0.43%	0.45%	0.47%
Total expenses after fees waived and/or reimbursed	0.36% ^(g)	0.37%	0.38%	0.39%	0.41%
Net investment income	2.23%	2.10%	1.90%	1.84%	1.84%
Supplemental Data					
Net assets, end of year (000)	\$283,011	\$284,679	\$209,757	\$117,745	\$111,333
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	15%	7%	19%	12%	20%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated expenses and/or net investment income. Excludes expenses incurred indirectly as a result of LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.02%	0.01%	0.01%	0.02%
Investments in underlying funds	0.04%	0.05%	0.07%	0.06%	0.05%

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.40% and 0.36%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2030 Fund (continued)					
Class K					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 13.61	\$ 11.98	\$ 11.44	\$ 11.85	\$ 11.48
Net investment income ^(a)	0.34	0.31	0.27	0.26	0.25
Net realized and unrealized gain (loss)	(1.08)	1.64	0.55	(0.32)	0.51
Net increase (decrease) from investment operations	(0.74)	1.95	0.82	(0.06)	0.76
Distributions^(b)					
From net investment income	(0.30)	(0.30)	(0.25)	(0.25)	(0.24)
From net realized gain	(0.01)	(0.02)	(0.03)	(0.10)	(0.15)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.31)	(0.32)	(0.28)	(0.35)	(0.39)
Net asset value, end of year	\$ 12.56	\$ 13.61	\$ 11.98	\$ 11.44	\$ 11.85
Total Return^(d)					
Based on net asset value	(5.56)%	16.36%	7.29%	(0.50)%	6.64%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.11% ^(g)	0.10%	0.13%	0.14%	0.17%
Total expenses after fees waived and/or reimbursed	0.06% ^(g)	0.07%	0.08%	0.09%	0.11%
Net investment income	2.55%	2.40%	2.27%	2.15%	2.14%
Supplemental Data					
Net assets, end of year (000)	\$3,250,556	\$2,709,075	\$1,601,355	\$870,661	\$633,093
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	15%	7%	19%	12%	20%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated expenses and/or net investment income. Excludes expenses incurred indirectly as a result of LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.01%	0.02%	0.01%	0.01%	0.02%
Investments in underlying funds	0.04%	0.05%	0.07%	0.06%	0.05%

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.10% and 0.06%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)
(For a share outstanding throughout the period)

BlackRock LifePath Index
2030 Fund (continued)

	Investor P
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$ 13.77
Net investment income ^(b)	0.21
Net realized and unrealized loss	(1.27)
Net decrease from investment operations	(1.06)
Distributions^(c)	
From net investment income	(0.15)
From net realized gain	(0.00) ^(d)
Total distributions	(0.15)
Net asset value, end of period	\$ 12.56
Total Return^(e)	
Based on net asset value	(7.73)% ^(f)
Ratios to Average Net Assets	
Total expenses	0.39% ^{(g)(h)(i)}
Total expenses after fees waived and/or reimbursed	0.35% ^{(g)(h)(i)}
Net investment income	3.95% ^{(g)(i)}
Supplemental Data	
Net assets, end of period (000)	\$1,802,660
Portfolio turnover rate of the LifePath Index Master Portfolio ⁽ⁱ⁾	15%
	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.01%
Investments in underlying funds	0.04%

- (a) Commencement of operations.
(b) Based on average shares outstanding.
(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(d) Amount is greater than \$(0.005) per share.
(e) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
(f) Aggregate total return.
(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.
(h) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

- (i) Annualized.
(i) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2035 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	<u>\$ 14.08</u>	<u>\$ 12.19</u>	<u>\$ 11.58</u>	<u>\$ 11.98</u>	<u>\$ 11.57</u>
Net investment income ^(a)	0.34	0.33	0.27	0.26	0.26
Net realized and unrealized gain (loss)	(1.23)	1.88	0.61	(0.32)	0.51
Net increase (decrease) from investment operations	<u>(0.89)</u>	<u>2.21</u>	<u>0.88</u>	<u>(0.06)</u>	<u>0.77</u>
Distributions^(b)					
From net investment income	(0.31)	(0.31)	(0.25)	(0.26)	(0.24)
From net realized gain	(0.00) ^(c)	(0.01)	(0.02)	(0.08)	(0.12)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	<u>(0.31)</u>	<u>(0.32)</u>	<u>(0.27)</u>	<u>(0.34)</u>	<u>(0.36)</u>
Net asset value, end of year	<u>\$ 12.88</u>	<u>\$ 14.08</u>	<u>\$ 12.19</u>	<u>\$ 11.58</u>	<u>\$ 11.98</u>
Total Return^(d)					
Based on net asset value	<u>(6.40)%</u>	<u>18.22%</u>	<u>7.69%</u>	<u>(0.53)%</u>	<u>6.68%</u>
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	<u>0.16%</u>	<u>0.16%</u>	<u>0.18%</u>	<u>0.20%</u>	<u>0.24%</u>
Total expenses after fees waived and/or reimbursed	<u>0.11%</u>	<u>0.11%</u>	<u>0.12%</u>	<u>0.13%</u>	<u>0.15%</u>
Net investment income	<u>2.41%</u>	<u>2.47%</u>	<u>2.30%</u>	<u>2.19%</u>	<u>2.18%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$94,316</u>	<u>\$97,302</u>	<u>\$61,939</u>	<u>\$57,253</u>	<u>\$37,073</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	<u>10%</u>	<u>6%</u>	<u>22%</u>	<u>10%</u>	<u>25%</u>

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.02%	0.02%	0.02%	0.02%	0.02%
Investments in underlying funds	0.05%	0.05%	0.08%	0.07%	0.06%

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2035 Fund (continued)					
Investor A					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.04	\$ 12.16	\$ 11.56	\$ 11.96	\$ 11.56
Net investment income ^(a)	0.29	0.29	0.24	0.23	0.23
Net realized and unrealized gain (loss)	(1.21)	1.88	0.60	(0.32)	0.51
Net increase (decrease) from investment operations	(0.92)	2.17	0.84	(0.09)	0.74
Distributions^(b)					
From net investment income	(0.27)	(0.28)	(0.22)	(0.23)	(0.22)
From net realized gain	(0.00) ^(c)	(0.01)	(0.02)	(0.08)	(0.12)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.27)	(0.29)	(0.24)	(0.31)	(0.34)
Net asset value, end of year	\$ 12.85	\$ 14.04	\$ 12.16	\$ 11.56	\$ 11.96
Total Return^(d)					
Based on net asset value	(6.59)%	17.89%	7.36%	(0.78)%	6.37%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.41%	0.41%	0.42%	0.45%	0.48%
Total expenses after fees waived and/or reimbursed	0.36%	0.36%	0.37%	0.38%	0.41%
Net investment income	2.08%	2.17%	2.05%	1.95%	1.91%
Supplemental Data					
Net assets, end of year (000)	\$103,712	\$158,712	\$124,021	\$94,830	\$83,587
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	10%	6%	22%	10%	25%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

Year ended December 31,					
	2018	2017	2016	2015	2014
Allocated fees waived	0.02%	0.02%	0.02%	0.02%	0.02%
Investments in underlying funds	0.05%	0.05%	0.08%	0.07%	0.06%

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2035 Fund (continued)					
Class K					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.07	\$ 12.18	\$ 11.57	\$ 11.98	\$ 11.56
Net investment income ^(a)	0.35	0.34	0.28	0.27	0.26
Net realized and unrealized gain (loss)	(1.23)	1.88	0.61	(0.33)	0.53
Net increase (decrease) from investment operations	(0.88)	2.22	0.89	(0.06)	0.79
Distributions^(b)					
From net investment income	(0.32)	(0.32)	(0.26)	(0.27)	(0.25)
From net realized gain	(0.00) ^(c)	(0.01)	(0.02)	(0.08)	(0.12)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.32)	(0.33)	(0.28)	(0.35)	(0.37)
Net asset value, end of year	\$ 12.87	\$ 14.07	\$ 12.18	\$ 11.57	\$ 11.98
Total Return^(d)					
Based on net asset value	(6.36)%	18.29%	7.74%	(0.56)%	6.82%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.10%	0.10%	0.12%	0.14%	0.19%
Total expenses after fees waived and/or reimbursed	0.06%	0.06%	0.07%	0.08%	0.11%
Net investment income	2.51%	2.52%	2.33%	2.26%	2.22%

Supplemental Data

Net assets, end of year (000)	\$2,393,634	\$1,860,697	\$983,867	\$457,472	\$289,331
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	10%	6%	22%	10%	25%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.02%	0.02%	0.02%	0.02%	0.02%
Investments in underlying funds	0.05%	0.05%	0.08%	0.07%	0.06%

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index
2035 Fund (continued)

	Investor P
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	<u>\$14.26</u>
Net investment income ^(b)	0.17
Net realized and unrealized loss	<u>(1.43)</u>
Net decrease from investment operations	<u>(1.26)</u>
Distributions^(c)	
From net investment income	(0.16)
From net realized gain	<u>(0.00)^(d)</u>
Total distributions	<u>(0.16)</u>
Net asset value, end of period	<u>\$12.84</u>
Total Return^(e)	
Based on net asset value	<u>(8.87)%^(f)</u>
Ratios to Average Net Assets	
Total expenses	<u>0.38%^{(g)(h)(i)}</u>
Total expenses after fees waived and/or reimbursed	<u>0.34%^{(g)(h)(i)}</u>
Net investment income	<u>3.22%^{(g)(h)}</u>
Supplemental Data	
Net assets, end of period (000)	<u>\$ 561</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ⁽ⁱ⁾	<u>10%</u>

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Amount is greater than \$(0.005) per share.

(e) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

(f) Aggregate total return.

(g) Annualized.

(h) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(i) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.02%
Investments in underlying funds	<u>0.05%</u>

(i) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2040 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.39	\$ 12.29	\$ 11.65	\$ 12.11	\$ 11.69
Net investment income ^(a)	0.47	0.35	0.28	0.28	0.27
Net realized and unrealized gain (loss)	(1.48)	2.08	0.65	(0.36)	0.54
Net increase (decrease) from investment operations	(1.01)	2.43	0.93	(0.08)	0.81
Distributions^(b)					
From net investment income	(0.30)	(0.33)	(0.26)	(0.27)	(0.26)
From net realized gain	(0.01)	(0.00) ^(c)	(0.03)	(0.11)	(0.13)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.31)	(0.33)	(0.29)	(0.38)	(0.39)
Net asset value, end of year	\$ 13.07	\$ 14.39	\$ 12.29	\$ 11.65	\$ 12.11
Total Return^(d)					
Based on net asset value	(7.12)%	19.89%	8.05%	(0.69)%	6.94%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.15% ^(g)	0.15%	0.18%	0.20%	0.23%
Total expenses after fees waived and/or reimbursed	0.10% ^(g)	0.11%	0.12%	0.13%	0.16%
Net investment income	3.29%	2.56%	2.36%	2.26%	2.23%
Supplemental Data					
Net assets, end of year (000)	\$446,192	\$107,509	\$68,324	\$66,512	\$50,054
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	12%	6%	26%	11%	29%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.02%	0.02%	0.02%
Investments in underlying funds	0.05%	0.06%	0.09%	0.07%	0.06%

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.14% and 0.10%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2040 Fund (continued)					
Investor A					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.36	\$ 12.27	\$ 11.64	\$ 12.09	\$ 11.68
Net investment income ^(a)	0.32	0.31	0.24	0.25	0.24
Net realized and unrealized gain (loss)	(1.35)	2.07	0.66	(0.35)	0.53
Net increase (decrease) from investment operations	(1.03)	2.38	0.90	(0.10)	0.77
Distributions^(b)					
From net investment income	(0.27)	(0.29)	(0.24)	(0.24)	(0.23)
From net realized gain	(0.01)	(0.00) ^(c)	(0.03)	(0.11)	(0.13)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.28)	(0.29)	(0.27)	(0.35)	(0.36)
Net asset value, end of year	\$ 13.05	\$ 14.36	\$ 12.27	\$ 11.64	\$ 12.09
Total Return^(d)					
Based on net asset value	(7.30)%	19.56%	7.72%	(0.94)%	6.62%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.40% ^(g)	0.40%	0.43%	0.45%	0.48%
Total expenses after fees waived and/or reimbursed	0.35% ^(g)	0.36%	0.37%	0.38%	0.41%
Net investment income	2.21%	2.29%	2.02%	2.02%	1.98%
Supplemental Data					
Net assets, end of year (000)	\$174,340	\$204,873	\$134,897	\$69,660	\$58,952
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	12%	6%	26%	11%	29%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

Year Ended December 31,					
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.02%	0.02%	0.02%
Investments in underlying funds	0.05%	0.06%	0.09%	0.07%	0.06%

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.39% and 0.35%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2040 Fund (continued)				
	Class K				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.39	\$ 12.29	\$ 11.65	\$ 12.10	\$ 11.69
Net investment income ^(a)	0.37	0.35	0.28	0.28	0.27
Net realized and unrealized gain (loss)	(1.37)	2.08	0.66	(0.34)	0.53
Net increase (decrease) from investment operations	(1.00)	2.43	0.94	(0.06)	0.80
Distributions^(b)					
From net investment income	(0.31)	(0.33)	(0.27)	(0.28)	(0.26)
From net realized gain	(0.01)	(0.00) ^(c)	(0.03)	(0.11)	(0.13)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.32)	(0.33)	(0.30)	(0.39)	(0.39)
Net asset value, end of year	\$ 13.07	\$ 14.39	\$ 12.29	\$ 11.65	\$ 12.10
Total Return^(d)					
Based on net asset value	(7.08)%	19.95%	8.10%	(0.56)%	6.90%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.10% ^(g)	0.10%	0.12%	0.14%	0.18%
Total expenses after fees waived and/or reimbursed	0.05% ^(g)	0.06%	0.07%	0.08%	0.11%
Net investment income	2.57%	2.60%	2.39%	2.33%	2.27%
Supplemental Data					
Net assets, end of year (000)	\$2,478,916	\$2,021,824	\$1,151,477	\$615,122	\$437,342
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	12%	6%	26%	11%	29%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.02%	0.02%	0.02%
Investments in underlying funds	0.05%	0.06%	0.09%	0.07%	0.06%

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.09% and 0.05%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index
2040 Fund (continued)

	Investor P
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$ 14.64
Net investment income ^(b)	0.28
Net realized and unrealized loss	(1.72)
Net decrease from investment operations	(1.44)
Distributions^(c)	
From net investment income	(0.15)
From net realized gain	(0.01)
Total distributions	(0.16)
Net asset value, end of period	\$ 13.04
Total Return^(d)	
Based on net asset value	(9.89)% ^(e)
Ratios to Average Net Assets	
Total expenses	0.38% ^{(f)(g)(h)(i)}
Total expenses after fees waived and/or reimbursed	0.34% ^{(f)(g)(h)(i)}
Net investment income	4.99% ^{(f)(h)}
Supplemental Data	
Net assets, end of period (000)	\$1,285,686
Portfolio turnover rate of the LifePath Index Master Portfolio ⁽ⁱ⁾	12%

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

(e) Aggregate total return.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.03%
Investments in underlying funds	0.05%

(h) Annualized.

(i) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.37% and 0.34%, respectively.

(j) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2045 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.75	\$ 12.48	\$ 11.80	\$ 12.25	\$ 11.78
Net investment income ^(a)	0.36	0.36	0.29	0.29	0.29
Net realized and unrealized gain (loss)	(1.45)	2.25	0.68	(0.37)	0.54
Net increase (decrease) from investment operations	(1.09)	2.61	0.97	(0.08)	0.83
Distributions^(b)					
From net investment income	(0.32)	(0.34)	(0.27)	(0.28)	(0.26)
From net realized gain	(0.01)	—	(0.02)	(0.09)	(0.10)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.33)	(0.34)	(0.29)	(0.37)	(0.36)
Net asset value, end of year	\$ 13.33	\$ 14.75	\$ 12.48	\$ 11.80	\$ 12.25
Total Return^(d)					
Based on net asset value	(7.56)%	21.03%	8.23%	(0.70)%	7.07%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.15%	0.15%	0.18%	0.21%	0.26%
Total expenses after fees waived and/or reimbursed	0.10%	0.10%	0.11%	0.12%	0.15%
Net investment income	2.43%	2.63%	2.39%	2.32%	2.35%
Supplemental Data					
Net assets, end of year (000)	\$70,629	\$74,092	\$45,760	\$45,228	\$27,964
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	8%	6%	26%	10%	30%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.04%	0.03%	0.03%
Investments in underlying funds	0.06%	0.06%	0.10%	0.08%	0.07%

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2045 Fund (continued)					
Investor A					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	<u>\$ 14.73</u>	<u>\$ 12.46</u>	<u>\$ 11.78</u>	<u>\$ 12.23</u>	<u>\$ 11.77</u>
Net investment income ^(a)	0.31	0.32	0.26	0.26	0.25
Net realized and unrealized gain (loss)	<u>(1.45)</u>	<u>2.25</u>	<u>0.68</u>	<u>(0.37)</u>	<u>0.54</u>
Net increase (decrease) from investment operations	<u>(1.14)</u>	<u>2.57</u>	<u>0.94</u>	<u>(0.11)</u>	<u>0.79</u>
Distributions^(b)					
From net investment income	(0.28)	(0.30)	(0.24)	(0.25)	(0.23)
From net realized gain	(0.01)	—	(0.02)	(0.09)	(0.10)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	<u>(0.29)</u>	<u>(0.30)</u>	<u>(0.26)</u>	<u>(0.34)</u>	<u>(0.33)</u>
Net asset value, end of year	<u>\$ 13.30</u>	<u>\$ 14.73</u>	<u>\$ 12.46</u>	<u>\$ 11.78</u>	<u>\$ 12.23</u>
Total Return^(d)					
Based on net asset value	<u>(7.87)%</u>	<u>20.77%</u>	<u>8.00%</u>	<u>(0.94)%</u>	<u>6.74%</u>
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	<u>0.40%</u>	<u>0.40%</u>	<u>0.42%</u>	<u>0.46%</u>	<u>0.51%</u>
Total expenses after fees waived and/or reimbursed	<u>0.35%</u>	<u>0.35%</u>	<u>0.36%</u>	<u>0.37%</u>	<u>0.40%</u>
Net investment income	<u>2.12%</u>	<u>2.32%</u>	<u>2.15%</u>	<u>2.09%</u>	<u>2.04%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$65,642</u>	<u>\$83,711</u>	<u>\$61,642</u>	<u>\$43,155</u>	<u>\$33,859</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	<u>8%</u>	<u>6%</u>	<u>26%</u>	<u>10%</u>	<u>30%</u>

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.04%	0.03%	0.03%
Investments in underlying funds	<u>0.06%</u>	<u>0.06%</u>	<u>0.10%</u>	<u>0.08%</u>	<u>0.07%</u>

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2045 Fund (continued)					
Class K					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.76	\$ 12.49	\$ 11.81	\$ 12.26	\$ 11.79
Net investment income ^(a)	0.37	0.38	0.29	0.29	0.28
Net realized and unrealized gain (loss)	(1.46)	2.23	0.68	(0.37)	0.55
Net increase (decrease) from investment operations	(1.09)	2.61	0.97	(0.08)	0.83
Distributions^(b)					
From net investment income	(0.32)	(0.34)	(0.27)	(0.28)	(0.26)
From net realized gain	(0.01)	—	(0.02)	(0.09)	(0.10)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.33)	(0.34)	(0.29)	(0.37)	(0.36)
Net asset value, end of year	\$ 13.34	\$ 14.76	\$ 12.49	\$ 11.81	\$ 12.26
Total Return^(d)					
Based on net asset value	(7.50)%	21.07%	8.28%	(0.64)%	7.10%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.10%	0.09%	0.13%	0.15%	0.22%
Total expenses after fees waived and/or reimbursed	0.05%	0.05%	0.06%	0.07%	0.10%
Net investment income	2.55%	2.72%	2.44%	2.39%	2.33%

Supplemental Data

Net assets, end of year (000)	\$1,645,042	\$1,228,130	\$584,168	\$252,843	\$164,934
Portfolio turnover rate of the LifePath Index Master Portfolio Fund ^(g)	8%	6%	26%	10%	30%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.04%	0.03%	0.03%
Investments in underlying funds	0.06%	0.06%	0.10%	0.08%	0.07%

(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index
2045 Fund (continued)

	Investor P
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$ 15.05
Net investment income ^(b)	0.16
Net realized and loss	<u>(1.75)</u>
Net decrease from investment operations	<u>(1.59)</u>
Distributions^(c)	
From net investment income	(0.16)
From net realized gain	<u>(0.01)</u>
Total distributions	<u>(0.17)</u>
Net asset value, end of period	\$ 13.29
Total Return^(d)	
Based on net asset value	<u>(10.64)%^(e)</u>
Ratios to Average Net Assets	
Total expenses	<u>0.37%^{(f)(g)(h)}</u>
Total expenses after fees waived and/or reimbursed	<u>0.32%^{(f)(g)(h)}</u>
Net investment income	<u>2.71%^{(f)(h)}</u>
Supplemental Data	
Net assets, end of period (000)	<u>\$ 249</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ⁽ⁱ⁾	<u>8%</u>

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

^(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

^(e) Aggregate total return.

^(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.03%
Investments in underlying funds	<u>0.06%</u>

^(h) Annualized.

⁽ⁱ⁾ Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2050 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.99	\$ 12.65	\$ 11.95	\$ 12.41	\$ 11.91
Net investment income ^(a)	0.37	0.37	0.29	0.29	0.29
Net realized and unrealized gain (loss)	(1.53)	2.32	0.70	(0.38)	0.57
Net increase (decrease) from investment operations	(1.16)	2.69	0.99	(0.09)	0.86
Distributions^(b)					
From net investment income	(0.31)	(0.35)	(0.27)	(0.28)	(0.26)
From net realized gain	(0.01)	—	(0.02)	(0.09)	(0.10)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.32)	(0.35)	(0.29)	(0.37)	(0.36)
Net asset value, end of year	\$ 13.51	\$ 14.99	\$ 12.65	\$ 11.95	\$ 12.41
Total Return^(d)					
Based on net asset value	(7.87)%	21.38%	8.36%	(0.72)%	7.23%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.16% ^(g)	0.15%	0.19%	0.22%	0.27%
Total expenses after fees waived and/or reimbursed	0.10% ^(g)	0.10%	0.11%	0.12%	0.15%
Net investment income	2.45%	2.68%	2.40%	2.32%	2.33%
Supplemental Data					
Net assets, end of year (000)	\$68,949	\$70,450	\$40,196	\$38,476	\$24,618
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	11%	5%	28%	14%	22%

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.04%	0.03%	0.03%
Investments in underlying funds	0.06%	0.06%	0.10%	0.09%	0.08%

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.15% and 0.10%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

	BlackRock LifePath Index 2050 Fund (continued)				
	Investor A				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	<u>\$ 14.96</u>	<u>\$ 12.62</u>	<u>\$ 11.93</u>	<u>\$ 12.39</u>	<u>\$ 11.89</u>
Net investment income ^(a)	0.33	0.33	0.25	0.26	0.26
Net realized and unrealized gain (loss)	<u>(1.52)</u>	<u>2.32</u>	<u>0.71</u>	<u>(0.38)</u>	<u>0.57</u>
Net increase (decrease) from investment operations	<u>(1.19)</u>	<u>2.65</u>	<u>0.96</u>	<u>(0.12)</u>	<u>0.83</u>
Distributions^(b)					
From net investment income	(0.28)	(0.31)	(0.25)	(0.25)	(0.23)
From net realized gain	(0.01)	—	(0.02)	(0.09)	(0.10)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	<u>(0.29)</u>	<u>(0.31)</u>	<u>(0.27)</u>	<u>(0.34)</u>	<u>(0.33)</u>
Net asset value, end of year	<u>\$ 13.48</u>	<u>\$ 14.96</u>	<u>\$ 12.62</u>	<u>\$ 11.93</u>	<u>\$ 12.39</u>
Total Return^(d)					
Based on net asset value	<u>(8.11)%</u>	<u>21.14%</u>	<u>8.04%</u>	<u>(0.96)%</u>	<u>7.01%</u>
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	<u>0.42%</u> ^(g)	<u>0.40%</u>	<u>0.43%</u>	<u>0.46%</u>	<u>0.52%</u>
Total expenses after fees waived and/or reimbursed	<u>0.35%</u> ^(g)	<u>0.35%</u>	<u>0.36%</u>	<u>0.37%</u>	<u>0.40%</u>
Net investment income	<u>2.18%</u>	<u>2.40%</u>	<u>2.07%</u>	<u>2.09%</u>	<u>2.08%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$82,677</u>	<u>\$95,477</u>	<u>\$60,051</u>	<u>\$27,413</u>	<u>\$22,053</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	<u>11%</u>	<u>5%</u>	<u>28%</u>	<u>14%</u>	<u>22%</u>

(a) Based on average shares outstanding.

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

(c) Amount is greater than \$(0.005) per share.

(d) Where applicable, assumes the reinvestment of distributions.

(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.04%	0.03%	0.03%
Investments in underlying funds	<u>0.06%</u>	<u>0.06%</u>	<u>0.10%</u>	<u>0.09%</u>	<u>0.08%</u>

(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.41% and 0.35%, respectively.

(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2050 Fund (continued)				
	Class K				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 14.99	\$ 12.65	\$ 11.95	\$ 12.41	\$ 11.91
Net investment income ^(a)	0.38	0.39	0.30	0.30	0.29
Net realized and unrealized gain (loss)	(1.53)	2.30	0.70	(0.38)	0.58
Net increase (decrease) from investment operations	(1.15)	2.69	1.00	(0.08)	0.87
Distributions^(b)					
From net investment income	(0.32)	(0.35)	(0.28)	(0.29)	(0.27)
From net realized gain	(0.01)	—	(0.02)	(0.09)	(0.10)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.33)	(0.35)	(0.30)	(0.38)	(0.37)
Net asset value, end of year	\$ 13.51	\$ 14.99	\$ 12.65	\$ 11.95	\$ 12.41
Total Return^(d)					
Based on net asset value	(7.82)%	21.43%	8.41%	(0.67)%	7.28%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.11% ^(g)	0.10%	0.13%	0.16%	0.23%
Total expenses after fees waived and/or reimbursed	0.05% ^(g)	0.05%	0.06%	0.07%	0.10%
Net investment income	2.57%	2.73%	2.45%	2.39%	2.37%

Supplemental Data

Net assets, end of year (000)	\$1,420,616	\$1,086,096	\$549,541	\$271,178	\$186,198
Portfolio turnover rate of the LifePath Index Master Portfolio ^(h)	11%	5%	28%	14%	22%

^(a) Based on average shares outstanding.

^(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(c) Amount is greater than \$(0.005) per share.

^(d) Where applicable, assumes the reinvestment of distributions.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.03%	0.03%	0.04%	0.03%	0.03%
Investments in underlying funds	0.06%	0.06%	0.10%	0.09%	0.08%

^(g) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.10% and 0.05%, respectively.

^(h) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index
2050 Fund (continued)

	Investor P
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$ 15.30
Net investment income ^(b)	0.34
Net realized and unrealized loss	(2.00)
Net decrease from investment operations	(1.66)
Distributions^(c)	
From net investment income	(0.16)
From net realized gain	(0.01)
Total distributions	(0.17)
Net asset value, end of period	\$ 13.47
Total Return^(d)	
Based on net asset value	(10.93)% ^(e)
Ratios to Average Net Assets	
Total expenses	0.39% ^{(f)(g)(h)(i)(j)}
Total expenses after fees waived and/or reimbursed	0.34% ^{(f)(g)(h)(i)(j)}
Net investment income	5.73% ^{(f)(h)}
Supplemental Data	
Net assets, end of period (000)	\$393,442
Portfolio turnover rate of the LifePath Index Master Portfolio ^(k)	11%

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

(e) Aggregate total return.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.03%
Investments in underlying funds	0.06%

(h) Annualized.

(i) Reorganization, offering, and board realignment and consolidation costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses and total expenses after fees waived and/or reimbursed would have been 0.40% and 0.34%, respectively.

(j) Includes reorganization, offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.38% and 0.34%, respectively.

(k) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2055 Fund				
	Institutional				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 15.27	\$ 12.88	\$ 12.17	\$ 12.60	\$12.05
Net investment income ^(a)	0.38	0.39	0.30	0.30	0.31
Net realized and unrealized gain (loss)	(1.56)	2.35	0.71	(0.38)	0.58
Net increase (decrease) from investment operations	(1.18)	2.74	1.01	(0.08)	0.89
Distributions^(b)					
From net investment income	(0.32)	(0.35)	(0.28)	(0.28)	(0.27)
From net realized gain	—	—	(0.02)	(0.07)	(0.07)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.32)	(0.35)	(0.30)	(0.35)	(0.34)
Net asset value, end of year	\$ 13.77	\$ 15.27	\$ 12.88	\$ 12.17	\$12.60
Total Return^(d)					
Based on net asset value	(7.83)%	21.38%	8.32%	(0.64)%	7.46%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.17%	0.16%	0.23%	0.30%	0.43%
Total expenses after fees waived and/or reimbursed	0.09%	0.09%	0.10%	0.11%	0.13%
Net investment income	2.49%	2.73%	2.45%	2.39%	2.50%
Supplemental Data					
Net assets, end of year (000)	\$60,993	\$52,487	\$26,561	\$19,214	\$7,874
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	8%	5%	33%	17%	22%

^(a) Based on average shares outstanding.

^(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(c) Amount is greater than \$(0.005) per share.

^(d) Where applicable, assumes the reinvestment of distributions.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.04%	0.04%	0.06%	0.05%	0.10%
Investments in underlying funds	0.06%	0.07%	0.11%	0.09%	0.09%

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2055 Fund (continued)				
	Investor A				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 15.24	\$ 12.86	\$ 12.15	\$ 12.58	\$12.04
Net investment income ^(a)	0.34	0.34	0.27	0.27	0.27
Net realized and unrealized gain (loss)	(1.55)	2.35	0.71	(0.38)	0.58
Net increase (decrease) from investment operations	(1.21)	2.69	0.98	(0.11)	0.85
Distributions^(b)					
From net investment income	(0.29)	(0.31)	(0.25)	(0.25)	(0.24)
From net realized gain	—	—	(0.02)	(0.07)	(0.07)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.29)	(0.31)	(0.27)	(0.32)	(0.31)
Net asset value, end of year	\$ 13.74	\$ 15.24	\$ 12.86	\$ 12.15	\$12.58
Total Return^(d)					
Based on net asset value	(8.08)%	21.05%	8.10%	(0.88)%	7.13%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.43%	0.41%	0.46%	0.53%	0.69%
Total expenses after fees waived and/or reimbursed	0.34%	0.34%	0.34%	0.36%	0.40%
Net investment income	2.23%	2.41%	2.19%	2.13%	2.14%
Supplemental Data					
Net assets, end of year (000)	\$41,909	\$41,580	\$27,026	\$13,140	\$8,945
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	8%	5%	33%	17%	22%

^(a) Based on average shares outstanding.

^(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(c) Amount is greater than \$(0.005) per share.

^(d) Where applicable, assumes the reinvestment of distributions.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.04%	0.04%	0.06%	0.05%	0.10%
Investments in underlying funds	0.06%	0.07%	0.11%	0.09%	0.09%

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2055 Fund (continued)					
Class K					
Year Ended December 31,					
	2018	2017	2016	2015	2014
Net asset value, beginning of year	\$ 15.27	\$ 12.88	\$ 12.17	\$ 12.60	\$ 12.05
Net investment income ^(a)	0.40	0.41	0.31	0.31	0.30
Net realized and unrealized gain (loss)	(1.57)	2.33	0.70	(0.38)	0.60
Net increase (decrease) from investment operations	(1.17)	2.74	1.01	(0.07)	0.90
Distributions^(b)					
From net investment income	(0.33)	(0.35)	(0.28)	(0.29)	(0.28)
From net realized gain	—	—	(0.02)	(0.07)	(0.07)
From return of capital	—	—	(0.00) ^(c)	—	—
Total distributions	(0.33)	(0.35)	(0.30)	(0.36)	(0.35)
Net asset value, end of year	\$ 13.77	\$ 15.27	\$ 12.88	\$ 12.17	\$ 12.60
Total Return^(d)					
Based on net asset value	(7.79)%	21.43%	8.37%	(0.60)%	7.50%
Ratios to Average Net Assets^{(e)(f)}					
Total expenses	0.11%	0.10%	0.18%	0.24%	0.42%
Total expenses after fees waived and/or reimbursed	0.04%	0.04%	0.04%	0.06%	0.10%
Net investment income	2.60%	2.79%	2.50%	2.43%	2.44%

Supplemental Data

Net assets, end of year (000)	\$716,634	\$484,002	\$197,394	\$74,656	\$45,039
Portfolio turnover rate of the LifePath Index Master Portfolio ^(g)	8%	5%	33%	17%	22%

^(a) Based on average shares outstanding.

^(b) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(c) Amount is greater than \$(0.005) per share.

^(d) Where applicable, assumes the reinvestment of distributions.

^(e) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

Year Ended December 31,					
	2018	2017	2016	2015	2014
Allocated fees waived	0.04%	0.04%	0.06%	0.05%	0.10%
Investments in underlying funds	0.06%	0.07%	0.11%	0.09%	0.09%

^(g) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index
2055 Fund (continued)

	Investor P
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$ 15.60
Net investment income ^(b)	0.16
Net realized and unrealized loss	<u>(1.87)</u>
Net decrease from investment operations	<u>(1.71)</u>
Distributions^(c)	
From net investment income	<u>(0.16)</u>
Net asset value, end of period	<u>\$ 13.73</u>
Total Return^(d)	
Based on net asset value	<u>(11.00)%^(e)</u>
Ratios to Average Net Assets	
Total expenses	<u>0.37%^{(f)(g)(h)(i)}</u>
Total expenses after fees waived and/or reimbursed	<u>0.32%^{(f)(g)(h)(i)}</u>
Net investment income	<u>2.63%^{(f)(h)}</u>
Supplemental Data	
Net assets, end of period (000)	<u>\$ 209</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ⁽ⁱ⁾	<u>8%</u>

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

(e) Aggregate total return.

(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.04%
Investments in underlying funds	<u>0.06%</u>

(h) Annualized.

(i) Offering and board realignment and consolidation costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses and total expenses after fees waived and/or reimbursed would have been 0.38% and 0.32%, respectively.

(j) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2060 Fund		
	Institutional		
	Year Ended December 31,		Period from
	2018	2017	02/29/16 ^(a) to 12/31/16
Net asset value, beginning of period	\$13.50	\$11.36	\$10.00
Net investment income ^(b)	0.36	0.39	0.33
Net realized and unrealized gain (loss)	(1.40)	2.03	1.21
Net increase (decrease) from investment operations	(1.04)	2.42	1.54
Distributions^(c)			
From net investment income	(0.27)	(0.28)	(0.18)
From net realized gain	—	—	(0.00) ^(d)
From return of capital	—	—	(0.00) ^(d)
Total distributions	(0.27)	(0.28)	(0.18)
Net asset value, end of period	\$12.19	\$13.50	\$11.36
Total Return^(e)			
Based on net asset value	(7.82)%	21.38%	15.50% ^(f)
Ratios to Average Net Assets^{(g)(h)}			
Total expenses	0.37% ⁽ⁱ⁾	0.54%	9.54% ^{(i)(k)}
Total expenses after fees waived and/or reimbursed	0.09% ⁽ⁱ⁾	0.09%	0.11% ⁽ⁱ⁾
Net investment income	2.68%	3.05%	3.56% ⁽ⁱ⁾
Supplemental Data			
Net assets, end of year (000)	\$2,773	\$1,021	\$ 118
Portfolio turnover rate of the BlackRock LifePath Index 2060 Fund ^(l)	13%	1%	71%

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Amount is greater than \$(0.005) per share.

(e) Where applicable, assumes the reinvestment of distributions.

(f) Aggregate total return.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(h) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,		Period from
	2018	2017	02/09/16 ^(a) to 12/31/16
Allocated fees waived	0.08%	0.11%	2.41%
Investments in underlying funds	0.06%	0.07%	0.12%

(i) Includes offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.34% and 0.09%, respectively.

(j) Annualized.

(k) Audit, Offering and Organization costs were not annualized in the calculation of the expense ratio. If these expenses were annualized, the total expenses would have been 11.15%

(l) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock LifePath Index 2060 Fund (continued)		
	Investor A		
	Year Ended December 31,		Period from
	2018	2017	02/29/16 ^(a) to 12/31/16
Net asset value, beginning of period	<u>\$13.48</u>	<u>\$11.35</u>	<u>\$10.00</u>
Net investment income ^(b)	0.31	0.36	0.26
Net realized and unrealized gain (loss)	(1.38)	2.02	1.26
Net increase (decrease) from investment operations	<u>(1.07)</u>	<u>2.38</u>	<u>1.52</u>
Distributions^(c)			
From net investment income	(0.24)	(0.25)	(0.17)
From net realized gain	—	—	(0.00) ^(d)
From return of capital	—	—	(0.00) ^(d)
Total distributions	<u>(0.24)</u>	<u>(0.25)</u>	<u>(0.17)</u>
Net asset value, end of period	<u>\$12.17</u>	<u>\$13.48</u>	<u>\$11.35</u>
Total Return^(e)			
Based on net asset value	<u>(8.04)%</u>	<u>21.06%</u>	<u>15.24%^(f)</u>
Ratios to Average Net Assets^{(g)(h)}			
Total expenses	<u>0.61%⁽ⁱ⁾</u>	<u>0.74%</u>	<u>6.36%^{(j)(k)}</u>
Total expenses after fees waived and/or reimbursed	<u>0.34%⁽ⁱ⁾</u>	<u>0.34%</u>	<u>0.34%⁽ⁱ⁾</u>
Net investment income	<u>2.29%</u>	<u>2.85%</u>	<u>2.85%⁽ⁱ⁾</u>
Supplemental Data			
Net assets, end of year (000)	<u>\$4,371</u>	<u>\$2,950</u>	<u>\$ 386</u>
Portfolio turnover rate of the BlackRock LifePath Index 2060 Fund ^(l)	<u>13%</u>	<u>1%</u>	<u>71%</u>

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Amount is greater than \$(0.005) per share.

(e) Where applicable, assumes the reinvestment of distributions.

(f) Aggregate total return.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(h) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,		Period from
	2018	2017	02/29/16 ^(a) to 12/31/16
Allocated fees waived	0.08%	0.11%	1.68%
Investments in underlying funds	<u>0.06%</u>	<u>0.07%</u>	<u>0.12%</u>

(i) Includes offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.58% and 0.34%, respectively.

(j) Annualized.

(k) Audit, Offering and Organization costs were not annualized in the calculation of the expense ratio. If these expenses were annualized, the total expenses would have been 7.39%.

(l) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

BlackRock LifePath Index 2060 Fund (continued)			
Class K			
	Year Ended December 31,		Period from
	2018	2017	02/29/16 ^(a) to 12/31/16
Net asset value, beginning of period	\$ 13.51	\$ 11.36	\$ 10.00
Net investment income ^(b)	0.36	0.41	0.25
Net realized and unrealized gain (loss)	(1.40)	2.02	1.30
Net increase (decrease) from investment operations	(1.04)	2.43	1.55
Distributions^(c)			
From net investment income	(0.28)	(0.28)	(0.19)
From net realized gain	—	—	(0.00) ^(d)
From return of capital	—	—	(0.00) ^(d)
Total distributions	(0.28)	(0.28)	(0.19)
Net asset value, end of period	\$ 12.19	\$ 13.51	\$ 11.36
Total Return^(e)			
Based on net asset value	(7.84)%	21.51%	15.54% ^(f)
Ratios to Average Net Assets^{(g)(h)}			
Total expenses	0.24% ⁽ⁱ⁾	0.48%	5.07% ^{(j)(k)}
Total expenses after fees waived and/or reimbursed	0.04% ⁽ⁱ⁾	0.04%	0.04% ⁽ⁱ⁾
Net investment income	2.71%	3.20%	2.72% ^(l)
Supplemental Data			
Net assets, end of year (000)	\$150,118	\$70,579	\$10,233
Portfolio turnover rate of the BlackRock LifePath Index 2060 Fund ^(l)	13%	1%	71%

(a) Commencement of operations.

(b) Based on average shares outstanding.

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

(d) Amount is greater than \$(0.005) per share.

(e) Where applicable, assumes the reinvestment of distributions.

(f) Aggregate total return.

(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

(h) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Year Ended December 31,		Period from
	2018	2017	02/29/16 ^(a) to 12/31/16
Allocated fees waived	0.08%	0.11%	1.47%
Investments in underlying funds	0.06%	0.07%	0.12%

(i) Includes offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.21% and 0.04%, respectively.

(j) Annualized.

(k) Audit, Offering and Organization costs were not annualized in the calculation of the expense ratio. If these expenses were annualized, the total expenses would have been 5.94%.

(l) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout the period)

BlackRock LifePath Index 2060 Fund (continued)	
Investor P	
	Period from 08/06/18 ^(a) to 12/31/18
Net asset value, beginning of period	\$ 13.81
Net investment income ^(b)	0.15
Net realized and unrealized loss	<u>(1.65)</u>
Net decrease from investment operations	<u>(1.50)</u>
Distributions ^(c)	
From net investment income	<u>(0.14)</u>
Net asset value, end of period	\$ 12.17
Total Return ^(d)	
Based on net asset value	<u>(10.92)%</u> ^(e)
Ratios to Average Net Assets	
Total expenses	<u>0.47%</u> ^{(f)(g)(h)(i)(j)}
Total expenses after fees waived and/or reimbursed	<u>0.33%</u> ^{(f)(g)(h)(i)(j)}
Net investment income	<u>2.86%</u> ^{(f)(g)(h)}
Supplemental Data	
Net assets, end of period (000)	<u>\$ 259</u>
Portfolio turnover rate of the LifePath Index Master Portfolio ^(k)	<u>13%</u>

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

^(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

^(e) Aggregate total return.

^(f) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated net expenses and/or net investment income.

^(g) Includes the LifePath Index Fund's share of its corresponding LifePath Index Master Portfolio's allocated fees waived and expenses and/or net investment income. Excludes expenses incurred indirectly as a result of the LifePath Index Master Portfolio's investments in underlying funds as follows:

	Period from 08/06/18 ^(a) to 12/31/18
Allocated fees waived	0.08%
Investments in underlying funds	<u>0.06%</u>

^(h) Annualized.

⁽ⁱ⁾ Offering costs, board realignment and consolidation costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses and total expenses after fees waived and/or reimbursed would have been 0.49% and 0.33%, respectively.

^(j) Includes offering, and board realignment and consolidation costs. Without these costs, total expenses and total expenses after fees waived and/or reimbursed would have been 0.46% and 0.33%, respectively.

^(k) Includes the LifePath Index Master Portfolio's purchases and sales of the underlying funds and Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio.

See notes to financial statements.

Notes to Financial Statements

1. ORGANIZATION

BlackRock Funds III (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. The following series of the Trust are referred to herein collectively as the “LifePath Index Funds” or individually, as a “LifePath Index Fund”:

<i>Fund Name</i>	<i>Herein Referred To As</i>	<i>Diversification Classification</i>
BlackRock LifePath® Index Retirement Fund	LifePath Index Retirement Fund	Diversified
BlackRock LifePath® Index 2020 Fund	LifePath Index 2020 Fund	Diversified
BlackRock LifePath® Index 2025 Fund	LifePath Index 2025 Fund	Diversified
BlackRock LifePath® Index 2030 Fund	LifePath Index 2030 Fund	Diversified
BlackRock LifePath® Index 2035 Fund	LifePath Index 2035 Fund	Diversified
BlackRock LifePath® Index 2040 Fund	LifePath Index 2040 Fund	Diversified
BlackRock LifePath® Index 2045 Fund	LifePath Index 2045 Fund	Diversified
BlackRock LifePath® Index 2050 Fund	LifePath Index 2050 Fund	Diversified
BlackRock LifePath® Index 2055 Fund	LifePath Index 2055 Fund	Diversified
BlackRock LifePath® Index 2060 Fund	LifePath Index 2060 Fund	Diversified

Each LifePath Index Fund seeks to achieve its investment objective by investing all of its assets in a corresponding series of Master Investment Portfolio (“MIP”): LifePath® Index Retirement Master Portfolio, LifePath® Index 2020 Master Portfolio, LifePath® Index 2025 Master Portfolio, LifePath® Index 2030 Master Portfolio, LifePath® Index 2035 Master Portfolio, LifePath® Index 2040 Master Portfolio, LifePath® Index 2045 Master Portfolio, LifePath® Index 2050 Master Portfolio, LifePath® Index 2055 Master Portfolio and LifePath® Index 2060 Master Portfolio (each, a “LifePath Index Master Portfolio” and together, the “LifePath Index Master Portfolios”). MIP is an affiliate of the Trust. Each LifePath Index Master Portfolio has the same investment objective and strategies as its corresponding LifePath Index Fund. The value of each LifePath Index Fund’s investment in its corresponding LifePath Index Master Portfolio reflects the LifePath Index Fund’s proportionate interest in the net assets of the LifePath Index Master Portfolio. The performance of the LifePath Index Funds is directly affected by the performance of the LifePath Index Master Portfolios. At December 31, 2018, the percentage of each LifePath Index Master Portfolio owned by the corresponding LifePath Index Fund was 100%. The financial statements of the LifePath Index Master Portfolios, including the Schedules of Investments, are included elsewhere in this report and should be read in conjunction with the LifePath Index Funds’ financial statements.

Each LifePath Index 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 and Class K Shares are sold without a sales charge and only to certain eligible investors. Investor A Shares are sold without a sales charge and are generally available through financial intermediaries. Investor P Shares are generally sold with an initial sales charge and are only available through registered representatives of an insurance company’s broker-dealer that has entered into an agreement with the LifePath Index Fund’s distributor to offer such shares. Each class has exclusive voting rights with respect to matters relating to its shareholder servicing and distribution. The Board of Trustees of the Trust and Board of Directors of MIP are referred to throughout this report as the “Board of Trustees” or the “Board” and the members are referred to as “Trustees.”

<i>Share Class</i>	<i>Initial Sales Charge</i>	<i>CDSC</i>	<i>Conversion Privilege</i>
Institutional, Investor A, Class K	No	No	None
Investor P ^(a)	Yes	No ^(b)	None

^(a) Investor P Shares commenced operations on August 6, 2018.

^(b) Investor P Shares may be subject to a contingent deferred sales charge (“CDSC”) for certain redemptions where no initial sales charge was paid at the time of purchase.

The LifePath Index Funds, together with certain other registered investment companies advised by BlackRock Advisors (“BFA” or the “Manager”) or its affiliates, are included in a complex of open-end funds referred to as the Equity-Liquidity Complex.

Reorganization: The Board of Trustees of the Trust and the Board of Trustees of State Farm Mutual Fund Trust each approved the reorganization of each respective State Farm LifePath Retirement Fund, State Farm LifePath 2020 Fund, State Farm LifePath 2030 Fund, State Farm LifePath 2040 Fund and State Farm LifePath 2050 Fund (individually, a “Target” and collectively the “Target”), with and into LifePath Index Retirement Fund, LifePath Index 2020 Fund, LifePath Index 2030 Fund, LifePath Index 2040 Fund and LifePath Index 2050 Fund, respectively. As a result, the applicable LifePath Index Funds acquired substantially all of the assets and assumed certain stated liabilities of the Target Funds in exchange for an equal aggregate value of newly-issued shares of the LifePath Index Funds.

Each shareholder of the Target Funds received shares of the LifePath Index Funds in an amount equal to the aggregate net asset value (“NAV”) of the shareholder’s State Farm Target Funds shares, as determined at the close of business on November 16, 2018.

On November 19, 2018, all of the portfolio securities previously held by the Target Funds were subsequently contributed by the LifePath Index Funds to the LifePath Index Master Portfolios in exchange for investments in the LifePath Index Master Portfolios.

Notes to Financial Statements (continued)

The reorganizations were accomplished by a tax-free exchange of shares of the LifePath Index Funds in the following amounts and at the following conversion ratio:

State Farm LifePath Retirement Fund

<i>Target Fund's Share Class</i>	<i>Shares Prior to Reorganization</i>	<i>Conversion Ratio</i>	<i>LifePath Index Retirement Fund's Share Class</i>	<i>Shares of the LifePath Index Retirement Fund</i>
Premier	779,297	1.00563378	Investor A	783,687
Premier	52,379,511	1.00612667	Investor P	52,700,423
Legacy Class B	21,805	1.01323558	Investor A	22,093
Legacy Class B	122,854	1.01373220	Investor P	124,541
Class A	870,727	0.98041269	Investor A	853,672
Class A	25,106,506	0.98089323	Investor P	24,626,801
Class B	19,454	0.98735567	Investor A	19,208
Class B	334,773	0.98783961	Investor P	330,702
Institutional	8,459,799	1.00443698	Institutional	8,497,335
Class R-1	386,582	0.98491571	Investor P	380,751
Class R-2	1,598,778	1.00979423	Investor P	1,614,436
Class R-3	157,853	1.00287645	Institutional	158,307

State Farm LifePath 2020 Fund

<i>Target Fund's Share Class</i>	<i>Shares Prior to Reorganization</i>	<i>Conversion Ratio</i>	<i>LifePath Index 2020 Fund's Share Class</i>	<i>Shares of the LifePath Index 2020 Fund</i>
Premier	1,089,621	1.04280016	Investor A	1,136,257
Premier	69,198,769	1.04377724	Investor P	72,228,100
Legacy Class B	99,350	1.05716728	Investor A	105,030
Legacy Class B	314,164	1.05815782	Investor P	332,435
Class A	3,195,046	1.04962963	Investor A	3,353,615
Class A	50,996,934	1.05061311	Investor P	53,578,047
Class B	104,214	1.04435490	Investor A	108,836
Class B	905,035	1.04533344	Investor P	946,063
Institutional	15,206,381	1.05023844	Institutional	15,970,326
Class R-1	1,065,335	1.04461645	Investor P	1,112,866
Class R-2	4,148,490	1.04396464	Investor P	4,330,877
Class R-3	242,995	1.04745193	Institutional	254,526

State Farm LifePath 2030 Fund

<i>Target Fund's Share Class</i>	<i>Shares Prior to Reorganization</i>	<i>Conversion Ratio</i>	<i>LifePath Index 2030 Fund's Share Class</i>	<i>Shares of the LifePath Index 2030 Fund</i>
Premier	1,292,201	1.01620709	Investor A	1,313,144
Premier	64,548,099	1.01650733	Investor P	65,613,615
Legacy Class B	36,198	1.02564355	Investor A	37,126
Legacy Class B	392,913	1.02594658	Investor P	403,107
Class A	2,337,082	1.01578298	Investor A	2,373,968
Class A	67,710,975	1.01608309	Investor P	68,799,976
Class B	111,011	1.01232950	Investor A	112,380
Class B	1,345,220	1.01262860	Investor P	1,362,208
Institutional	20,857,879	1.02302034	Institutional	21,338,035
Class R-1	2,171,558	1.00878017	Investor P	2,190,625
Class R-2	4,992,512	1.01264375	Investor P	5,055,636
Class R-3	395,754	1.02375439	Institutional	405,154

Notes to Financial Statements (continued)

State Farm LifePath 2040 Fund

Target Fund's Share Class	Shares Prior to Reorganization	Conversion Ratio	LifePath Index 2040 Fund's Share Class	Shares of the LifePath Index 2040 Fund
Premier	503,507	0.99754805	Investor A	502,273
Premier	32,457,845	0.99790577	Investor P	32,389,871
Legacy Class B	10,852	1.00731999	Investor A	10,932
Legacy Class B	411,824	1.00768122	Investor P	414,987
Class A	1,053,459	0.99234304	Investor A	1,045,393
Class A	58,493,196	0.99269890	Investor P	58,066,131
Class B	47,916	0.98908812	Investor A	47,393
Class B	1,475,217	0.98944281	Investor P	1,459,643
Institutional	26,199,385	1.00206025	Institutional	26,253,363
Class R-1	1,580,103	0.98767849	Investor P	1,560,634
Class R-2	4,352,563	0.99156572	Investor P	4,315,853
Class R-3	562,789	1.01598838	Institutional	571,787

State Farm LifePath 2050 Fund

Target Fund's Share Class	Shares Prior to Reorganization	Conversion Ratio	LifePath Index 2050 Fund's Share Class	Shares of the LifePath Index 2050 Fund
Premier	288,189	0.65640189	Investor A	189,168
Premier	11,161,450	0.65671837	Investor P	7,329,929
Class A	424,597	0.65849477	Investor A	279,595
Class A	30,151,051	0.65881227	Investor P	19,863,883
Class R-1	835,592	0.66080284	Investor P	552,162
Class R-2	1,882,093	0.66132632	Investor P	1,244,678

The Target Funds' net assets and composition of net assets on November 16, 2018, the valuation date of the reorganizations were as follows:

	State Farm LifePath Retirement Fund	State Farm LifePath 2020 Fund	State Farm LifePath 2030 Fund	State Farm LifePath 2040 Fund	State Farm LifePath 2050 Fund
Net assets	\$ 1,066,536,384	\$1,884,086,385	\$2,231,224,745	\$1,766,697,146	\$427,707,810
Paid-in-capital	1,071,750,687	1,890,349,104	2,242,979,193	1,778,456,627	430,778,842
Accumulated losses	(5,214,303)	(6,262,719)	(11,754,448)	(11,759,481)	(3,071,032)

For financial reporting purposes, assets received and shares issued by the LifePath Index Funds were recorded at fair value.

The net assets of the LifePath Index Funds before the acquisitions and the aggregate net assets of the LifePath Index Funds immediately after the acquisitions were as follows:

Fund	Net Assets Before the Acquisitions	Aggregate Net Assets After the Acquisitions
LifePath Index Retirement Fund	\$ 1,319,095,939	\$ 2,385,632,322
LifePath Index 2020 Fund	2,572,859,383	4,456,945,768
LifePath Index 2030 Fund	3,709,866,268	5,941,091,013
LifePath Index 2040 Fund	2,833,724,125	4,600,421,271
LifePath Index 2050 Fund	1,630,431,407	2,058,139,217

The Target Funds' fair value and cost of investments prior to the reorganizations were as follows:

Target Fund	Fair Value of Investments	Cost of Investments
State Farm LifePath Retirement Fund	\$1,060,853,760	\$ 1,064,814,227
State Farm LifePath 2020 Fund	1,876,177,923	1,879,869,831
State Farm LifePath 2030 Fund	2,221,557,497	2,227,161,576
State Farm LifePath 2040 Fund	1,751,947,113	1,757,351,755
State Farm LifePath 2050 Fund	427,090,360	428,381,738

The purpose of the transaction was to combine the assets of the Target Funds with the assets of the LifePath Index Funds. The reorganization was a tax-free event and closed on November 19, 2018.

Notes to Financial Statements (continued)

Assuming the acquisitions had been completed on January 1, 2018, the beginning of the fiscal reporting period of the LifePath Index Funds, the pro forma results of operations for the year ended December 31, 2018, are as follows:

<i>Target Fund</i>	<i>Net Investment Income (Loss)</i>	<i>Net Realized and Change in Unrealized Gain (Loss) on Investments</i>	<i>Net Increase (Decrease) in Net Assets resulting from Operations</i>
LifePath Index Retirement Fund	\$ 52,949,483	\$ 59,361,115	\$ 112,310,597
LifePath Index 2020 Fund	98,774,694	(280,681,649)	(181,906,955)
LifePath Index 2030 Fund	100,291,822	(432,912,063)	(332,620,240)
LifePath Index 2040 Fund	101,453,171	(440,934,033)	(339,480,861)
LifePath Index 2050 Fund	46,987,477	(218,506,855)	(171,519,379)

Because the combined investment portfolios have been managed as single integrated portfolios since the reorganizations were completed, it is not practicable to separate the amounts of revenue and earnings of the LifePath Index Funds that have been included in the LifePath Index Funds' Statements of Operations since November 19, 2018.

Reorganization costs incurred by the LifePath Index Funds in connection with the reorganizations were expensed by the LifePath Index Funds. The Manager reimbursed the LifePath Index Funds the following amounts, which are included in fees waived and/or reimbursed by the Manager in the Statements of Operations:

<i>Fund</i>	<i>Amounts</i>
LifePath Index Retirement Fund	\$160,602
LifePath Index 2020 Fund	158,661
LifePath Index 2030 Fund	164,172
LifePath Index 2040 Fund	165,663
LifePath Index 2050 Fund	164,913

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. Each LifePath Index 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, contributions to and withdrawals from each LifePath Index Master Portfolio are accounted for on a trade date basis. Each LifePath Index Fund records its proportionate share of its LifePath Index Master Portfolio's income, expenses and realized and unrealized gains and losses on a daily basis. Realized and unrealized gains and losses are adjusted utilizing partnership tax allocation rules. In addition, the LifePath Index Funds accrue their own expenses. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Distributions: Distributions from net investment income are declared and paid quarterly. Distributions of capital gains are recorded on the ex-dividend date and made at least annually. The portion of distributions, if any, that exceeds a LifePath Index Fund's current and accumulated earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

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

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

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investment Valuation Policies: The LifePath Index Funds' policy is to value their financial instruments at fair value. Each LifePath Index Fund records its investment in the LifePath Index Master Portfolio at fair value based on the LifePath Index Fund's proportionate interest in the net assets of the LifePath Index Master Portfolio. Valuation of securities held by the LifePath Index Master Portfolios is discussed in Note 3 of the LifePath Index Master Portfolios' Notes to Financial Statements, which are included elsewhere in this report.

4. ADMINISTRATION AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Administration: The Trust, on behalf of the LifePath Index Funds, entered into an Administration Agreement with BAL, an indirect, wholly-owned subsidiary of BlackRock to provide general administrative services (other than investment advice and related portfolio activities). For such services, the LifePath Index Funds pay BAL a monthly fee at an annual rate of 0.03% of the average daily net assets of each LifePath Index Fund.

Service Fees: The Trust, on behalf of the LifePath Index Funds, entered into a Distribution Agreement and a Distribution and Service Plan with BlackRock Investments, LLC ("BRIL"), an affiliate of the Administrator. Pursuant to the Distribution and Service Plan and in accordance with Rule 12b-1 under the 1940 Act, each LifePath Index Fund pays BRIL ongoing service fees. The fees are accrued daily and paid monthly at the annual rate of 0.25% based upon the average daily net assets of the each LifePath Index Fund's Investor A and Investor P Shares.

Notes to Financial Statements (continued)

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

For the year ended December 31, 2018, the following table shows the class specific service fees borne directly by each share class of each LifePath Index Fund:

<i>Service Fees</i>	<i>Investor A</i>	<i>Investor P</i>	<i>Total</i>
LifePath Index Retirement Fund	\$ 203,976	\$ 285,904	\$ 489,880
LifePath Index 2020 Fund	456,574	492,269	948,843
LifePath Index 2025 Fund	357,117	375	357,492
LifePath Index 2030 Fund	684,895	568,822	1,253,717
LifePath Index 2035 Fund	334,789	304	335,093
LifePath Index 2040 Fund	466,633	408,784	875,417
LifePath Index 2045 Fund	193,742	197	193,939
LifePath Index 2050 Fund	221,788	125,388	347,176
LifePath Index 2055 Fund	106,061	195	106,256
LifePath Index 2060 Fund	7,997	202	8,199

Transfer Agent: Pursuant to written agreements, certain financial intermediaries, some of which may be affiliates, provide the LifePath Index Funds with sub-accounting, recordkeeping, sub-transfer agency and other administrative services with respect to sub-accounts they service. 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 December 31, 2018, the LifePath Index Funds did not pay any amounts to affiliates in return for these services.

The Administrator maintains a call center that is responsible for providing certain shareholder services to the LifePath Index Funds. Shareholder services include responding to inquiries and processing purchases and sales based upon instructions from shareholders. For the year ended December 31, 2018, each LifePath Index Fund reimbursed the Administrator the following amounts for costs incurred in running the call center, which are included in transfer agent — class specific in the Statements of Operations:

	<i>Institutional</i>	<i>Investor A</i>	<i>Class K</i>	<i>Total</i>
LifePath Index Retirement Fund	\$ 298	\$ 793	\$ 3,973	\$ 5,064
LifePath Index 2020 Fund	426	1,159	10,304	11,889
LifePath Index 2025 Fund	481	1,160	7,391	9,032
LifePath Index 2030 Fund	547	1,776	8,615	10,938
LifePath Index 2035 Fund	545	1,523	6,536	8,604
LifePath Index 2040 Fund	485	1,653	7,026	9,164
LifePath Index 2045 Fund	464	1,586	5,065	7,115
LifePath Index 2050 Fund	414	1,588	4,884	6,886
LifePath Index 2055 Fund	409	1,651	3,233	5,293
LifePath Index 2060 Fund	365	262	1,574	2,201

For the year ended December 31, 2018, the following table shows the class specific transfer agent fees borne directly by each share class of each LifePath Index Fund:

	<i>Institutional</i>	<i>Investor A</i>	<i>Class K</i>	<i>Investor P</i>	<i>Total</i>
LifePath Index Retirement Fund	\$ 34,845	\$ 46,343	\$41,481	\$ 53,274	\$175,943
LifePath Index 2020 Fund	63,678	97,891	61,533	91,743	314,845
LifePath Index 2025 Fund	59,248	82,336	59,677	61	201,322
LifePath Index 2030 Fund	87,403	152,966	72,224	105,966	418,559
LifePath Index 2035 Fund	56,295	79,770	63,813	41	199,919
LifePath Index 2040 Fund	80,121	111,218	72,694	76,105	340,138
LifePath Index 2045 Fund	45,519	47,823	67,855	27	161,224
LifePath Index 2050 Fund	45,593	61,557	80,033	23,335	210,519
LifePath Index 2055 Fund	42,555	35,922	72,706	27	151,210
LifePath Index 2060 Fund	4,082	4,857	32,482	28	41,449

Expense Limitations, Waivers, Reimbursements, and Recoupments: With respect to each LifePath Index Fund, BFA, the investment manager for the LifePath Index Master Portfolios, and BAL 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 each LifePath Index Fund's business ("expense limitation"). The current expense limitations as a percentage of average daily net assets are as follows:

Notes to Financial Statements (continued)

	Contractual Cap Through April 30, 2021 ^(a)				Contractual Cap Through April 30, 2029 ^(a)			
	Institutional	Investor A	Class K	Investor P	Institutional	Investor A	Class K	Investor P
BlackRock LifePath Index Retirement Fund . . .	0.10%	0.35%	0.05%	0.35%	1.10%	1.35%	1.05%	1.35%
BlackRock LifePath Index 2020 Fund	0.10	0.35	0.05	0.35	1.10	1.35	1.05	1.35
BlackRock LifePath Index 2030 Fund	0.09	0.34	0.04	0.34	1.09	1.34	1.04	1.34
BlackRock LifePath Index 2040 Fund	0.08	0.33	0.03	0.33	1.08	1.33	1.03	1.33
BlackRock LifePath Index 2050 Fund	0.08	0.33	0.03	0.33	1.10	1.35	1.05	1.35

	Contractual Cap Through April 30, 2019 ^(a)			Contractual Cap Through April 30, 2028 ^(a)		
	Institutional	Investor A	Class K	Institutional	Investor A	Class K
BlackRock LifePath Index 2025 Fund	0.09%	0.34%	0.04%	1.09%	1.34%	1.04%
BlackRock LifePath Index 2035 Fund	0.09	0.34	0.04	1.10	1.35	1.05
BlackRock LifePath Index 2045 Fund	0.08	0.33	0.03	1.10	1.35	1.05
BlackRock LifePath Index 2055 Fund	0.07	0.32	0.02	1.10	1.35	1.05
BlackRock LifePath Index 2060 Fund	0.07	0.32	0.02	1.10	1.35	1.05

	Contractual Cap Through April 30, 2020 ^(a)	Contractual Cap Through April 30, 2029 ^(a)
	Investor P	Investor P
BlackRock LifePath Index 2025 Fund	0.34%	1.34%
BlackRock LifePath Index 2035 Fund	0.34	1.35
BlackRock LifePath Index 2045 Fund	0.33	1.35
BlackRock LifePath Index 2055 Fund	0.32	1.35
BlackRock LifePath Index 2060 Fund	0.32	1.35

^(a) The contractual agreements may be terminated upon 90 days' notice by the Board, including a majority of the trustees who are not "interested persons" of the Trust, as defined in the 1940 Act ("Independent Trustees"), or by a vote of the majority of the outstanding voting securities of the applicable LifePath Index Funds.

Prior to April 30, 2018, the expense limitations for LifePath Index 2025 Fund as a percentage of average daily net assets were as follows:

	Contractual Caps through April 30, 2019 ^(a)			Contractual Caps through April 30, 2028 ^(a)		
	Institutional	Investor A	Class K	Institutional	Investor A	Class K
LifePath Index 2025 Fund	0.10%	0.35%	0.05%	1.10%	1.35%	1.05%

These amounts waived and/or reimbursed are included in fees waived and/or reimbursed by the Administrator/Manager, and transfer agent fees waived /or reimbursed — class specific, respectively, in the Statements of Operations. For the year ended December 31, 2018, the amounts included in transfer agent fees waived and/or reimbursed — class specific were as follows:

	Institutional	Investor A	Class K	Investor P	Total
LifePath Index Retirement Fund	\$ 2,061	\$ 5,419	\$41,464	\$ 21	\$ 48,965
LifePath Index 2020 Fund	4,118	6,320	61,522	18	71,978
LifePath Index 2025 Fund	5,341	10,582	59,295	7	75,225
LifePath Index 2030 Fund	5,894	15,759	72,212	8	93,873
LifePath Index 2035 Fund	6,275	12,535	63,805	4	82,619
LifePath Index 2040 Fund	6,517	17,913	72,678	—	97,108
LifePath Index 2045 Fund	7,127	8,967	67,847	4	83,945
LifePath Index 2050 Fund	8,309	17,150	80,018	—	105,477
LifePath Index 2055 Fund	12,722	14,739	72,696	—	100,157
LifePath Index 2060 Fund	2,790	3,258	32,467	—	38,515

With respect to the contractual expense limitation, if during a LifePath Index Fund's fiscal year the operating expenses of a share class, that at any time during the prior two fiscal years received a waiver and/or reimbursement from the Administrator, are less than the current expense limitation for that share class, the Administrator is entitled to be reimbursed by such share class up to the lesser of: (a) the amount of fees waived and/or expenses reimbursed during those prior two fiscal years under the agreement and (b) an amount not to exceed either the current expense limitation of that share class or the expense limitation of the share class in effect at the time that the share class received the applicable waiver and/or reimbursement, provided that:

- (1) each LifePath Index Fund, of which the share class is a part, has more than \$50 million in assets for the fiscal year, and
- (2) the Administrator or an affiliate continues to serve as a LifePath Index Fund's investment adviser or administrator.

This repayment applies only to the contractual expense limitation on net expenses and does not apply to any voluntary waivers that may be in effect from time to time.

Notes to Financial Statements (continued)

For the year ended December 31, 2018, the Administrator recouped the following fund level and class specific waivers and/or reimbursements previously recorded by the LifePath Index Funds:

LifePath Index Retirement Fund	
Institutional	\$85
LifePath Index 2020 Fund	
Institutional	74

Each LifePath Index Fund has begun to incur expenses in connection with a proposed realignment and consolidation of the boards of trustees of certain BlackRock-advised funds, including the LifePath Index Funds. BlackRock Fund Advisors (“BFA” or the “Manager”) has voluntarily agreed to reimburse the LifePath Index Funds for all or a portion of such expenses, which amounts are included in fees waived and/or reimbursed by the Administrator/Manager in the Statements of Operations. For the year ended December 31, 2018, the amounts waived and/or reimbursed were as follows:

	<i>Amounts</i>
LifePath Index Retirement Fund	\$ 26,661
LifePath Index 2020 Fund	28,175
LifePath Index 2025 Fund	30,661
LifePath Index 2030 Fund	37,264
LifePath Index 2035 Fund	35,737
LifePath Index 2040 Fund	38,860
LifePath Index 2045 Fund	39,323
LifePath Index 2050 Fund	45,557
LifePath Index 2055 Fund	50,863
LifePath Index 2060 Fund	16,393

On December 31, 2018, the following fund level and class specific waivers and/or reimbursements subject to possible future recoupment under the expense limitation agreement are as follows:

	<i>Expiring December 31,</i>	
	2019	2020
LifePath Index Retirement Fund		
Fund Level	\$403,385	\$ 580,859
Institutional	3,123	2,061
Investor A	3,464	5,419
Class K	40,321	41,464
Investor P	—	21
LifePath Index 2020 Fund		
Fund Level	742,113	1,007,760
Institutional	4,213	4,118
Investor A	6,914	6,320
Class K	38,848	61,522
Investor P	—	18
LifePath Index 2025 Fund		
Fund Level	709,651	1,070,878
Institutional	4,286	5,341
Investor A	5,928	10,582
Class K	40,391	59,295
Investor P	—	7
LifePath Index 2030 Fund		
Fund Level	894,271	1,336,549
Institutional	5,511	5,894
Investor A	18,647	15,759
Class K	52,416	72,212
Investor P	—	8
LifePath Index 2035 Fund		
Fund Level	606,080	950,140
Institutional	4,034	6,275
Investor A	7,983	12,535
Class K	43,497	63,805
Investor P	—	4
LifePath Index 2040 Fund		
Fund Level	676,693	1,066,608
Institutional	4,261	6,517
Investor A	12,971	17,913
Class K	53,095	72,678

Notes to Financial Statements (continued)

	<i>Expiring December 31,</i>	
	2019	2020
LifePath Index 2045 Fund		
Fund Level	\$397,562	\$706,030
Institutional	5,634	7,127
Investor A	8,181	8,967
Class K	46,265	67,847
Investor P	—	4
LifePath Index 2050 Fund		
Fund Level	381,886	640,137
Institutional	3,929	8,309
Investor A	6,056	17,150
Class K	56,057	80,018
Investor P	—	—
LifePath Index 2055 Fund		
Fund Level	204,037	375,044
Institutional	6,978	12,722
Investor A	6,694	14,739
Class K	51,916	72,696
Investor P	—	—
LifePath Index 2060 Fund		
Fund Level	131,925	174,175
Institutional	410	2,790
Investor A	895	3,258
Class K	28,175	32,467
Investor P	—	—

The following LifePath Index Fund level and class specific waivers and/or reimbursements previously recorded by the LifePath Index Funds, which were subject to recoupment by the Administrator, expired on December 31, 2018:

LifePath Index Retirement Fund		
Fund Level		\$322,809
Institutional		5,085
Investor A		7,066
Class K		35,616
LifePath Index 2020 Fund		
Fund Level		578,200
Institutional		6,606
Investor A		9,344
Class K		47,044
LifePath Index 2025 Fund		
Fund Level		487,920
Institutional		6,638
Investor A		6,681
Class K		38,039
LifePath Index 2030 Fund		
Fund Level		626,323
Institutional		9,312
Investor A		8,787
Class K		50,707
LifePath Index 2035 Fund		
Fund Level		408,983
Institutional		7,538
Investor A		4,812
Class K		39,861
LifePath Index 2040 Fund		
Fund Level		467,210
Institutional		9,043
Investor A		2,827
Class K		48,784
LifePath Index 2045 Fund		
Fund Level		275,012
Institutional		7,169
Investor A		4,047
Class K		41,127

Notes to Financial Statements (continued)

LifePath Index 2050 Fund	
Fund Level	\$274,945
Institutional	8,321
Investor A	5,371
Class K	50,824
LifePath Index 2055 Fund	
Fund Level	158,120
Institutional	9,311
Investor A	4,824
Class K	46,963
LifePath Index 2060 Fund	
Fund Level	171,842
Institutional	40
Investor A	81
Class K	983

Interfund Lending: In accordance with an exemptive order (the "Order") from the U.S. Securities and Exchange Commission ("SEC"), each LifePath Index Funds 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 each LifePath Index Fund's investment policies and restrictions. Each LifePath Index 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 December 31, 2018, the LifePath Index Funds did not participate in the Interfund Lending Program.

Trustees and Officers: Certain Trustees and/or officers of the Trust are trustees and /or officers of BlackRock or its affiliates.

5. INCOME TAX INFORMATION

The LifePath Index Fund's policy is 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.

Each LifePath Index 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 each LifePath Index Fund's U.S. federal tax returns generally remains open for each of the four years ended December 31, 2018, except for LifePath Index 2060 Fund, which remains open for the the years ended December 31, 2018 and December 31, 2017 and for the period ended December 31, 2016. The statutes of limitations on each LifePath Index 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 LifePath Index Funds as of December 31, 2018, 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 LifePath Index Funds' financial statements.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. As of period end, the following permanent differences attributable to non-deductible expenses and the use of equalization were reclassified to the following accounts:

	LifePath Index Retirement Fund	LifePath Index 2020 Fund	LifePath Index 2025 Fund	LifePath Index 2030 Fund	LifePath Index 2035 Fund	LifePath Index 2040 Fund	LifePath Index 2045 Fund	LifePath Index 2050 Fund	LifePath Index 2055 Fund	LifePath Index 2060 Fund
Paid-in Capital	\$ (5,411)	\$ (10,598)	\$ 688,296	\$ 3,612,793	\$ 2,400,618	\$ 3,143,908	\$ 1,613,661	\$ 1,650,493	\$ 773,276	\$ 212,446
Accumulated earnings (loss)	5,411	10,598	(688,296)	(3,612,793)	(2,400,618)	(3,143,908)	(1,613,661)	(1,650,493)	(773,276)	(212,446)

The tax character of distributions paid was as follows:

	LifePath Index Retirement Fund	LifePath Index 2020 Fund	LifePath Index 2025 Fund	LifePath Index 2030 Fund	LifePath Index 2035 Fund
Ordinary income ^(a)					
12/31/18	\$ 36,440,772	\$ 70,289,021	\$ 70,444,802	\$ 98,285,957	\$ 61,654,663
12/31/17	23,791,548	49,136,186	47,586,240	63,407,476	42,518,103
Long-term capital gains					
12/31/18	1,627,806	12,499,633	5,992,869	2,023,513	396,534
12/31/17	1,555,113	4,192,245	2,120,583	3,430,232	1,189,826

Notes to Financial Statements (continued)

	<i>LifePath Index Retirement Fund</i>	<i>LifePath Index 2020 Fund</i>	<i>LifePath Index 2025 Fund</i>	<i>LifePath Index 2030 Fund</i>	<i>LifePath Index 2035 Fund</i>
Tax return of capital					
12/31/18	\$ —	\$ —	\$ —	\$ —	\$ —
12/31/17	—	—	—	—	—
Total					
12/31/18	<u>\$ 38,068,578</u>	<u>\$ 82,788,654</u>	<u>\$ 76,437,671</u>	<u>\$ 100,309,470</u>	<u>\$ 62,051,197</u>
12/31/17	<u>\$ 25,346,661</u>	<u>\$ 53,328,431</u>	<u>\$ 49,706,823</u>	<u>\$ 66,837,708</u>	<u>\$ 43,707,929</u>

	<i>LifePath Index 2040 Fund</i>	<i>LifePath Index 2045 Fund</i>	<i>LifePath Index 2050 Fund</i>	<i>LifePath Index 2055 Fund</i>	<i>LifePath Index 2060 Fund</i>
Ordinary income ^(a)					
12/31/18	\$ 75,020,175	\$ 41,993,674	\$ 39,232,216	\$ 18,153,081	\$ 3,063,594
12/31/17	49,517,349	28,872,163	26,623,088	11,650,906	1,169,915
Long-term capital gains					
12/31/18	2,215,621	282,680	367,932	—	—
12/31/17	320,549	4,175	—	—	—
Tax return of capital					
12/31/18	—	—	—	—	—
12/31/17	—	—	—	—	—
Total					
12/31/18	<u>\$ 77,235,796</u>	<u>\$ 42,276,354</u>	<u>\$ 39,600,148</u>	<u>\$ 18,153,081</u>	<u>\$ 3,063,594</u>
12/31/17	<u>\$ 49,837,898</u>	<u>\$ 28,876,338</u>	<u>\$ 26,623,088</u>	<u>\$ 11,650,906</u>	<u>\$ 1,169,915</u>

(a) Distribution amounts may include a portion of the proceeds from redeemed shares.

As of period end, the tax components of accumulated net earnings (losses) were as follows:

	<i>LifePath Index Retirement Fund</i>	<i>LifePath Index 2020 Fund</i>	<i>LifePath Index 2025 Fund</i>	<i>LifePath Index 2030 Fund</i>	<i>LifePath Index 2035 Fund</i>
Undistributed ordinary income	\$ 240,776	\$ 869,748	\$ 1,547,209	\$ 3,322,579	\$ 1,931,551
Undistributed long-term capital gains	—	—	2,876,613	—	2,883,599
Capital loss carryforwards	—	—	—	—	—
Net unrealized gains (losses) ^(a)	(1,504,360)	26,274,559	37,118,267	(10,552,915)	40,324,958
Qualified late-year losses ^(b)	(2,242,749)	(2,254,771)	—	(1,495,744)	—
	<u>\$ (3,506,333)</u>	<u>\$ 24,889,536</u>	<u>\$ 41,542,089</u>	<u>\$ (8,726,080)</u>	<u>\$ 45,140,108</u>

	<i>LifePath Index 2040 Fund</i>	<i>LifePath Index 2045 Fund</i>	<i>LifePath Index 2050 Fund</i>	<i>LifePath Index 2055 Fund</i>	<i>LifePath Index 2060 Fund</i>
Undistributed ordinary income	\$ 5,960,455	\$ 2,801,371	\$ 3,526,229	\$ 1,359,073	\$ 192,126
Undistributed long-term capital gains	—	1,685,125	—	—	—
Capital loss carryforwards	—	—	—	(1,163,553)	(3,230,934)
Net unrealized gains (losses) ^(a)	(41,691,504)	7,985,070	(17,871,858)	(10,874,509)	(7,609,570)
Qualified late-year losses ^(b)	(3,800,074)	(1,237,524)	(2,809,505)	—	—
	<u>\$ (39,531,123)</u>	<u>\$ 11,234,042</u>	<u>\$ (17,155,134)</u>	<u>\$ (10,678,989)</u>	<u>\$ (10,648,378)</u>

(a) The difference between book-basis and tax-basis net unrealized gains were attributable primarily to the timing and recognition of partnership income.

(b) The LifePath Index Funds have elected to defer certain qualified late-year losses and recognize such losses in the next taxable year.

As of December 31, 2018, the following LifePath Index Funds had capital loss carryforwards, with no expiration dates, subject to limitations is available to offset future realized capital gains as follows:

	<i>LifePath Index 2055 Fund</i>	<i>LifePath Index 2060 Fund</i>
No expiration date	\$ 1,163,553	\$ 3,230,934

Notes to Financial Statements (continued)

During the year ended December 31, 2018, the LifePath Index Fund listed below utilized the following amount of its respective capital loss carryforward:

	LifePath Index 2050 Fund
Amount utilized	\$ 321,922

6. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

	Year Ended 12/31/18		Year Ended 12/31/17	
	Shares	Amount	Shares	Amount
<i>LifePath Index Retirement Fund</i>				
Institutional				
Shares sold	1,018,761	\$ 12,306,958	1,543,104	\$ 18,260,071
Shares issued in reinvestment of distributions	157,830	1,863,349	137,918	1,655,462
Shares issued in reorganization	8,655,642	102,611,665	—	—
Shares redeemed	(3,185,794)	(38,910,422)	(2,053,668)	(24,375,061)
Net increase	<u>6,646,439</u>	<u>\$ 77,871,550</u>	<u>(372,646)</u>	<u>\$ (4,459,528)</u>
Investor A				
Shares sold	1,803,896	\$ 21,822,814	3,068,819	\$ 36,381,654
Shares issued in reinvestment of distributions	142,119	1,695,936	144,578	1,736,764
Shares issued in reorganization	1,678,660	19,874,164	—	—
Shares redeemed	(3,800,607)	(45,851,833)	(2,275,261)	(27,125,046)
Net increase	<u>(175,932)</u>	<u>\$ (2,458,919)</u>	<u>938,136</u>	<u>\$ 10,993,372</u>
Class K				
Shares sold	42,820,116	\$ 520,333,908	48,450,354	\$ 574,132,753
Shares issued in reinvestment of distributions	2,370,700	28,321,393	1,822,458	21,913,975
Shares redeemed	(32,129,043)	(388,710,104)	(21,627,432)	(257,095,189)
Net increase	<u>13,061,773</u>	<u>\$ 159,945,197</u>	<u>28,645,380</u>	<u>\$ 338,951,539</u>
<i>Period from 08/06/18^(a) 12/31/18</i>				
Investor P				
Shares sold	286,654	\$ 3,354,804	—	—
Shares issued in reinvestment of distributions	535,522	6,174,572	—	—
Shares issued in reorganization	79,777,654	944,050,555	—	—
Shares redeemed	(1,461,884)	(17,078,748)	—	—
Net increase	<u>79,137,946</u>	<u>\$ 936,501,183</u>	—	—
Total Net Increase	<u>98,670,226</u>	<u>\$1,171,859,011</u>	<u>29,210,870</u>	<u>\$ 345,485,383</u>
<i>LifePath Index 2020 Fund</i>				
Institutional				
Shares sold	2,015,243	\$ 25,252,447	2,704,711	\$ 33,140,725
Shares issued in reinvestment of distributions	344,455	4,186,883	192,611	2,398,254
Shares issued in reorganization	16,224,852	199,716,967	—	—
Shares redeemed	(3,046,980)	(38,581,647)	(2,099,918)	(25,773,264)
Net increase (decrease)	<u>15,537,570</u>	<u>\$ 190,574,650</u>	<u>797,404</u>	<u>\$ 9,765,715</u>
Investor A				
Shares sold	3,121,533	\$ 39,137,264	5,736,029	\$ 69,644,457
Shares issued in reinvestment of distributions	347,434	4,273,452	332,860	4,139,424
Shares issued in reorganization	4,703,738	57,785,266	—	—
Shares redeemed	(7,335,207)	(91,584,781)	(4,365,500)	(53,646,471)
Net increase (decrease)	<u>837,498</u>	<u>\$ 9,611,201</u>	<u>1,703,389</u>	<u>\$ 20,137,410</u>

Notes to Financial Statements (continued)

	Year Ended 12/31/18		Year Ended 12/31/17	
	Shares	Amount	Shares	Amount
<i>LifePath Index 2020 Fund</i>				
Class K				
Shares sold	62,589,542	\$ 789,537,415	66,782,690	\$ 815,404,783
Shares issued in reinvestment of distributions	4,861,866	60,030,907	3,749,176	46,709,143
Shares redeemed	(41,353,761)	(519,255,031)	(28,297,716)	(348,417,207)
Net increase	<u>26,097,647</u>	<u>\$ 330,313,291</u>	<u>42,234,150</u>	<u>\$ 513,696,719</u>
	<i>Period from 08/06/18^(a) 12/31/18</i>			
Investor P				
Shares sold	496,883	\$ 6,023,779		
Shares issued in reinvestment of distributions	1,200,911	14,266,828		
Shares issued in reorganization	132,528,388	1,626,584,152		
Shares redeemed	(2,086,162)	(25,165,556)		
Net increase	<u>132,140,020</u>	<u>\$1,621,709,203</u>		
Total Net Increase	<u>174,612,735</u>	<u>\$2,152,208,345</u>	<u>44,734,943</u>	<u>\$ 543,599,844</u>
	<i>Year Ended 12/31/18</i>			
	Shares	Amount	Shares	Amount
<i>LifePath Index 2025 Fund</i>				
Institutional				
Shares sold	2,786,123	\$ 36,662,354	2,652,474	\$ 33,821,633
Shares issued in reinvestment of distributions	208,838	2,690,202	161,625	2,092,497
Shares redeemed	(2,230,551)	(29,584,230)	(1,518,824)	(19,386,010)
Net increase	<u>764,410</u>	<u>\$ 9,768,326</u>	<u>1,295,275</u>	<u>\$ 16,528,120</u>
Investor A				
Shares sold	4,114,519	\$ 53,756,622	4,835,659	\$ 61,135,373
Shares issued in reinvestment of distributions	234,212	3,022,227	240,404	3,106,591
Shares redeemed	(6,478,953)	(84,783,504)	(4,484,767)	(57,429,746)
Net increase (decrease)	<u>(2,130,222)</u>	<u>\$ (28,004,655)</u>	<u>591,296</u>	<u>\$ 6,812,218</u>
Class K				
Shares sold	85,436,344	\$1,130,731,768	84,630,793	\$1,071,694,478
Shares issued in reinvestment of distributions	5,436,397	69,992,604	3,422,254	44,382,214
Shares redeemed	(34,247,010)	(452,194,477)	(22,747,806)	(290,753,673)
Net increase	<u>56,625,731</u>	<u>\$ 748,529,895</u>	<u>65,305,241</u>	<u>\$ 825,323,019</u>
	<i>Period from 08/06/18^(a) 12/31/18</i>			
Investor P				
Shares sold	146,038	\$ 1,841,449		
Shares issued in reinvestment of distributions	1,287	15,853		
Shares redeemed	(429)	(5,540)		
Net increase	<u>146,896</u>	<u>\$ 1,851,762</u>		
Total Net Increase	<u>55,406,815</u>	<u>\$ 732,145,328</u>	<u>67,191,812</u>	<u>\$ 848,663,357</u>
	<i>Year Ended 12/31/18</i>			
	Shares	Amount	Shares	Amount
<i>LifePath Index 2030 Fund</i>				
Institutional				
Shares sold	2,743,880	\$ 36,971,977	3,202,068	\$ 41,202,457
Shares issued in reinvestment of distributions	366,961	4,756,501	225,320	2,977,500
Shares issued in reorganization	21,743,189	287,322,872		
Shares redeemed	(3,604,541)	(49,058,080)	(1,680,347)	(21,764,040)
Net increase (decrease)	<u>21,249,489</u>	<u>\$ 279,993,270</u>	<u>1,747,041</u>	<u>\$ 22,415,917</u>

Notes to Financial Statements (continued)

	Year Ended 12/31/18		Year Ended 12/31/17	
	Shares	Amount	Shares	Amount
<i>LifePath Index 2030 Fund</i>				
Investor A				
Shares sold	4,918,089	\$ 66,186,329	6,542,950	\$ 83,507,844
Shares issued in reinvestment of distributions	414,863	5,486,766	431,936	5,709,238
Shares issued in reorganization	3,836,618	50,659,133		
Shares redeemed	(7,549,133)	(101,230,237)	(3,571,591)	(46,502,604)
Net increase (decrease)	1,620,437	\$ 21,101,991	3,403,295	\$ 42,714,478
Class K				
Shares sold	88,692,082	\$1,202,120,206	87,022,389	\$1,115,713,439
Shares issued in reinvestment of distributions	5,593,577	74,012,088	4,389,693	58,014,602
Shares redeemed	(34,469,319)	(464,989,328)	(26,065,962)	(338,575,940)
Net increase	59,816,340	\$ 811,142,966	65,346,120	\$ 835,152,101
<i>Period from 08/06/18^(a) 12/31/18</i>				
Investor P				
Shares sold	695,685	\$ 8,937,775		
Shares issued in reinvestment of distributions	988,350	12,413,678		
Shares issued in reorganization	143,425,167	1,893,242,740		
Shares redeemed	(1,533,742)	(19,672,490)		
Net increase	143,575,460	\$1,894,921,703		
Total Net Increase	226,261,726	\$3,007,159,930	70,496,456	\$ 900,282,496
<i>LifePath Index 2035 Fund</i>				
	Year Ended 12/31/18		Year Ended 12/31/17	
	Shares	Amount	Shares	Amount
Institutional				
Shares sold	2,368,966	\$ 33,176,038	2,667,124	\$ 35,109,474
Shares issued in reinvestment of distributions	162,424	2,215,283	150,623	2,050,763
Shares redeemed	(2,120,005)	(29,784,429)	(987,050)	(13,204,056)
Net increase (decrease)	411,385	\$ 5,606,892	1,830,697	\$ 23,956,181
Investor A				
Shares sold	3,577,658	\$ 49,526,634	3,550,862	\$ 46,820,814
Shares issued in reinvestment of distributions	183,582	2,509,086	231,896	3,148,014
Shares redeemed	(6,990,357)	(97,092,915)	(2,678,705)	(35,809,179)
Net increase (decrease)	(3,229,117)	\$ (45,057,195)	1,104,053	\$ 14,159,649
Class K				
Shares sold	73,766,605	\$1,035,015,252	65,926,685	\$ 867,941,872
Shares issued in reinvestment of distributions	4,034,863	54,919,314	2,815,932	38,358,016
Shares redeemed	(24,064,060)	(336,144,172)	(17,237,138)	(229,584,277)
Net increase	53,737,408	\$ 753,790,394	51,505,479	\$ 676,715,611
<i>Period from 08/06/18^(a) 12/31/18</i>				
Investor P				
Shares sold	50,416	\$ 698,111		
Shares issued in reinvestment of distributions	228	2,930		
Shares redeemed	(6,955)	(97,651)		
Net increase	43,689	\$ 603,390		
Total Net Increase	50,963,365	\$ 714,943,481	54,440,229	\$ 714,831,441

Notes to Financial Statements (continued)

	Year Ended 12/31/18		Year Ended 12/31/17	
	Shares	Amount	Shares	Amount
<i>LifePath Index 2040 Fund</i>				
Institutional				
Shares sold	2,348,124	\$ 33,491,008	2,731,032	\$ 36,560,018
Shares issued in reinvestment of distributions	361,143	4,857,705	165,155	2,292,083
Shares issued in reorganization	26,825,150	374,985,551		
Shares redeemed	(2,877,170)	(41,457,093)	(985,185)	(13,299,791)
Net increase (decrease)	<u>26,657,247</u>	<u>\$ 371,877,171</u>	<u>1,911,002</u>	<u>\$ 25,552,310</u>
Investor A				
Shares sold	3,092,910	\$ 44,012,849	5,039,151	\$ 66,581,585
Shares issued in reinvestment of distributions	258,397	3,595,278	294,769	4,083,469
Shares issued in reorganization	1,605,991	22,400,500		
Shares redeemed	(5,862,446)	(83,217,233)	(2,066,649)	(28,165,141)
Net increase (decrease)	<u>(905,148)</u>	<u>\$ (13,208,606)</u>	<u>3,267,271</u>	<u>\$ 42,499,913</u>
Class K				
Shares sold	68,493,857	\$ 984,415,934	62,391,310	\$ 832,934,736
Shares issued in reinvestment of distributions	4,038,313	56,253,940	3,119,240	43,302,031
Shares redeemed	(23,435,959)	(336,249,609)	(18,705,124)	(253,649,462)
Net increase	<u>49,096,211</u>	<u>\$ 704,420,265</u>	<u>46,805,426</u>	<u>\$ 622,587,305</u>
<i>Period from 08/06/18^(a) 12/31/18</i>				
Investor P				
Shares sold	610,682	\$ 8,249,747		
Shares issued in reinvestment of distributions	718,462	9,368,763		
Shares issued in reorganization	98,207,119	1,369,311,095		
Shares redeemed	(940,199)	(12,613,942)		
Net increase	<u>98,596,064</u>	<u>\$1,374,315,663</u>		
Total Net Increase	<u>173,444,374</u>	<u>\$2,437,404,493</u>	<u>51,983,699</u>	<u>\$ 690,639,528</u>

	Year Ended 12/31/18		Year Ended 12/31/17	
	Shares	Amount	Shares	Amount
<i>LifePath Index 2045 Fund</i>				
Institutional				
Shares sold	1,761,127	\$ 25,974,627	2,043,661	\$ 27,925,586
Shares issued in reinvestment of distributions	116,891	1,664,435	110,006	1,564,110
Shares redeemed	(1,599,604)	(23,680,179)	(797,355)	(11,014,952)
Net increase	<u>278,414</u>	<u>\$ 3,958,883</u>	<u>1,356,312</u>	<u>\$ 18,474,744</u>
Investor A				
Shares sold	2,097,187	\$ 30,545,308	2,206,896	\$ 30,209,571
Shares issued in reinvestment of distributions	103,627	1,476,280	118,177	1,677,353
Shares redeemed	(2,950,219)	(43,060,237)	(1,587,040)	(21,991,431)
Net increase (decrease)	<u>(749,405)</u>	<u>\$ (11,038,649)</u>	<u>738,033</u>	<u>\$ 9,895,493</u>
Class K				
Shares sold	52,152,175	\$ 770,272,652	45,326,249	\$ 619,007,830
Shares issued in reinvestment of distributions	2,636,073	37,504,077	1,789,904	25,503,355
Shares redeemed	(14,612,103)	(215,240,097)	(10,697,684)	(148,557,840)
Net increase	<u>40,176,145</u>	<u>\$ 592,536,632</u>	<u>36,418,469</u>	<u>\$ 495,953,345</u>
<i>Period from 08/06/18^(a) 12/31/18</i>				
Investor P				
Shares sold	18,713	\$ 274,716		
Shares issued in reinvestment of distributions	43	576		
Shares redeemed	—	—		
Net increase	<u>18,756</u>	<u>\$ 275,292</u>		
Total Net Increase	<u>39,723,910</u>	<u>\$ 585,732,158</u>	<u>38,512,814</u>	<u>\$ 524,323,582</u>

Notes to Financial Statements (continued)

<i>LifePath Index 2050 Fund</i>	<u>Year Ended</u> <u>12/31/18</u>		<u>Year Ended</u> <u>12/31/17</u>	
	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>
Institutional				
Shares sold	1,921,818	\$ 28,798,586	2,139,586	\$ 29,527,134
Shares issued in reinvestment of distributions	109,448	1,584,622	104,678	1,511,930
Shares redeemed	(1,627,411)	(24,463,793)	(721,960)	(10,092,172)
Net increase	<u>403,855</u>	<u>\$ 5,919,415</u>	<u>1,522,304</u>	<u>\$ 20,946,892</u>
Investor A				
Shares sold	1,909,678	\$ 28,396,016	2,694,234	\$ 36,944,701
Shares issued in reinvestment of distributions	116,711	1,684,226	133,513	1,924,896
Shares issued in reorganization	468,763	6,808,977		
Shares redeemed	(2,744,609)	(40,597,035)	(1,201,499)	(16,911,676)
Net increase (decrease)	<u>(249,457)</u>	<u>\$ (3,707,816)</u>	<u>1,626,248</u>	<u>\$ 21,957,921</u>
Class K				
Shares sold	44,071,463	\$ 660,447,388	36,993,294	\$ 512,385,404
Shares issued in reinvestment of distributions	2,188,372	31,631,006	1,598,515	23,109,455
Shares redeemed	(13,552,432)	(202,522,689)	(9,576,995)	(134,806,733)
Net increase	<u>32,707,403</u>	<u>\$ 489,555,705</u>	<u>29,014,814</u>	<u>\$ 400,688,126</u>
<i>Period from</i> <i>08/06/18^(a)</i> <i>12/31/18</i>				
Investor P				
Shares sold	288,227	\$ 4,036,933		
Shares issued in reinvestment of distributions	225,005	3,030,818		
Shares issued in reorganization	28,990,652	420,898,833		
Shares redeemed	(285,840)	(4,003,124)		
Net increase	<u>29,218,044</u>	<u>\$ 423,963,460</u>		
Total Net Increase	<u>62,079,845</u>	<u>\$ 915,730,764</u>	<u>32,163,366</u>	<u>\$ 443,592,939</u>

<i>LifePath Index 2055 Fund</i>	<u>Year Ended</u> <u>12/31/18</u>		<u>Year Ended</u> <u>12/31/17</u>	
	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>
Institutional				
Shares sold	2,107,289	\$ 32,048,848	1,977,911	\$ 27,909,579
Shares issued in reinvestment of distributions	88,556	1,303,230	73,086	1,077,347
Shares redeemed	(1,201,441)	(18,368,110)	(676,761)	(9,680,143)
Net increase	<u>994,404</u>	<u>\$ 14,983,968</u>	<u>1,374,236</u>	<u>\$ 19,306,783</u>
Investor A				
Shares sold	1,772,760	\$ 26,744,014	1,462,963	\$ 20,743,150
Shares issued in reinvestment of distributions	56,193	825,967	54,879	807,146
Shares redeemed	(1,505,879)	(22,806,201)	(892,136)	(12,701,077)
Net increase	<u>323,074</u>	<u>\$ 4,763,780</u>	<u>625,706</u>	<u>\$ 8,849,219</u>
Class K				
Shares sold	25,856,060	\$ 394,481,228	19,958,262	\$ 282,301,346
Shares issued in reinvestment of distributions	1,036,696	15,248,145	659,391	9,739,227
Shares redeemed	(6,525,650)	(99,674,872)	(4,256,917)	(61,055,626)
Net increase	<u>20,367,106</u>	<u>\$ 310,054,501</u>	<u>16,360,736</u>	<u>\$ 230,984,947</u>
<i>Period from</i> <i>08/06/18^(a)</i> <i>12/31/18</i>				
Investor P				
Shares sold	15,211	\$ 235,121		
Shares issued in reinvestment of distributions	18	243		
Shares redeemed	—	—		
Net increase	<u>15,229</u>	<u>\$ 235,364</u>		
Total Net Increase	<u>21,699,813</u>	<u>\$ 330,037,613</u>	<u>18,360,678</u>	<u>\$ 259,140,949</u>

Notes to Financial Statements (continued)

<i>LifePath Index 2060 Fund</i>	Year Ended 12/31/18		Year Ended 12/31/17	
	Shares	Amount	Shares	Amount
Institutional				
Shares sold	282,879	\$ 3,835,618	74,371	\$ 937,032
Shares issued in reinvestment of distributions	4,187	54,600	1,181	15,578
Shares redeemed	(135,209)	(1,727,284)	(10,344)	(133,946)
Net increase	<u>151,857</u>	<u>\$ 2,162,934</u>	<u>65,208</u>	<u>\$ 818,664</u>
Investor A				
Shares sold	287,980	\$ 3,809,813	207,762	\$ 2,602,247
Shares issued in reinvestment of distributions	4,959	64,121	3,345	43,978
Shares redeemed	(152,560)	(2,014,458)	(26,385)	(338,945)
Net increase (decrease)	<u>140,379</u>	<u>\$ 1,859,476</u>	<u>184,722</u>	<u>\$ 2,307,280</u>
Class K				
Shares sold	9,592,596	\$129,240,676	4,799,992	\$60,982,174
Shares issued in reinvestment of distributions	210,669	2,729,831	83,175	1,096,618
Shares redeemed	(2,717,537)	(36,917,240)	(557,594)	(7,130,568)
Net increase	<u>7,085,728</u>	<u>\$ 95,053,267</u>	<u>4,325,573</u>	<u>\$54,948,224</u>
		<i>Period from 08/06/18^(a) 12/31/18</i>		
Investor P				
Shares sold	21,274	\$ 287,443		
Shares issued in reinvestment of distributions	49	598		
Shares redeemed	—	—		
Net increase	<u>21,323</u>	<u>\$ 288,041</u>		
Total Net Increase	<u>7,399,287</u>	<u>\$ 99,363,718</u>	<u>4,575,503</u>	<u>\$58,074,168</u>

(a) Investor P Shares commencement of operations.

As of December 31, 2018, shares owned by BlackRock Financial Management, Inc., an affiliate of the LifePath Index Funds, were as follows:

	<i>Investor P</i>
LifePath Index Retirement Fund	16,353
LifePath Index 2020 Fund	15,736
LifePath Index 2025 Fund	14,948
LifePath Index 2030 Fund	14,524
LifePath Index 2035 Fund	14,025
LifePath Index 2040 Fund	13,661
LifePath Index 2045 Fund	13,289
LifePath Index 2050 Fund	13,072
LifePath Index 2055 Fund	12,821
LifePath Index 2060 Fund	14,482

7. REGULATION S-X AMENDMENTS

On August 17, 2018, the SEC adopted amendments to certain disclosure requirements in Securities Act Release No. 33-10532, Disclosure Update and Simplification. The LifePath Index Funds have adopted the amendments pertinent to Regulation S-X in this shareholder report. The amendments impacted certain disclosure presentation on the Statements of Assets and Liabilities, Statements of Changes in Net Assets and Notes to the Financial Statements.

Prior year distribution information and distributions in excess of net investment income in the Statements of Changes in Net Assets has been modified to conform to the current year presentation in accordance with the Regulation S-X changes.

Distributions for the year ended December 31, 2017 were classified as follows:

	<i>Share Class</i>	<i>Net Investment Income</i>	<i>Net Realized Gain</i>
LifePath Index Retirement Fund	Institutional	\$ 1,502,204	\$ 153,259
	Investor A	1,548,585	188,179
	Class K	19,702,532	2,251,902
LifePath Index 2020 Fund	Institutional	2,120,092	278,162
	Investor A	3,621,439	517,986
	Class K	41,289,614	5,501,138

Notes to Financial Statements (continued)

	Share Class	Net Investment Income	Net Realized Gain
LifePath Index 2025 Fund	Institutional	\$ 1,984,489	\$ 108,007
	Investor A	2,940,176	166,414
	Class K	42,137,491	2,370,246
LifePath Index 2030 Fund	Institutional	2,814,923	162,577
	Investor A	5,372,661	336,576
	Class K	54,934,706	3,216,265
LifePath Index 2035 Fund	Institutional	1,996,227	54,536
	Investor A	3,058,870	89,171
	Class K	37,463,006	1,046,119
LifePath Index 2040 Fund	Institutional	2,277,350	14,733
	Investor A	4,055,384	28,150
	Class K	43,184,615	277,666
LifePath Index 2045 Fund	Institutional	1,564,110	—
	Investor A	1,677,352	—
	Class K	25,634,876	—
LifePath Index 2050 Fund	Institutional	1,511,930	—
	Investor A	1,924,919	—
	Class K	23,186,239	—
LifePath Index 2055 Fund	Institutional	1,077,347	—
	Investor A	807,139	—
	Class K	9,766,420	—
LifePath Index 2060 Fund	Institutional	16,254	—
	Investor A	44,563	—
	Class K	1,109,098	—

Distributions in excess of net investment income as of December 31, 2017 is as follows:

	Distributions in Excess of Net Investment Income
LifePath Index Retirement Fund	\$1,994,971
LifePath Index 2020 Fund	3,694,115
LifePath Index 2025 Fund	2,292,116
LifePath Index 2030 Fund	3,002,541
LifePath Index 2035 Fund	1,358,761
LifePath Index 2040 Fund	1,489,676
LifePath Index 2045 Fund	545,944
LifePath Index 2050 Fund	504,644
LifePath Index 2055 Fund	115,249
LifePath Index 2060 Fund	1,297

8. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the LifePath Index Funds 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.

To the Board of Trustees of BlackRock Funds III and the Shareholders of BlackRock LifePath® Index Retirement Fund, BlackRock LifePath® Index 2020 Fund, BlackRock LifePath® Index 2025 Fund, BlackRock LifePath® Index 2030 Fund, BlackRock LifePath® Index 2035 Fund, BlackRock LifePath® Index 2040 Fund, BlackRock LifePath® Index 2045 Fund, BlackRock LifePath® Index 2050 Fund, BlackRock LifePath® Index 2055 Fund and BlackRock LifePath® Index 2060 Fund

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities of BlackRock LifePath® Index Retirement Fund, BlackRock LifePath® Index 2020 Fund, BlackRock LifePath® Index 2025 Fund, BlackRock LifePath® Index 2030 Fund, BlackRock LifePath® Index 2035 Fund, BlackRock LifePath® Index 2040 Fund, BlackRock LifePath® Index 2045 Fund, BlackRock LifePath® Index 2050 Fund, BlackRock LifePath® Index 2055 Fund and BlackRock LifePath® Index 2060 Fund (ten of the series constituting BlackRock Funds III, hereafter collectively referred to as the “Funds”) as of December 31, 2018, the related statements of operations for the year ended December 31, 2018, the statements of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2018, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended December 31, 2018 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements 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 Funds 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 of these financial statements 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 are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, 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. 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. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the administrator of the Master Portfolios. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 27, 2019

We have served as the auditor of one or more BlackRock investment companies since 2000.

Important Tax Information (unaudited)

During the fiscal year ended December 31, 2018, the following information is provided with respect to the ordinary income distributions paid:

		<i>LifePath Index Retirement Fund</i>	<i>LifePath Index 2020 Fund</i>	<i>LifePath Index 2025 Fund</i>	<i>LifePath Index 2030 Fund</i>	<i>LifePath Index 2035 Fund</i>	<i>LifePath Index 2040 Fund</i>	<i>LifePath Index 2045 Fund</i>	<i>LifePath Index 2050 Fund</i>	<i>LifePath Index 2055 Fund</i>	<i>LifePath Index 2060 Fund</i>
Qualified Dividend Income for Individuals ^(a)	Quarterly	30.62%	34.82%	41.08%	51.16%	56.03%	65.02%	66.89%	70.40%	69.80%	70.09%
Dividends Qualifying for the Dividend Received Deduction for Corporations ^(a)	Quarterly	14.57	16.26	20.69	23.18	27.43	28.88	32.17	32.11	33.02	32.18
Federal Obligation Interest ^(b)	Quarterly	24.71	22.11	17.38	11.85	8.20	3.96	1.43	—	—	—
Interest Related Dividends and Short-Term Capital Gains for Non-U.S. Residents ^(c)	Quarterly	53.43	48.90	39.37	28.90	20.48	11.77	5.82	2.96	1.40	1.40

^(a) The LifePath Index Funds hereby designate the percentages indicated above or the maximum amount allowable by law.

^(b) The law varies in each state as to whether and what percentage of dividend income attributable to federal obligations is exempt from state income tax. We recommend that you consult your tax advisor to determine if any portion of the dividends you received is exempt from state income taxes.

^(c) Represents the portion of the taxable ordinary income dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

Additionally, the LifePath Index Funds distributed long-term capital gains per-share as follows:

		<i>LifePath Index Retirement Fund</i>	<i>LifePath Index 2020 Fund</i>	<i>LifePath Index 2025 Fund</i>	<i>LifePath Index 2030 Fund</i>	<i>LifePath Index 2035 Fund</i>	<i>LifePath Index 2040 Fund</i>	<i>LifePath Index 2045 Fund</i>	<i>LifePath Index 2050 Fund</i>	<i>LifePath Index 2055 Fund</i>	<i>LifePath Index 2060 Fund</i>
Long-Term Capital Gains Per Share											
	Record Date										
	6/28/2018	\$0.000033	\$0.000138	\$ —	\$ —	\$ —	\$0.002957	\$0.001387	\$ —	\$—	\$—
	12/28/2018	0.008163	0.034522	0.024964	0.004467	0.001987	0.004968	0.000896	0.002548	—	—

LifePath® Index Retirement Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Fixed Income Funds	60%
Equity Funds	40

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
U.S. Total Bond Index Master Portfolio	51%
Large Cap Index Master Portfolio	22
iShares Core MSCI Total International Stock ETF	14
iShares TIPS Bond ETF	9
Master Small Cap Index Series	4

LifePath® Index 2020 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Fixed Income Funds	56%
Equity Funds	44

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
U.S. Total Bond Index Master Portfolio	49%
Large Cap Index Master Portfolio	24
iShares Core MSCI Total International Stock ETF	15
iShares TIPS Bond ETF	8
Master Small Cap Index Series	3
iShares Developed Real Estate Index Fund	1
Total International ex U.S. Index Master Portfolio	

LifePath® Index 2025 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	57%
Fixed Income Funds	43
Short-Term Securities	4
Liabilities in Excess of Other Assets	(4)

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
U.S. Total Bond Index Master Portfolio	37%
Large Cap Index Master Portfolio	31
iShares Core MSCI Total International Stock ETF	19
iShares TIPS Bond ETF	6
iShares Developed Real Estate Index Fund	4
Master Small Cap Index Series	3

LifePath® Index 2030 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	68%
Fixed Income Funds	32
Short-Term Securities	1
Liabilities in Excess of Other Assets	(1)

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
Large Cap Index Master Portfolio	36%
U.S. Total Bond Index Master Portfolio	27
iShares Core MSCI Total International Stock ETF	22
iShares Developed Real Estate Index Fund	7
iShares TIPS Bond ETF	4
Master Small Cap Index Series	3
Total International ex U.S. Index Master Portfolio	1
BlackRock Cash Funds: Institutional, SL Agency Shares	

The LifePath Index Master Portfolios' allocation and holdings listed above are current as of the report date. However, the LifePath Index Master Portfolios are regularly monitored and their composition may vary throughout various periods.

LifePath® Index 2035 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	78%
Fixed Income Funds	22

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
Large Cap Index Master Portfolio	41%
iShares Core MSCI Total International Stock ETF	25
U.S. Total Bond Index Master Portfolio	19
iShares Developed Real Estate Index Fund	10
iShares TIPS Bond ETF	3
Master Small Cap Index Series	2

LifePath® Index 2040 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	88%
Fixed Income Funds	12
Short-Term Securities	1
Liabilities in Excess of Other Assets	(1)

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
Large Cap Index Master Portfolio	46%
iShares Core MSCI Total International Stock ETF	28
iShares Developed Real Estate Index Fund	12
U.S. Total Bond Index Master Portfolio	11
Total International ex U.S. Index Master Portfolio	1
Master Small Cap Index Series	1
iShares TIPS Bond ETF	1
BlackRock Cash Funds: Treasury, SL Agency Shares	

LifePath® Index 2045 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	95%
Fixed Income Funds	4
Short-Term Securities	1

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
Large Cap Index Master Portfolio	49%
iShares Core MSCI Total International Stock ETF	31
iShares Developed Real Estate Index Fund	15
U.S. Total Bond Index Master Portfolio	4
Master Small Cap Index Series	1

LifePath® Index 2050 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	99%
Fixed Income Funds	1
Short-Term Securities	1
Liabilities in Excess of Other Assets	(1)

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
Large Cap Index Master Portfolio	50%
iShares Core MSCI Total International Stock ETF	33
iShares Developed Real Estate Index Fund	13
Master Small Cap Index Series	2
U.S. Total Bond Index Master Portfolio	1
BlackRock Cash Funds: Institutional, SL Agency Shares	1

The LifePath Index Master Portfolios' allocation and holdings listed above are current as of the report date. However, the LifePath Index Master Portfolios are regularly monitored and their composition may vary throughout various periods.

LifePath® Index 2055 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	99%
Fixed Income Funds	1

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
Large Cap Index Master Portfolio	50%
iShares Core MSCI Total International Stock ETF	33
iShares Developed Real Estate Index Fund	14
Master Small Cap Index Series	2
U.S. Total Bond Index Master Portfolio	1

LifePath® Index 2060 Master Portfolio

PORTFOLIO COMPOSITION

<i>Asset Type</i>	<i>Percent of Total Net Assets</i>
Equity Funds	98%
Fixed Income Funds	1
Short-Term Securities	1

TEN LARGEST HOLDINGS

<i>Holdings</i>	<i>Percent of Total Net Assets</i>
Large Cap Index Master Portfolio	50%
iShares Core MSCI Total International Stock ETF	32
iShares Developed Real Estate Index Fund	14
Master Small Cap Index Series	2
U.S. Total Bond Index Master Portfolio	1
BlackRock Cash Funds: Treasury, SL Agency Shares	1

The LifePath Index Master Portfolios' allocation and holdings listed above are current as of the report date. However, the LifePath Index Master Portfolios are regularly monitored and their composition may vary throughout various periods.

Schedule of Investments

December 31, 2018

LifePath Index Retirement Master Portfolio

(Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(b) — 100.0%		
Equity Funds — 39.9%		
iShares Core MSCI Total International Stock ETF	5,943,594	\$ 312,216,993
iShares Developed Real Estate Index Fund	1,198,043	11,489,230
Large Cap Index Master Portfolio	\$ 512,645,381	512,645,381
Master Small Cap Index Series	\$ 82,325,044	82,325,044
		<u>918,676,648</u>
Fixed Income Funds — 60.0%		
iShares TIPS Bond ETF	1,868,876	204,660,611
U.S. Total Bond Index Master Portfolio	\$1,175,114,516	1,175,114,516
		<u>1,379,775,127</u>

Security	Shares	Value
Short-Term Securities — 0.1%		
BlackRock Cash Funds: Treasury, SL Agency Shares, 2.38% ^{(a)(b)}	1,590,845	\$ 1,590,845
Total Affiliated Investment Companies — 100.0%		
(Cost — \$2,309,583,183)		2,300,042,620
Other Assets Less Liabilities — 0.0%		<u>1,144,476</u>
Net Assets — 100.0%		<u>\$2,301,187,096</u>

(a) Annualized 7-day yield as of period end.

(b) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares*	65	—	(65) ^(b)	—	\$ —	\$ 17,772 ^(c)	\$ 460	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	3,005,607	—	(1,414,762) ^(b)	1,590,845	1,590,845	44,681	—	—
iShares Core MSCI Total International Stock ETF	2,542,848	3,706,064	(305,318)	5,943,594	312,216,993	6,561,151	(765,980)	(40,487,588)
iShares Core U.S. Aggregate Bond ETF*	—	—	—	—	—	—	(1,287,548)	1,271,390
iShares Developed Real Estate Index Fund	591,318	662,807	(56,082)	1,198,043	11,489,230	306,664	(23,757)	(896,854)
iShares Russell 2000 Small-Cap Index Fund*	—	—	—	—	—	—	(1,980,852)	317,176
iShares TIPS Bond ETF	944,633	1,049,173	(124,930)	1,868,876	204,660,611	3,352,903	(738,043)	(3,819,926)
Large Cap Index Master Portfolio	\$270,057,163	\$242,588,218 ^(d)	\$ —	\$ 512,645,381	512,645,381	6,177,250	42,340	(60,786,297)
Master Small Cap Index Series	\$ 53,283,612	\$ 29,041,432 ^(d)	\$ —	\$ 82,325,044	82,325,044	901,216	3,379,866	(17,634,012)
Total International ex U.S. Index Master Portfolio*	\$ 5,776,267	\$ —	\$(5,776,267) ^(b)	—	—	669	9,341	(3,540,027)
U.S. Total Bond Index Master Portfolio	\$630,335,530	\$544,778,986 ^(d)	\$ —	\$1,175,114,516	1,175,114,516	20,293,302	(3,932,702)	26,228,454
					<u>\$2,300,042,620</u>	<u>\$37,655,608</u>	<u>\$(5,296,875)</u>	<u>\$ (99,347,684)</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares/investment value sold.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(d) Represents net shares/investment value purchased.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$323,706,223	\$ —	\$ —	\$ 323,706,223
Fixed Income Fund	204,660,611	—	—	204,660,611
Short-Term Securities	1,590,845	—	—	1,590,845
	<u>\$529,957,679</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 529,957,679</u>
Investments Valued at NAV ^(a)				<u>1,770,084,941</u>
				<u>\$2,300,042,620</u>

^(a) As of December 31, 2018, certain of the Master Portfolio's Investments were fair valued using net asset value ("NAV") per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2020 Master Portfolio

(Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(b) — 100.0%		
Equity Funds — 43.9%		
iShares Core MSCI Total International Stock ETF	12,584,517	\$ 661,064,678
iShares Developed Real Estate Index Fund	4,450,716	42,682,370
Large Cap Index Master Portfolio	\$1,045,189,364	1,045,189,364
Master Small Cap Index Series	\$ 151,166,807	151,166,807
		<u>1,900,103,219</u>
Fixed Income Funds — 56.1%		
iShares TIPS Bond ETF	3,180,265	348,270,820
U.S. Total Bond Index Master Portfolio	\$2,080,447,254	2,080,447,254
		<u>2,428,718,074</u>

Security	Shares	Value
Short-Term Securities — 0.0%		
BlackRock Cash Funds: Treasury, SL Agency Shares, 2.38% ^{(a)(b)}	1,139,927	\$ 1,139,927
Total Affiliated Investment Companies — 100.0%		
(Cost — \$4,322,008,282)		4,329,961,220
Other Assets Less Liabilities — 0.0%		<u>1,269,690</u>
Net Assets — 100.0%		<u>\$4,331,230,910</u>

(a) Annualized 7-day yield as of period end.

(b) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares*	17,809,719	—	(17,809,719) ^(b)	—	\$ —	\$ 26,644 ^(c)	\$ 13,101	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	4,836,877	—	(3,696,950) ^(b)	1,139,927	1,139,927	88,184	—	—
iShares Core MSCI Total International Stock ETF	5,171,734	7,714,380	(301,597)	12,584,517	661,064,678	14,063,334	(1,958,593)	(88,473,945)
iShares Core U.S. Aggregate Bond ETF*	—	—	—	—	—	—	(1,773,263)	1,750,920
iShares Developed Real Estate Index Fund	4,868,497	2,454,300	(2,872,081)	4,450,716	42,682,370	1,554,417	340,676	(4,681,370)
iShares Russell 2000 Small-Cap Index Fund*	—	—	—	—	—	—	(3,390,065)	549,821
iShares TIPS Bond ETF	1,579,048	1,667,458	(66,241)	3,180,265	348,270,820	5,701,334	(650,011)	(7,130,742)
Large Cap Index Master Portfolio	\$ 613,784,581	\$431,404,783 ^(d)	\$ —	\$1,045,189,364	1,045,189,364	13,556,455	1,101,870	(116,479,149)
Master Small Cap Index Series	\$ 92,810,675	\$ 58,356,132 ^(d)	\$ —	\$ 151,166,807	151,166,807	1,633,425	5,911,773	(32,035,769)
Total International ex U.S. Index Master Portfolio*	\$ 52,609,060	\$ —	\$(52,609,060) ^(b)	\$ —	—	442,543	1,168,518	(12,298,313)
U.S. Total Bond Index Master Portfolio	\$1,091,623,827	\$988,823,427 ^(d)	\$ —	\$2,080,447,254	2,080,447,254	35,706,646	(6,707,256)	47,037,336
					<u>\$4,329,961,220</u>	<u>\$72,772,982</u>	<u>\$ (5,943,250)</u>	<u>\$211,761,211</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares/investment value sold.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(d) Represents net shares/investment value purchased.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$ 703,747,048	\$ —	\$ —	\$ 703,747,048
Fixed Income Fund	348,270,820	—	—	348,270,820
Short-Term Securities	1,139,927	—	—	1,139,927
	<u>\$1,053,157,795</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,053,157,795</u>
Investments Valued at NAV ^(a)				<u>3,276,803,425</u>
				<u>\$4,329,961,220</u>

^(a) As of December 31, 2018, certain of the Master Portfolio's Investments were fair valued using NAV per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2025 Master Portfolio (Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(d) — 103.1%		
Equity Funds — 56.8%		
iShares Core MSCI Total International Stock ETF ^(a)	10,828,697	\$ 568,831,454
iShares Developed Real Estate Index Fund	13,695,574	131,340,549
Large Cap Index Master Portfolio	\$ 921,599,026	921,599,026
Master Small Cap Index Series	\$ 85,646,564	85,646,564
		<u>1,707,417,593</u>
Fixed Income Funds — 42.8%		
iShares TIPS Bond ETF	1,656,912	181,448,433
U.S. Total Bond Index Master Portfolio	\$1,104,362,670	1,104,362,670
		<u>1,285,811,103</u>

Security	Shares	Value
Short-Term Securities — 3.5%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares, 2.58% ^{(b)(c)(d)}	100,607,389	\$ 100,617,450
BlackRock Cash Funds: Treasury,		
SL Agency Shares, 2.38% ^{(c)(d)}	4,824,684	4,824,684
		<u>105,442,134</u>
Total Affiliated Investment Companies — 103.1%		
(Cost — \$3,063,904,219)		3,098,670,830
Liabilities in Excess of Other Assets — (3.1%)		<u>(93,106,112)</u>
Net Assets — 100.0%		<u>\$3,005,564,718</u>

(a) Security, or a portion of the security, is on loan.

(b) All or a portion of security was purchased with the cash collateral from loaned securities.

(c) Annualized 7-day yield as of period end.

(d) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares	8,887,811	91,719,578 ^(b)	—	\$ 100,607,389	\$ 100,617,450	\$ 89,606 ^(c)	\$ 2,547	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	5,426,469	—	\$ (601,785) ^(d)	\$ 4,824,684	4,824,684	123,960	—	—
iShares Core MSCI Total International Stock ETF	7,194,944	3,748,730	(114,977)	10,828,697	568,831,454	15,389,901	(980,957)	(104,643,014)
iShares Developed Real Estate Index Fund	13,003,042	3,442,577	(2,750,045)	13,695,574	131,340,549	5,519,109	(1,054,419)	(11,317,977)
iShares TIPS Bond ETF	1,200,536	500,186	(43,810)	1,656,912	181,448,433	4,452,409	(286,858)	(6,443,237)
Large Cap Index Master Portfolio	\$794,427,919	\$127,171,107 ^(b)	\$ —	\$ 921,599,026	921,599,026	17,666,811	(872,846)	(70,256,045)
Master Small Cap Index Series	\$ 76,443,648	9,202,916 ^(b)	\$ —	\$ 85,646,564	85,646,564	1,281,840	4,306,868	(32,547,997)
Total International ex U.S. Index Master Portfolio*	\$ 33,266,058	\$ —	\$(33,266,058) ^(d)	—	—	109,983	547,854	(10,979,412)
U.S. Total Bond Index Master Portfolio	\$866,640,859	\$237,721,811 ^(b)	\$ —	\$1,104,362,670	1,104,362,670	28,062,169	(6,820,813)	17,354,864
					<u>\$3,098,670,830</u>	<u>\$72,695,788</u>	<u>\$(5,158,624)</u>	<u>\$ 218,832,818</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares/investment value purchased.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(d) Represents net shares/investment value sold.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$700,172,003	\$ —	\$ —	\$ 700,172,003
Fixed Income Fund	181,448,433	—	—	181,448,433
Short-Term Securities	105,442,134	—	—	105,442,134
Subtotal	<u>\$987,062,570</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 987,062,570</u>
Investments Valued at net assets value ("NAV") ^(a)				2,111,608,260
	<u>\$987,062,570</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$3,098,670,830</u>

^(a) As of December 31, 2018, certain of the Master Portfolio's Investments were fair valued using NAV per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2030 Master Portfolio

(Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(d) — 101.0%		
Equity Funds — 68.1%		
iShares Core MSCI Total International Stock ETF ^(a)	24,193,550	\$1,270,887,182
iShares Developed Real Estate Index Fund	43,086,305	413,197,666
Large Cap Index Master Portfolio	\$2,075,075,786	2,075,075,786
Master Small Cap Index Series	\$136,355,981	136,355,981
Total International ex U.S. Index Master Portfolio	\$9,822,080	9,822,080
		3,905,338,695
Fixed Income Funds — 31.8%		
iShares TIPS Bond ETF	2,270,994	248,696,553
U.S. Total Bond Index Master Portfolio	\$1,572,076,760	1,572,076,760
		1,820,773,313

Security	Shares	Value
Short-Term Securities — 1.1%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares, 2.58% ^{(b)(c)(d)}	55,372,313	\$55,377,850
BlackRock Cash Funds: Treasury,		
SL Agency Shares, 2.38% ^{(b)(c)(d)}	6,015,670	6,015,670
		61,393,520
Total Affiliated Investment Companies — 101.0%		
(Cost — \$5,820,835,822)		5,787,505,528
Liabilities in Excess of Other Assets — (1.0%)		
		(55,829,418)
Net Assets — 100.0%		
		\$5,731,676,110

(a) Security, or a portion of the security, is on loan.

(b) All or a portion of security was purchased with the cash collateral from loaned securities.

(c) Annualized 7-day yield as of period end.

(d) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Par/Shares/ Investment Value Held at 12/31/17	Par/Shares/ Investment Value Purchased	Par/Shares/ Investment Value Sold	Par/Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares	21,322,517	34,049,796 ^(b)	—	55,372,313	\$55,377,850	\$75,953 ^(c)	\$ (7,937)	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	6,292,023	—	(276,353) ^(d)	6,015,670	6,015,670	177,995	—	—
iShares Core MSCI Total International Stock ETF	9,548,734	14,710,082	(65,266)	24,193,550	1,270,887,182	27,132,805	29,233	(175,934,025)
iShares Core U.S. Aggregate Bond ETF*	—	—	—	—	—	—	(724,357)	708,373
iShares Developed Real Estate Index Fund	24,689,097	23,579,319	(5,182,111)	43,086,305	413,197,666	13,426,570	(2,289,258)	(32,425,917)
iShares Russell 2000 Small-Cap Index Fund*	—	—	—	—	—	—	(2,532,142)	419,613
iShares TIPS Bond ETF	1,077,873	1,206,991	(13,870)	2,270,994	248,696,553	4,123,030	(111,991)	(5,587,872)
Large Cap Index Master Portfolio	\$1,167,462,886	\$907,612,900 ^(b)	\$ —	\$2,075,075,786	2,075,075,786	27,442,770	(6,199,686)	(198,552,514)
Master Small Cap Index Series	\$73,349,677	\$63,006,304 ^(b)	\$ —	\$136,355,981	136,355,981	1,381,984	4,490,823	(27,977,808)
Total International ex U.S. Index Master Portfolio	\$106,221,511	\$ —	\$(96,399,431) ^(d)	\$9,822,080	9,822,080	1,494,626	3,641,479	(18,155,957)
U.S. Total Bond Index Master Portfolio	\$802,525,226	\$769,551,534 ^(b)	\$ —	\$1,572,076,760	1,572,076,760	27,822,550	(5,125,742)	54,823,474
					<u>\$5,787,505,528</u>	<u>\$103,078,283</u>	<u>\$8,829,578</u>	<u>\$402,682,633</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares/investment value purchased.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(d) Represents net shares/investment value sold.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$1,684,084,848	\$ —	\$ —	\$1,684,084,848
Fixed Income Fund	248,696,553	—	—	248,696,553
Short-Term Securities	61,393,520	—	—	61,393,520
Subtotal	<u>\$1,994,174,921</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,994,174,921</u>
Investments Valued at NAV ^(a)				<u>3,793,330,607</u>
				<u>\$5,787,505,528</u>

^(a) As of December 31, 2018, certain of the LifePath Index Master Portfolio's Investments were fair valued using NAV per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2035 Master Portfolio (Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(b) — 99.9%		
Equity Funds — 78.3%		
iShares Core MSCI Total International Stock ETF	12,341,347	\$ 648,290,958
iShares Developed Real Estate Index Fund	26,571,467	254,820,365
Large Cap Index Master Portfolio	\$1,067,319,615	1,067,319,615
Master Small Cap Index Series	\$ 49,503,645	49,503,645
Total International ex U.S. Index Master Portfolio	\$ 10,368,490	10,368,490
		<u>2,030,303,073</u>
Fixed Income Funds — 21.3%		
iShares TIPS Bond ETF	658,134	72,072,255
U.S. Total Bond Index Master Portfolio	\$ 481,658,994	481,658,994
		<u>553,731,249</u>

Security	Shares	Value
Short-Term Securities — 0.3%		
BlackRock Cash Funds: Treasury, SL Agency Shares, 2.38% ^{(a)(b)}	6,598,067	\$ 6,598,067
Total Affiliated Investment Companies — 99.9%		
(Cost — \$2,558,501,009)		2,590,632,389
Other Assets Less Liabilities — 0.1%		<u>2,617,559</u>
Net Assets — 100.0%		<u>\$2,593,249,948</u>

(a) Annualized 7-day yield as of period end.

(b) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares*	9,458,854	—	(9,458,854) ^(b)	—	\$ —	\$ 24,580 ^(c)	\$ (25,008)	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	4,258,142	2,339,925 ^(d)	—	6,598,067	6,598,067	122,822	—	—
iShares Core MSCI Total International Stock ETF	7,678,597	4,727,871	(65,121)	12,341,347	648,290,958	17,184,011	(83,035)	(118,534,745)
iShares Developed Real Estate Index Fund	22,135,653	9,042,167	(4,606,353)	26,571,467	254,820,365	10,728,282	(2,289,783)	(21,394,449)
iShares TIPS Bond ETF	452,548	211,436	(5,850)	658,134	72,072,255	1,737,950	(36,425)	(2,558,747)
Large Cap Index Master Portfolio	\$899,224,240	\$168,095,375 ^(d)	—	\$1,067,319,615	1,067,319,615	20,599,551	(2,002,552)	(83,369,436)
Master Small Cap Index Series	\$ 34,890,373	\$ 14,613,272 ^(d)	—	\$ 49,503,645	49,503,645	637,146	2,198,742	(12,344,822)
Total International ex U.S. Index Master Portfolio	\$ 56,625,478	—	\$(46,256,988) ^(b)	\$ 10,368,490	10,368,490	873,425	1,760,953	(8,218,281)
U.S. Total Bond Index Master Portfolio	\$358,367,941	\$123,291,053 ^(d)	—	\$ 481,658,994	481,658,994	12,098,111	(2,871,389)	7,442,526
					<u>\$2,590,632,389</u>	<u>\$64,005,878</u>	<u>\$ 3,348,497</u>	<u>\$ 238,977,954</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares/investment value sold.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(d) Represents net shares/investment value purchased.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$903,111,323	\$ —	\$ —	\$ 903,111,323
Fixed Income Fund	72,072,255	—	—	72,072,255
Short-Term Securities	6,598,067	—	—	6,598,067
Subtotal	<u>\$981,781,645</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 981,781,645</u>
Investments Valued at NAV ^(a)				<u>1,608,850,744</u>
				<u>\$2,590,632,389</u>

^(a) As of December 31, 2018, certain of the LifePath Index Master Portfolio's Investments were fair valued using NAV per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2040 Master Portfolio (Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(d) — 100.7%		
Equity Funds — 87.9%		
iShares Core MSCI Total International Stock ETF ^(a)	23,629,833	\$1,241,275,127
iShares Developed Real Estate Index Fund	55,923,183	536,303,324
Large Cap Index Master Portfolio	\$2,009,602,477	2,009,602,477
Master Small Cap Index Series	\$ 64,274,485	64,274,485
Total International ex U.S. Index Master Portfolio	\$ 3,378,402	3,378,402
		<u>3,854,833,815</u>
Fixed Income Funds — 11.9%		
iShares TIPS Bond ETF ^(a)	553,430	60,606,119
U.S. Total Bond Index Master Portfolio	\$ 461,970,519	461,970,519
		<u>522,576,638</u>

Security	Shares	Value
Short-Term Securities — 0.9%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares, 2.58% ^{(b)(c)(d)}	27,557,510	\$ 27,560,265
BlackRock Cash Funds: Treasury,		
SL Agency Shares, 2.38% ^{(c)(d)}	12,692,339	12,692,339
		<u>40,252,604</u>
Total Affiliated Investment Companies — 100.7%		
(Cost — \$4,463,035,123)		<u>4,417,663,057</u>
Liabilities in Excess of Other Assets — (0.7)%		
		<u>(31,144,738)</u>
Net Assets — 100.0%		
		<u>\$4,386,518,319</u>

(a) Security, or a portion of the security, is on loan.

(b) All or a portion of security was purchased with the cash collateral from loaned securities.

(c) Annualized 7-day yield as of period end.

(d) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares	—	27,557,510 ^(b)	—	27,557,510	\$ 27,560,265	\$ 72,436 ^(c)	\$ (4,936)	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	3,263,315	9,429,024 ^(b)	—	12,692,339	12,692,339	148,509	—	—
iShares Core MSCI Total International Stock ETF	8,943,883	14,777,171	(91,221)	23,629,833	1,241,275,127	26,113,219	(493,399)	(169,298,359)
iShares Core U.S. Aggregate Bond ETF*	—	—	—	—	—	—	(119,075)	115,739
Shares Developed Real Estate Index Fund	29,888,371	32,924,438	(6,889,626)	55,923,183	536,303,324	17,481,573	(3,994,636)	(41,613,873)
iShares Russell 2000 Small-Cap Index Fund*	—	—	—	—	—	—	(1,047,192)	179,777
iShares TIPS Bond ETF	232,536	326,651	(5,757)	553,430	60,606,119	981,862	(30,711)	(1,295,532)
Large Cap Index Master Portfolio	\$1,099,850,108	909,752,369 ^(b)	\$ —	\$2,009,602,477	\$2,009,602,477	26,600,786	(15,346,645)	(156,791,960)
Master Small Cap Index Series	\$ 25,021,674	39,252,811 ^(b)	\$ —	\$ 64,274,485	64,274,485	539,800	1,959,000	(12,781,638)
Total International ex U.S. Index Master Portfolio	\$ 95,008,702	—	\$(91,630,300) ^(d)	\$ 3,378,402	3,378,402	1,618,370	2,645,450	(11,934,516)
U.S. Total Bond Index Master Portfolio	\$ 208,666,484	253,304,035 ^(b)	\$ —	\$ 461,970,519	461,970,519	7,774,351	(1,348,622)	19,468,758
					<u>\$4,417,663,057</u>	<u>\$81,330,906</u>	<u>\$ 17,780,766</u>	<u>\$ 373,951,604</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares/investment value purchased.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(d) Represents net shares/investment value sold.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$1,777,578,451	\$ —	\$ —	\$1,777,578,451
Fixed Income Funds	60,606,119	—	—	60,606,119
Short-Term Securities	40,252,604	—	—	40,252,604
	<u>\$1,878,437,174</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,878,437,174</u>
Investments Valued at NAV ^(a)				<u>2,539,225,883</u>
				<u>\$4,417,663,057</u>

^(a) As of December 31, 2018, certain investments of the LifePath Index Master Portfolio's Investments were fair valued using NAV per share as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2045 Master Portfolio

(Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(d) — 100.6%		
Equity Funds — 95.2%		
iShares Core MSCI Total International Stock ETF	10,546,905	\$ 554,028,920
iShares Developed Real Estate Index Fund	25,740,641	246,852,746
Large Cap Index Master Portfolio	\$ 867,916,532	867,916,532
Master Small Cap Index Series	\$ 26,311,368	26,311,368
Total International ex U.S. Index Master Portfolio	\$ 2,769,805	2,769,805
		1,697,879,371
Fixed Income Funds — 4.5%		
iShares TIPS Bond ETF ^(a)	64,637	7,078,398
U.S. Total Bond Index Master Portfolio	\$ 72,763,207	72,763,207
		79,841,605

Security	Shares	Value
Short-Term Securities — 0.9%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares, 2.58% ^{(b)(c)(d)}	7,144,245	\$ 7,144,960
BlackRock Cash Funds: Treasury,		
SL Agency Shares,		
2.38% ^{(c)(d)}	8,688,018	8,688,018
		15,832,978
Total Affiliated Investment Companies — 100.6%		
(Cost — \$1,787,834,804)		1,793,553,954
Liabilities in Excess of Other Assets — (0.6%)		
		(11,327,946)
Net Assets — 100.0%		
		\$1,782,226,008

- (a) Security, or a portion of the security, is on loan.
(b) All or a portion of security was purchased with the cash collateral from loaned securities.
(c) Annualized 7-day yield as of period end.

^(d) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares	—	7,144,245 ^(b)	—	7,144,245	\$ 7,144,960	\$ 20,549 ^(c)	\$ (2,027)	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	3,070,623	5,617,395 ^(b)	—	8,688,018	8,688,018	95,481	—	—
iShares Core MSCI Total International Stock ETF	6,150,815	4,409,590	(13,500)	10,546,905	554,028,920	14,386,924	(28,547)	(100,064,858)
iShares Developed Real Estate Index Fund	20,380,503	10,944,445	(5,584,307)	25,740,641	246,852,746	10,777,753	(3,562,089)	(20,270,223)
iShares TIPS Bond ETF	38,544	26,656	(563)	64,637	7,078,398	156,937	(2,717)	(228,991)
Large Cap Index Master Portfolio	\$ 685,994,936	\$ 181,921,596 ^(b)	\$ —	\$ 867,916,532	867,916,532	16,677,448	(2,804,842)	(59,516,799)
Master Small Cap Index Series	\$ 12,593,614	\$ 13,717,754 ^(b)	\$ —	\$ 26,311,368	26,311,368	264,915	974,399	(5,561,373)
Total International ex U.S. Index Master Portfolio	\$ 35,555,894	\$ —	\$(32,786,089) ^(d)	\$ 2,769,805	2,769,805	473,242	1,314,268	(3,730,825)
U.S. Total Bond Index Master Portfolio	\$ 43,903,793	\$ 28,859,414 ^(b)	\$ —	\$ 72,763,207	72,763,207	1,661,393	(358,310)	679,377
					<u>\$1,793,553,954</u>	<u>\$44,514,642</u>	<u>\$ 4,469,865</u>	<u>\$(188,693,692)</u>

- (a) Includes net capital gain distributions, if applicable.
(b) Represents net shares/investment value purchased.
(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.
(d) Represents net shares/investment value sold.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$800,881,666	\$ —	\$ —	\$ 800,881,666
Fixed Income Fund	7,078,398	—	—	7,078,398
Short-Term Securities	15,832,978	—	—	15,832,978
Subtotal	<u>\$823,793,042</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 823,793,042</u>
Investments Valued at NAV ^(a)				969,760,912
				<u>\$1,793,553,954</u>

^(a) As of December 31, 2018, certain investments of the LifePath Index Master Portfolio were fair valued using NAV per share as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2050 Master Portfolio (Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(d) — 100.8%		
Equity Funds — 98.5%		
iShares Core MSCI Total International Stock ETF ^(a) . . .	12,229,231	\$ 642,401,504
iShares Developed Real Estate Index Fund	29,349,060	281,457,484
Large Cap Index Master Portfolio	\$ 980,500,343	980,500,343
Master Small Cap Index Series	\$ 30,806,723	30,806,723
Total International ex U.S. Index Master Portfolio	\$ 2,283,108	2,283,108
		1,937,449,162
Fixed Income Fund — 1.3%		
U.S. Total Bond Index Master Portfolio	\$ 24,413,124	24,413,124

Security	Shares	Value
Short-Term Securities — 1.0%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares, 2.58% ^{(b)(c)(d)}	13,908,609	\$ 13,910,000
BlackRock Cash Funds: Treasury,		
SL Agency Shares, 2.38% ^{(c)(d)}	6,544,214	6,544,214
		20,454,214
Total Affiliated Investment Companies — 100.8%		
(Cost — \$1,998,729,827)		1,982,316,500
Liabilities in Excess of Other Assets — (0.8)%		
		(16,030,564)
Net Assets — 100.0%		
		\$1,966,285,936

(a) Security, or a portion of the security, is on loan.

(b) All or a portion of security was purchased with the cash collateral from loaned securities.

(c) Annualized 7-day yield as of period end.

(d) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares	—	13,908,609 ^(b)	—	13,908,609	\$ 13,910,000	\$ 3,991 ^(c)	\$ 6,518	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	3,646,867	2,897,347 ^(b)	—	6,544,214	6,544,214	87,810	—	—
iShares Core MSCI Total International Stock ETF	5,658,007	6,597,124	(25,900)	12,229,231	642,401,504	14,808,734	(51,745)	(99,608,335)
iShares Core U.S. Aggregate Bond ETF*	—	—	—	—	—	—	(138,752)	136,971
iShares Developed Real Estate Index Fund	19,376,674	16,888,305	(6,915,919)	29,349,060	281,457,484	11,112,464	(4,749,241)	(22,048,954)
iShares Russell 2000 Small-Cap Index Fund*	—	—	—	—	—	—	(195,250)	33,029
Large Cap Index Master Portfolio	\$627,455,291	\$353,045,052 ^(b)	—	\$980,500,343	980,500,343	15,511,745	(6,692,305)	(67,600,078)
Master Small Cap Index Series	\$ 11,630,135	\$ 19,176,588 ^(b)	—	\$ 30,806,723	30,806,723	241,164	893,460	(4,617,269)
Total International ex U.S. Index Master Portfolio	\$ 38,294,330	\$ —	\$(36,011,222) ^(d)	\$ 2,283,108	2,283,108	489,583	1,423,713	(3,482,120)
U.S. Total Bond Index Master Portfolio	\$ 12,613,866	\$ 11,799,258 ^(b)	—	\$ 24,413,124	24,413,124	469,715	(91,335)	854,820
					\$1,982,316,500	\$42,725,206	\$ 9,594,937	\$ 196,331,936

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares/investment value purchased.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(d) Represents net shares/investment value sold.

December 31, 2018

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the Master Portfolio's investments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Equity Funds	\$923,858,988	\$ —	\$ —	\$ 923,858,988
Short-Term Securities	20,454,214	—	—	20,454,214
Subtotal	<u>\$944,313,202</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 944,313,202</u>
Investments Valued at NAV ^(a)				1,038,003,298
	<u>\$944,313,202</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,982,316,500</u>

^(a) As of December 31, 2018, certain of the Master Portfolio's Investments were fair valued using NAV per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2055 Master Portfolio
(Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(b) — 100.3%		
Equity Funds — 98.6%		
iShares Core MSCI Total International Stock ETF	5,140,080	\$ 270,008,402
iShares Developed Real Estate Index Fund	12,234,789	117,331,622
Large Cap Index Master Portfolio	\$ 407,783,797	407,783,797
Master Small Cap Index Series	\$ 13,560,244	13,560,244
		<u>808,684,065</u>
Fixed Income Fund — 1.1%		
U.S. Total Bond Index Master Portfolio	\$ 8,708,048	<u>8,708,048</u>

Security	Shares	Value
Short-Term Securities — 0.6%		
BlackRock Cash Funds: Treasury,		
SL Agency Shares,		
2.38% ^{(a)(b)}	5,011,411	\$ 5,011,411
Total Affiliated Investment Companies — 100.3%		
(Cost — \$829,199,959)		822,403,524
Liabilities in Excess of Other Assets — (0.3)%		
		<u>(2,401,550)</u>
Net Assets — 100.0%		
		<u>\$ 820,001,974</u>

(a) Annualized 7-day yield as of period end.

(b) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Par/Shares/ Investment Value Held at 12/31/17	Par/Shares/ Investment Value Purchased	Par/Shares/ Investment Value Sold	Par/Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares*	—	—	—	—	\$ —	\$ 27,017 ^(b)	\$ (6,400)	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	2,426,431	2,584,980 ^(c)	—	5,011,411	\$ 5,011,411	46,505	—	—
iShares Core MSCI Total International Stock ETF	2,892,116	2,357,853	(109,889)	5,140,080	\$270,008,402	6,807,917	(584,814)	(46,599,675)
iShares Developed Real Estate Index Fund	8,947,476	6,286,944	(2,999,631)	12,234,789	\$117,331,622	5,070,024	(1,967,481)	(9,267,915)
Large Cap Index Master Portfolio	\$289,790,556	117,993,241 ^(c)	\$ —	\$407,783,797	\$407,783,797	7,367,477	(3,239,940)	(26,910,061)
Master Small Cap Index Series	\$ 5,213,569	8,346,675 ^(c)	\$ —	\$ 13,560,244	\$ 13,560,244	115,736	336,895	(2,414,002)
U.S. Total Bond Index Master Portfolio	\$ 5,795,769	2,912,279 ^(c)	\$ —	\$ 8,708,048	\$ 8,708,048	212,610	(46,509)	376,834
					<u>\$822,403,524</u>	<u>\$19,647,286</u>	<u>(\$5,508,249)</u>	<u>\$ 84,814,819</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

(a) Includes net capital gain distributions, if applicable.

(b) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

(c) Represents net shares/investment value purchased.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Equity Funds	\$387,340,024	\$ —	\$ —	\$387,340,024
Short-Term Securities	5,011,411	—	—	5,011,411
Subtotal	<u>\$392,351,435</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$392,351,435</u>
Investments Valued at NAV ^(a)				<u>430,052,089</u>
				<u>\$822,403,524</u>

(a) As of December 31, 2018, certain of the LifePath Index Master Portfolio's Investments were fair valued using NAV per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments

December 31, 2018

LifePath Index 2060 Master Portfolio

(Percentages shown are based on Net Assets)

Security	Shares/ Investment Value	Value
Affiliated Investment Companies^(b) — 100.1%		
Equity Funds — 98.0%		
iShares Core MSCI Total International Stock ETF	978,078	\$ 51,378,437
iShares Developed Real Estate Index Fund	2,310,322	22,155,989
Large Cap Index Master Portfolio	\$ 78,349,885	78,349,885
Master Small Cap Index Series	\$ 2,594,055	2,594,055
		<u>154,478,366</u>
Fixed Income Fund — 1.1%		
U.S. Total Bond Index Master Portfolio	\$ 1,743,848	<u>1,743,848</u>

Security	Shares	Value
Short-Term Securities — 1.0%		
BlackRock Cash Funds: Treasury, SL Agency Shares, 2.38% ^{(a)(b)}		
	1,569,939	\$ 1,569,939
Total Affiliated Investment Companies — 100.1%		
(Cost — \$163,940,832)		157,792,153
Liabilities in Excess of Other Assets — (0.1)%		<u>(188,388)</u>
Net Assets — 100.0%		<u>\$ 157,603,765</u>

^(a) Annualized 7-day yield as of period end.

^(b) During the year ended December 31, 2018, investments in issuers considered to be affiliates of the LifePath Index Master Portfolio for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, and/or related parties of the LifePath Index Master Portfolio were as follows:

Affiliate Persons and/or Related Parties	Shares/ Investment Value Held at 12/31/17	Shares/ Investment Value Purchased	Shares/ Investment Value Sold	Shares/ Investment Value Held at 12/31/18	Value at 12/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares*	—	—	—	—	\$ —	\$ 1,974 ^(b)	\$ —	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	526,628	1,043,311 ^(c)	—	1,569,939	1,569,939	10,400	—	—
iShares Core MSCI Total International Stock ETF	371,304	651,664	(44,890)	978,078	51,378,437	1,151,754	(31,748)	(8,205,849)
iShares Developed Real Estate Index Fund	1,149,063	1,709,232	(547,973)	2,310,322	22,155,989	864,926	(378,146)	(1,575,364)
Large Cap Index Master Portfolio	\$ 37,436,159	\$40,913,726 ^(c)	\$ —	\$ 78,349,885	78,349,885	1,176,424	(4,080,645)	(2,276,897)
Master Small Cap Index Series	\$ 685,988	\$ 1,908,067 ^(c)	\$ —	\$ 2,594,055	2,594,055	19,270	(28,504)	(293,929)
U.S. Total Bond Index Master Portfolio	\$ 747,302	\$ 996,546 ^(c)	\$ —	\$ 1,743,848	1,743,848	35,068	(5,713)	110,522
					<u>\$157,792,153</u>	<u>\$3,259,816</u>	<u>\$(4,524,756)</u>	<u>\$ 12,241,517</u>

* No longer held by the LifePath Index Master Portfolio as of period end.

^(a) Includes net capital gain distributions, if applicable.

^(b) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

^(c) Represents net shares/investment value purchased.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the LifePath Index Master Portfolio's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the LifePath Index Master Portfolio's investments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Equity Funds	\$73,534,426	\$ —	\$ —	\$ 73,534,426
Short-Term Securities	1,569,939	—	—	1,569,939
Subtotal	<u>\$75,104,365</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 75,104,365</u>
Investments Valued at net asset value ("NAV") ^(a)				<u>82,687,788</u>
				<u>\$157,792,153</u>

^(a) As of December 31, 2018, certain of the LifePath Index Master Portfolio's Investments were fair valued using NAV per share and have been excluded from the fair value hierarchy.

During the year ended December 31, 2018, there were no transfers between levels.

See notes to financial statements.

Statements of Assets and Liabilities

December 31, 2018

	LifePath Index Retirement Master Portfolio	LifePath Index 2020 Master Portfolio	LifePath Index 2025 Master Portfolio	LifePath Index 2030 Master Portfolio	LifePath Index 2035 Master Portfolio
ASSETS					
Investments at value — affiliated ^{(a)(b)}	\$2,300,042,620	\$4,329,961,220	\$3,098,670,830	\$5,787,505,528	\$2,590,632,389
Receivables:					
Investments sold	52,782,610	60,569,760	41,455,000	83,360,000	36,902,392
Contributions from investors	—	—	11,116,508	430,944	4,283,083
Dividends — affiliated	4,102	11,241	12,605	24,583	11,735
Securities lending income — affiliated	4,102	—	32,190	11,907	—
Prepaid expenses	813	1,583	1,846	2,254	1,617
Total assets	2,352,834,247	4,390,543,804	3,151,288,979	5,871,335,216	2,631,831,216
LIABILITIES					
Cash collateral on securities loaned at value	—	—	100,617,450	55,377,850	—
Bank overdraft	—	—	—	—	1,321,447
Payables:					
Investments purchased	40,779,235	50,000,000	44,948,126	83,360,000	37,123,071
Investment advisory fees	84,597	163,506	81,961	165,087	69,937
Trustees' fees	6,791	11,866	13,467	16,527	12,084
Custodian fees	15,001	—	26,691	29,386	22,310
Professional fees	27,112	27,556	30,729	30,645	27,187
Printing fees	573	573	563	574	576
Other accrued expenses	282,866	538,604	5,274	679,037	4,656
Withdrawals to investors	10,450,976	8,570,789	—	—	—
Total liabilities	51,647,151	59,312,894	145,724,261	139,659,106	38,581,268
NET ASSETS	\$2,301,187,096	\$4,331,230,910	\$3,005,564,718	\$5,731,676,110	\$2,593,249,948
NET ASSETS CONSIST OF					
Investors' capital	\$2,310,727,659	\$4,323,277,972	\$2,970,798,107	\$5,765,006,404	\$2,561,118,568
Net unrealized appreciation (depreciation)	(9,540,563)	7,952,938	34,766,611	(33,330,294)	32,131,380
NET ASSETS	\$2,301,187,096	\$4,331,230,910	\$3,005,564,718	\$5,731,676,110	\$2,593,249,948
^(a) Investments at cost — affiliated	\$2,309,583,183	\$4,322,008,282	\$3,063,904,219	\$5,820,835,822	\$2,558,501,009
^(b) Securities loaned at value	\$ —	\$ —	\$ 98,793,171	\$ 54,373,803	\$ —

See notes to financial statements.

Statements of Assets and Liabilities (continued)

December 31, 2018

	LifePath Index 2040 Master Portfolio	LifePath Index 2045 Master Portfolio	LifePath Index 2050 Master Portfolio	LifePath Index 2055 Master Portfolio	LifePath Index 2060 Master Portfolio
ASSETS					
Investments at value — affiliated ^{(a)(b)}	\$4,417,663,057	\$1,793,553,954	\$1,982,316,500	\$822,403,524	\$157,792,153
Receivables:					
Investments sold	50,585,000	3,885,000	3,155,000	1,268,048	—
Contributions from investors	823,437	928,807	648,329	1,561,816	1,616,263
Dividends — affiliated	24,962	11,707	12,739	6,045	1,319
From the Manager	—	—	—	—	6,328
Securities lending income — affiliated	16,291	452	1,023	—	—
Prepaid expenses	1,719	1,116	979	498	88
Total assets	4,469,114,466	1,798,381,036	1,986,134,570	825,239,931	159,416,151
LIABILITIES					
Cash collateral on securities loaned at value	27,560,265	7,144,960	13,910,000	—	—
Bank overdraft	1,929,000	1,641,419	957,888	1,988,639	642,500
Payables:					
Investments purchased	52,452,938	7,280,776	4,716,733	3,198,309	1,131,575
Investment advisory fees	85,686	29,493	32,744	17,364	—
Trustees' fees	12,824	8,890	8,055	4,839	2,184
Custodian fees	24,491	18,346	—	—	9,075
Professional fees	27,424	27,322	27,400	26,794	26,231
Printing fees	565	560	17,220	560	559
Other accrued expenses	502,954	3,262	178,594	1,452	262
Total liabilities	82,596,147	16,155,028	19,848,634	5,237,957	1,812,386
NET ASSETS	\$4,386,518,319	\$1,782,226,008	\$1,966,285,936	\$820,001,974	\$157,603,765
NET ASSETS CONSIST OF					
Investors' capital	\$4,431,890,385	\$1,776,506,858	\$1,982,699,263	\$826,798,409	\$163,752,444
Net unrealized appreciation (depreciation)	(45,372,066)	5,719,150	(16,413,327)	(6,796,435)	(6,148,679)
NET ASSETS	\$4,386,518,319	\$1,782,226,008	\$1,966,285,936	\$820,001,974	\$157,603,765
^(a) Investments at cost — affiliated	\$4,463,035,123	\$1,787,834,804	\$1,998,729,827	\$829,199,959	\$163,940,832
^(b) Securities loaned at value	\$ 27,056,433	\$ 7,001,741	\$ 13,657,800	\$ —	\$ —

See notes to financial statements.

Statements of Operations

Year Ended December 31, 2018

	LifePath Index Retirement Master Portfolio	LifePath Index 2020 Master Portfolio	LifePath Index 2025 Master Portfolio	LifePath Index 2030 Master Portfolio	LifePath Index 2035 Master Portfolio
INVESTMENT INCOME					
Dividends — affiliated	\$ 10,265,399	\$ 21,407,269	\$ 25,485,379	\$ 44,860,400	\$ 29,773,065
Securities lending income — affiliated — net	17,772	26,644	89,606	75,953	24,580
Net investment income allocated from the applicable Underlying Master Portfolios:					
Interest — affiliated	20,732,573	36,542,425	28,861,471	28,837,953	12,717,906
Dividends — affiliated	7,001,925	15,492,337	18,928,307	30,175,247	22,029,925
Expenses	(428,508)	(813,550)	(772,136)	(968,801)	(588,557)
Fees waived	66,447	117,857	103,161	97,531	48,959
Total investment income	<u>37,655,608</u>	<u>72,772,982</u>	<u>72,695,788</u>	<u>103,078,283</u>	<u>64,005,878</u>
EXPENSES					
Investment advisory	721,693	1,397,288	1,447,843	1,909,707	1,259,375
Accounting services	19,787	24,965	41,477	34,024	39,212
Independent Trustees	31,698	52,047	58,218	69,283	52,309
Printing	246	246	244	246	272
Professional	33,098	37,378	29,140	41,640	27,596
Miscellaneous	14,730	29,282	32,355	40,146	28,005
Total expenses	821,252	1,541,206	1,609,277	2,095,046	1,406,769
Less fees waived and/or reimbursed by the Manager	(99,851)	(144,424)	(364,241)	(567,897)	(399,654)
Total expenses after fees waived and/or reimbursed	<u>721,401</u>	<u>1,396,782</u>	<u>1,245,036</u>	<u>1,527,149</u>	<u>1,007,115</u>
Net investment income	<u>36,934,207</u>	<u>71,376,200</u>	<u>71,450,752</u>	<u>101,551,134</u>	<u>62,998,763</u>
REALIZED AND UNREALIZED GAIN (LOSS)					
Net realized gain (loss) from:					
Investments — affiliated	(4,799,986)	(7,435,364)	(2,368,917)	(5,793,567)	(2,533,077)
Capital gain distributions from investment companies — affiliated	4,266	17,209	49,230	157,115	98,826
Allocated from the applicable Underlying Master Portfolios	(501,155)	1,474,905	(2,838,937)	(3,193,126)	(914,246)
	<u>(5,296,875)</u>	<u>(5,943,250)</u>	<u>(5,158,624)</u>	<u>(8,829,578)</u>	<u>(3,348,497)</u>
Net change in unrealized appreciation (depreciation) on:					
Investments — affiliated	(43,615,802)	(97,985,316)	(122,404,228)	(212,819,828)	(142,487,941)
Allocated from the applicable Underlying Master Portfolios	(55,731,882)	(113,775,895)	(96,428,590)	(189,862,805)	(96,490,013)
	<u>(99,347,684)</u>	<u>(211,761,211)</u>	<u>(218,832,818)</u>	<u>(402,682,633)</u>	<u>(238,977,954)</u>
Net realized and unrealized loss	<u>(104,644,559)</u>	<u>(217,704,461)</u>	<u>(223,991,442)</u>	<u>(411,512,211)</u>	<u>(242,326,451)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (67,710,352)</u>	<u>\$ (146,328,261)</u>	<u>\$ (152,540,690)</u>	<u>\$ (309,961,077)</u>	<u>\$ (179,327,688)</u>

See notes to financial statements.

Statements of Operations (continued)

Year Ended December 31, 2018

	LifePath Index 2040 Master Portfolio	LifePath Index 2045 Master Portfolio	LifePath Index 2050 Master Portfolio	LifePath Index 2055 Master Portfolio	LifePath Index 2060 Master Portfolio
INVESTMENT INCOME					
Dividends — affiliated	\$ 44,725,163	\$ 25,417,095	\$ 26,009,007	\$ 11,924,446	\$ 2,027,080
Securities lending income — affiliated — net	72,435	20,549	3,991	27,017	1,974
Net investment income allocated from the applicable Underlying Master Portfolios:					
Interest — affiliated	8,467,368	2,041,640	812,333	371,757	60,474
Dividends — affiliated	28,674,337	17,365,600	16,195,126	7,458,050	1,191,593
Expenses	(641,800)	(341,976)	(302,373)	(137,394)	(21,827)
Fees waived	33,403	11,734	7,122	3,410	522
Total investment income	<u>81,330,906</u>	<u>44,514,642</u>	<u>42,725,206</u>	<u>19,647,286</u>	<u>3,259,816</u>
EXPENSES					
Investment advisory	1,459,529	867,251	790,457	375,961	59,691
Accounting services	27,286	23,853	19,615	17,296	10,169
Independent Trustees	55,339	39,428	36,081	23,097	11,643
Printing	244	244	244	244	687
Professional	37,181	29,224	34,436	28,797	30,801
Miscellaneous	30,379	18,948	16,813	7,900	206
Total expenses	1,609,958	978,948	897,646	453,295	113,197
Less fees waived and/or reimbursed by the Manager	(734,611)	(458,765)	(423,553)	(302,958)	(89,326)
Total expenses after fees waived and/or reimbursed	<u>875,347</u>	<u>520,183</u>	<u>474,093</u>	<u>150,337</u>	<u>23,871</u>
Net investment income	<u>80,455,559</u>	<u>43,994,459</u>	<u>42,251,113</u>	<u>19,496,949</u>	<u>3,235,945</u>
REALIZED AND UNREALIZED GAIN (LOSS)					
Net realized gain (loss) from:					
Investments	(5,898,307)	(3,695,924)	(5,246,364)	(2,607,224)	(419,102)
Capital gain distributions from investment companies — affiliated	208,358	100,544	117,894	48,529	9,208
Allocated from the applicable Underlying Master Portfolios	(12,090,817)	(874,485)	(4,466,467)	(2,949,554)	(4,114,861)
	<u>(17,780,766)</u>	<u>(4,469,865)</u>	<u>(9,594,937)</u>	<u>(5,508,249)</u>	<u>(4,524,755)</u>
Net change in unrealized appreciation (depreciation) on:					
Investments — affiliated	(211,912,248)	(120,564,072)	(121,487,289)	(55,867,590)	(9,781,213)
Allocated from the applicable Underlying Master Portfolios	(162,039,356)	(68,129,620)	(74,844,647)	(28,947,229)	(2,460,305)
	<u>(373,951,604)</u>	<u>(188,693,692)</u>	<u>(196,331,936)</u>	<u>(84,814,819)</u>	<u>(12,241,518)</u>
Net realized and unrealized loss	<u>(391,732,370)</u>	<u>(193,163,557)</u>	<u>(205,926,873)</u>	<u>(90,323,068)</u>	<u>(16,766,273)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$(311,276,811)</u>	<u>\$(149,169,098)</u>	<u>\$(163,675,760)</u>	<u>\$(70,826,119)</u>	<u>\$(13,530,328)</u>

See notes to financial statements.

Statements of Changes in Net Assets

	LifePath Index Retirement Master Portfolio		LifePath Index 2020 Master Portfolio	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 36,934,207	\$ 22,329,250	\$ 71,376,200	\$ 46,503,445
Net realized gain (loss)	(5,296,875)	2,801,635	(5,943,250)	6,999,076
Net change in unrealized appreciation (depreciation)	(99,347,684)	79,607,000	(211,761,211)	187,375,392
Net increase (decrease) in net assets resulting from operations	(67,710,352)	104,737,885	(146,328,261)	240,877,913
CAPITAL TRANSACTIONS				
Proceeds from contributions	1,624,418,216	628,774,482	2,744,144,639	918,189,939
Value of withdrawals	(490,793,648)	(308,746,201)	(674,736,655)	(428,304,186)
Net increase in net assets derived from capital share transactions	1,133,624,568	320,028,281	2,069,407,984	489,885,753
NET ASSETS				
Total increase in net assets	1,065,914,216	424,766,166	1,923,079,723	730,763,666
Beginning of year	1,235,272,880	810,506,714	2,408,151,187	1,677,387,521
End of year	\$2,301,187,096	\$1,235,272,880	\$4,331,230,910	\$2,408,151,187

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	LifePath Index 2025 Master Portfolio		LifePath Index 2030 Master Portfolio	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 71,450,752	\$ 46,779,906	\$ 101,551,134	\$ 63,034,207
Net realized gain (loss)	(5,158,624)	3,872,538	(8,829,578)	6,167,892
Net change in unrealized appreciation (depreciation)	(218,832,818)	215,778,079	(402,682,633)	318,233,349
Net increase (decrease) in net assets resulting from operations	<u>(152,540,690)</u>	<u>266,430,523</u>	<u>(309,961,077)</u>	<u>387,435,448</u>
CAPITAL TRANSACTIONS				
Proceeds from contributions	1,222,992,191	1,166,651,499	3,545,583,649	1,240,423,740
Value of withdrawals	(566,013,216)	(367,813,054)	(635,558,851)	(407,385,075)
Net increase in net assets derived from capital share transactions	<u>656,978,975</u>	<u>798,838,445</u>	<u>2,910,024,798</u>	<u>833,038,665</u>
NET ASSETS				
Total increase in net assets	504,438,285	1,065,268,968	2,600,063,721	1,220,474,113
Beginning of year	<u>2,501,126,433</u>	<u>1,435,857,465</u>	<u>3,131,612,389</u>	<u>1,911,138,276</u>
End of year	<u>\$3,005,564,718</u>	<u>\$2,501,126,433</u>	<u>\$5,731,676,110</u>	<u>\$3,131,612,389</u>

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	LifePath Index 2035 Master Portfolio		LifePath Index 2040 Master Portfolio	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 62,998,763	\$ 42,548,107	\$ 80,455,559	\$ 49,703,382
Net realized gain (loss)	(3,348,497)	2,721,015	(17,780,766)	3,490,408
Net change in unrealized appreciation (depreciation)	(238,977,954)	230,969,122	(373,951,604)	286,094,969
Net increase (decrease) in net assets resulting from operations	<u>(179,327,688)</u>	<u>276,238,244</u>	<u>(311,276,811)</u>	<u>339,288,759</u>
CAPITAL TRANSACTIONS				
Proceeds from contributions	1,118,507,170	949,872,059	2,836,983,022	936,076,369
Value of withdrawals	(463,080,975)	(278,877,203)	(473,972,015)	(295,475,339)
Net increase in net assets derived from capital share transactions	<u>655,426,195</u>	<u>670,994,856</u>	<u>2,363,011,007</u>	<u>640,601,030</u>
NET ASSETS				
Total increase in net assets	476,098,507	947,233,100	2,051,734,196	979,889,789
Beginning of year	<u>2,117,151,441</u>	<u>1,169,918,341</u>	<u>2,334,784,123</u>	<u>1,354,894,334</u>
End of year	<u>\$2,593,249,948</u>	<u>\$2,117,151,441</u>	<u>\$4,386,518,319</u>	<u>\$2,334,784,123</u>

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	LifePath Index 2045 Master Portfolio		LifePath Index 2050 Master Portfolio	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 43,994,459	\$ 29,001,845	\$ 42,251,113	\$ 26,793,912
Net realized gain (loss)	(4,469,865)	1,341,681	(9,594,937)	1,220,396
Net change in unrealized appreciation (depreciation)	(188,693,692)	168,827,066	(196,331,936)	157,527,019
Net increase (decrease) in net assets resulting from operations	<u>(149,169,098)</u>	<u>199,170,592</u>	<u>(163,675,760)</u>	<u>185,541,327</u>
CAPITAL TRANSACTIONS				
Proceeds from contributions	827,067,280	677,142,800	1,149,459,414	578,857,144
Value of withdrawals	(281,954,182)	(181,672,309)	(271,773,739)	(161,984,821)
Net increase in net assets derived from capital share transactions	<u>545,113,098</u>	<u>495,470,491</u>	<u>877,685,675</u>	<u>416,872,323</u>
NET ASSETS				
Total increase in net assets	395,944,000	694,641,083	714,009,915	602,413,650
Beginning of year	<u>1,386,282,008</u>	<u>691,640,925</u>	<u>1,252,276,021</u>	<u>649,862,371</u>
End of year	<u>\$1,782,226,008</u>	<u>\$1,386,282,008</u>	<u>\$1,966,285,936</u>	<u>\$1,252,276,021</u>

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	LifePath Index 2055 Master Portfolio		LifePath Index 2060 Master Portfolio	
	Year Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 19,496,949	\$ 11,776,393	\$ 3,235,945	\$ 1,176,163
Net realized gain (loss)	(5,508,249)	78,385	(4,524,755)	(40,293)
Net change in unrealized appreciation (depreciation)	(84,814,819)	67,870,539	(12,241,518)	5,779,035
Net increase (decrease) in net assets resulting from operations	<u>(70,826,119)</u>	<u>79,725,317</u>	<u>(13,530,328)</u>	<u>6,914,905</u>
CAPITAL TRANSACTIONS				
Proceeds from contributions	453,603,905	330,953,945	137,223,566	64,521,423
Value of withdrawals	<u>(140,974,188)</u>	<u>(83,508,950)</u>	<u>(40,647,163)</u>	<u>(7,633,180)</u>
Net increase in net assets derived from capital share transactions	<u>312,629,717</u>	<u>247,444,995</u>	<u>96,576,403</u>	<u>56,888,243</u>
NET ASSETS				
Total increase in net assets	241,803,598	327,170,312	83,046,075	63,803,148
Beginning of year	<u>578,198,376</u>	<u>251,028,064</u>	<u>74,557,690</u>	<u>10,754,542</u>
End of year	<u>\$ 820,001,974</u>	<u>\$578,198,376</u>	<u>\$157,603,765</u>	<u>\$74,557,690</u>

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

	LifePath Index Retirement Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	<u>(3.51)%</u>	<u>10.75%</u>	<u>5.82%</u>	<u>(0.31)%</u>	<u>5.78%</u>
Ratios to Average Net Assets^(a)					
Total expenses	<u>0.08%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.10%</u>	<u>0.13%</u>
Total expenses after fees waived and /or reimbursed	<u>0.08%</u>	<u>0.08%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.11%</u>
Net investment income	<u>2.55%</u>	<u>2.16%</u>	<u>2.05%</u>	<u>1.84%</u>	<u>1.87%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$2,301,187</u>	<u>\$1,235,273</u>	<u>\$810,507</u>	<u>\$499,749</u>	<u>\$431,795</u>
Portfolio turnover rate ^(b)	<u>25%</u>	<u>10%</u>	<u>13%</u>	<u>25%</u>	<u>15%</u>

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>
Investments in underlying funds	<u>0.03%</u>	<u>0.03%</u>	<u>0.03%</u>	<u>0.03%</u>	<u>0.03%</u>

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2020 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	(3.97)%	12.34%	6.32%	(0.42)%	6.15%
Ratios to Average Net Assets^(a)					
Total expenses	0.08%	0.08%	0.09%	0.10%	0.12%
Total expenses after fees waived and/or reimbursed	0.07%	0.08%	0.08%	0.09%	0.11%
Net investment income	2.54%	2.21%	2.12%	1.95%	1.99%
Supplemental Data					
Net assets, end of year (000)	\$4,331,231	\$2,408,151	\$1,677,388	\$1,075,157	\$881,324
Portfolio turnover rate ^(b)	20%	9%	14%	14%	12%

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.00%	0.01%	0.01%	0.01%	0.01%
Investments in underlying funds	0.03%	0.03%	0.04%	0.04%	0.04%

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2025 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	<u>(4.78)%</u>	<u>14.43%</u>	<u>6.87%</u>	<u>(0.45)%</u>	<u>6.47%</u>
Ratios to Average Net Assets^(a)					
Total expenses	<u>0.08%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.10%</u>	<u>0.12%</u>
Total expenses after fees waived and/or reimbursed	<u>0.07%</u>	<u>0.07%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.11%</u>
Net investment income	<u>2.46%</u>	<u>2.34%</u>	<u>2.19%</u>	<u>2.06%</u>	<u>2.08%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$3,005,565</u>	<u>\$2,501,126</u>	<u>\$1,435,857</u>	<u>\$776,535</u>	<u>\$518,194</u>
Portfolio turnover rate ^(b)	<u>11%</u>	<u>8%</u>	<u>16%</u>	<u>12%</u>	<u>15%</u>

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.00%</u>	<u>0.01%</u>
Investments in underlying funds	<u>0.04%</u>	<u>0.04%</u>	<u>0.06%</u>	<u>0.05%</u>	<u>0.05%</u>

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2030 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	(5.56)%	16.36%	7.29%	(0.50)%	6.64%
Ratios to Average Net Assets^(a)					
Total expenses	0.08%	0.08%	0.09%	0.10%	0.12%
Total expenses after fees waived and/or reimbursed	0.06%	0.07%	0.08%	0.09%	0.11%
Net investment income	2.65%	2.43%	2.26%	2.15%	2.14%
Supplemental Data					
Net assets, end of year (000)	\$5,731,676	\$3,131,612	\$1,911,138	\$1,076,681	\$818,295
Portfolio turnover rate ^(b)	15%	7%	19%	12%	20%

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	0.00%	0.00%	0.00%	0.01%	0.01%
Investments in underlying funds	0.04%	0.05%	0.07%	0.06%	0.05%

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2035 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	<u>(6.36)%</u>	<u>18.29%</u>	<u>7.74%</u>	<u>(0.56)%</u>	<u>6.82%</u>
Ratios to Average Net Assets^(a)					
Total expenses	<u>0.08%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.10%</u>	<u>0.12%</u>
Total expenses after fees waived and/or reimbursed	<u>0.06%</u>	<u>0.06%</u>	<u>0.07%</u>	<u>0.08%</u>	<u>0.11%</u>
Net investment income	<u>2.50%</u>	<u>2.54%</u>	<u>2.34%</u>	<u>2.26%</u>	<u>2.22%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$2,593,250</u>	<u>\$2,117,151</u>	<u>\$1,169,918</u>	<u>\$609,572</u>	<u>\$410,040</u>
Portfolio turnover rate ^(b)	<u>10%</u>	<u>6%</u>	<u>22%</u>	<u>10%</u>	<u>25%</u>

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.01%</u>
Investments in underlying funds	<u>0.05%</u>	<u>0.05%</u>	<u>0.08%</u>	<u>0.07%</u>	<u>0.06%</u>

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2040 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	<u>(7.08)%</u>	<u>19.95%</u>	<u>8.10%</u>	<u>(0.56)%</u>	<u>6.90%</u>
Ratios to Average Net Assets^(a)					
Total expenses	<u>0.08%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.10%</u>	<u>0.12%</u>
Total expenses after fees waived and /or reimbursed	<u>0.05%</u>	<u>0.06%</u>	<u>0.07%</u>	<u>0.08%</u>	<u>0.11%</u>
Net investment income	<u>2.75%</u>	<u>2.63%</u>	<u>2.39%</u>	<u>2.33%</u>	<u>2.27%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$4,386,518</u>	<u>\$2,334,784</u>	<u>\$1,354,894</u>	<u>\$751,306</u>	<u>\$546,501</u>
Portfolio turnover rate ^(b)	<u>12%</u>	<u>6%</u>	<u>26%</u>	<u>11%</u>	<u>29%</u>

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.01%</u>
Investments in underlying funds	<u>0.05%</u>	<u>0.06%</u>	<u>0.09%</u>	<u>0.07%</u>	<u>0.06%</u>

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2045 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	<u>(7.50)%</u>	<u>21.07%</u>	<u>8.28%</u>	<u>(0.64)%</u>	<u>7.10%</u>
Ratios to Average Net Assets^(a)					
Total expenses	<u>0.08%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.11%</u>	<u>0.13%</u>
Total expenses after fees waived and/or reimbursed	<u>0.05%</u>	<u>0.05%</u>	<u>0.06%</u>	<u>0.07%</u>	<u>0.10%</u>
Net investment income	<u>2.54%</u>	<u>2.74%</u>	<u>2.44%</u>	<u>2.39%</u>	<u>2.34%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$1,782,226</u>	<u>\$1,386,282</u>	<u>\$691,641</u>	<u>\$341,230</u>	<u>\$226,796</u>
Portfolio turnover rate ^(b)	<u>8%</u>	<u>6%</u>	<u>26%</u>	<u>10%</u>	<u>30%</u>

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Investments in underlying funds	<u>0.06%</u>	<u>0.06%</u>	<u>0.10%</u>	<u>0.08%</u>	<u>0.07%</u>

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2050 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	<u>(7.82)%</u>	<u>21.43%</u>	<u>8.41%</u>	<u>(0.67)%</u>	<u>7.28%</u>
Ratios to Average Net Assets^(a)					
Total expenses	<u>0.08%</u>	<u>0.08%</u>	<u>0.09%</u>	<u>0.11%</u>	<u>0.13%</u>
Total expenses after fees waived and/or reimbursed	<u>0.05%</u>	<u>0.05%</u>	<u>0.06%</u>	<u>0.07%</u>	<u>0.10%</u>
Net investment income	<u>2.67%</u>	<u>2.76%</u>	<u>2.44%</u>	<u>2.39%</u>	<u>2.38%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$1,966,286</u>	<u>\$1,252,276</u>	<u>\$649,862</u>	<u>\$337,064</u>	<u>\$232,908</u>
Portfolio turnover rate ^(b)	<u>11%</u>	<u>5%</u>	<u>28%</u>	<u>14%</u>	<u>22%</u>

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Investments in underlying funds	<u>0.06%</u>	<u>0.06%</u>	<u>0.10%</u>	<u>0.09%</u>	<u>0.08%</u>

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2055 Master Portfolio				
	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total Return					
Total return	<u>(7.79)%</u>	<u>21.43%</u>	<u>8.37%</u>	<u>(0.60)%</u>	<u>7.50%</u>
Ratios to Average Net Assets^(a)					
Total expenses	<u>0.08%</u>	<u>0.08%</u>	<u>0.11%</u>	<u>0.14%</u>	<u>0.20%</u>
Total expenses after fees waived and/or reimbursed	<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>0.06%</u>	<u>0.10%</u>
Net investment income	<u>2.59%</u>	<u>2.82%</u>	<u>2.50%</u>	<u>2.44%</u>	<u>2.46%</u>
Supplemental Data					
Net assets, end of year (000)	<u>\$820,002</u>	<u>\$578,198</u>	<u>\$251,028</u>	<u>\$107,004</u>	<u>\$61,856</u>
Portfolio turnover rate ^(b)	<u>8%</u>	<u>5%</u>	<u>33%^(b)</u>	<u>17%^(b)</u>	<u>22%^(b)</u>

^(a) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of investments in underlying funds as follows:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Allocated fees waived	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Investments in underlying funds	<u>0.06%</u>	<u>0.07%</u>	<u>0.11%</u>	<u>0.09%</u>	<u>0.09%</u>

^(b) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	LifePath Index 2060 Master Portfolio		
	Year Ended December 31,		Period from
	2018	2017	02/29/16 ^(a) to 12/31/16
Total Return			
Total return	(7.84)%	21.51%	15.54% ^(b)
Ratios to Average Net Assets^(c)			
Total expenses	0.11%	0.15%	1.40% ^{(d)(e)}
Total expenses after fees waived and/or reimbursed	0.04%	0.04%	0.04% ^(d)
Net investment income	2.71%	3.22%	2.74% ^(d)
Supplemental Data			
Net assets, end of year (000)	\$157,604	\$74,558	\$10,755
Portfolio turnover rate of the LifePath Index Master Portfolio ^(f)	13%	1%	71%

^(a) Commencement of operations.

^(b) Aggregate total return.

^(c) Includes the LifePath Index Master Portfolio's pro rata portion of expenses and share of the allocated net investment income from Large Cap Index Master Portfolio, Master International Index Series, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio (collectively, the "Underlying Master Portfolios"). These ratios do not reflect any expenses incurred indirectly as a result of investments in BlackRock Cash Funds: Institutional, BlackRock Cash Funds: Treasury, and iShares exchange-traded funds.

Includes the LifePath Index Master Portfolio's share of the Underlying Master Portfolios' allocated fees waived and excludes expenses incurred indirectly as a result of Investments in underlying funds as follows:

	Year Ended December 31,		Period from
	2018	2017	02/29/16 ^(a) to 12/31/16
Allocated fees waived	0.00%	0.00%	0.00%
Investments in underlying funds	0.06%	0.07%	0.12%

^(d) Annualized.

^(e) Audit costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.54%.

^(f) Includes the purchases and sales of the underlying funds and the Underlying Master Portfolios.

See notes to financial statements.

Notes to Financial Statements

1. ORGANIZATION

Master Investment Portfolio (“MIP”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. MIP is organized as a Delaware statutory trust. The financial statements and these accompanying notes relate to ten series of MIP: LifePath® Index Retirement Master Portfolio, LifePath® Index 2020 Master Portfolio, LifePath® Index 2025 Master Portfolio, LifePath® Index 2030 Master Portfolio, LifePath® Index 2035 Master Portfolio, LifePath® Index 2040 Master Portfolio, LifePath® Index 2045 Master Portfolio, LifePath® Index 2050 Master Portfolio, LifePath® Index 2055 Master Portfolio and LifePath® Index 2060 Master Portfolio (each, a “LifePath Index Master Portfolio” and together, the “LifePath Index Master Portfolios”). Each LifePath Index Master Portfolio is classified as diversified.

As of period end, the investment of LifePath Index Retirement Master Portfolio, LifePath Index 2020 Master Portfolio, LifePath Index 2025 Master Portfolio, LifePath Index 2030 Master Portfolio, LifePath Index 2035 Master Portfolio, LifePath Index 2040 Master Portfolio, LifePath Index 2045 Master Portfolio, LifePath Index 2050 Master Portfolio, LifePath Index 2055 Master Portfolio and LifePath Index 2060 Master Portfolio in Large Cap Index Master Portfolio represented 22.3%, 24.1%, 30.7%, 36.2%, 41.2%, 45.8%, 48.7%, 49.9%, 49.7% and 49.7%, respectively, of net assets. The investment of LifePath Index Retirement Master Portfolio, LifePath Index 2020 Master Portfolio, LifePath Index 2025 Master Portfolio, LifePath Index 2030 Master Portfolio, LifePath Index 2035 Master Portfolio, LifePath Index 2040 Master Portfolio, LifePath Index 2045 Master Portfolio, LifePath Index 2050 Master Portfolio, LifePath Index 2055 Master Portfolio and LifePath Index 2060 Master Portfolio in U.S. Total Bond Index Master Portfolio represented 51.07%, 48%, 36.7%, 27.4%, 18.6%, 10.5%, 4.1%, 1.2%, 1.1% and 1.1%, respectively, of net assets. As such, financial statements of Large Cap Index Master Portfolio and U.S. Total Bond Index Master Portfolio, including the Schedules of Investments, should be read in conjunction with each respective LifePath Index Master Portfolio’s financial statements. Large Cap Index Master Portfolio’s, Total International ex U.S. Index Master Portfolio’s and U.S. Total Bond Index Master Portfolio’s financial statements, which are included in filings by MIP, and Master Small Cap Index Series’ financial statements, which are included in filings by Quantitative Master Series LLC, are available, without charge, on the U.S. Securities and Exchange Commission’s (“SEC”) website at <http://www.sec.gov>.

The LifePath Index Master Portfolios will generally invest in other registered investment companies (each, an “Underlying Fund” and collectively, the “Underlying Funds”) that are managed by subsidiaries of BlackRock, Inc. (“BlackRock”) and its affiliates and affiliates of the LifePath Index Master Portfolios. The LifePath Index Master Portfolios may also invest in other master portfolios (“Underlying Master Portfolios”) that are managed by subsidiaries of BlackRock.

The value of a LifePath Index Master Portfolio’s investment in each of Large Cap Index Master Portfolio, Master Small Cap Index Series, Total International ex U.S. Index Master Portfolio and U.S. Total Bond Index Master Portfolio reflects that LifePath Index Master Portfolio’s proportionate interest in the net assets of that Underlying Master Portfolio. As of period end, the LifePath Index Master Portfolios held interests in Underlying Master Portfolios as follows:

	<i>Large Cap Index Master Portfolio</i>	<i>Master Small Cap Index Series</i>	<i>Total International ex U.S. Index Master Portfolio</i>	<i>U.S. Total Bond Index Master Portfolio</i>
LifePath Index Retirement Master Portfolio	5.0%	3.6%	0.0%	14.1%
LifePath Index 2020 Master Portfolio	10.2	6.5	0.0	25.0
LifePath Index 2025 Master Portfolio	9.0	3.7	0.0	13.3
LifePath Index 2030 Master Portfolio	20.2	5.9	1.3	18.9
LifePath Index 2035 Master Portfolio	10.4	2.1	1.4	5.8
LifePath Index 2040 Master Portfolio	19.5	2.8	0.4	5.5
LifePath Index 2045 Master Portfolio	8.4	1.1	0.4	0.9
LifePath Index 2050 Master Portfolio	9.5	1.3	0.3	0.3
LifePath Index 2055 Master Portfolio	4.0	0.6	0.0	0.1
LifePath Index 2060 Master Portfolio	0.8	0.1	0.0	0.0

The LifePath Index Master Portfolios, together with certain other registered investment companies advised by BlackRock Fund Advisors (“BFA” or the “Manager”) or its affiliates, are included in a complex of open-end funds referred to as the Equity-Liquidity Complex.

Reorganization: The Board of Trustees of the Trust and the Board of State Farm Mutual Fund Trust and the shareholders of State Farm LifePath Retirement Fund, State Farm LifePath 2020 Fund, State Farm LifePath 2030 Fund, State Farm LifePath 2040 Fund and State Farm LifePath 2050 Fund (individually, a “Target Fund” and collectively the “Target Funds”) approved the reorganization of the Target Funds into LifePath Index Retirement Fund, LifePath Index 2020 Fund, LifePath Index 2030 Fund, LifePath Index 2040 Fund and LifePath Index 2050 Fund. As a result, the applicable LifePath Index Funds acquired all of the assets and assumed certain stated liabilities of the Target Funds in exchange for an equal aggregate value of newly-issued shares of the LifePath Index Funds.

On November 19, 2018, all of the portfolio securities previously held by the Target Funds were subsequently contributed by the LifePath Index Funds to the LifePath Index Master Portfolios in exchange for an investment in the LifePath Index Master Portfolios.

For financial reporting purposes, assets received and shares issued by the LifePath Index Funds were recorded at fair value. However, the cost basis of the investments received from the Target Funds were carried forward by the LifePath Index Master Portfolios to align ongoing reporting of the LifePath Index Funds’ realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The Target Funds’ fair value and cost of investments prior to the reorganization were as follows:

<i>Target Fund</i>	<i>Fair Value of Investments</i>	<i>Cost of Investments</i>
State Farm LifePath Retirement Fund	\$1,060,853,760	\$1,064,814,227
State Farm LifePath 2020 Fund	1,876,177,923	1,879,869,831
State Farm LifePath 2030 Fund	2,221,557,497	2,227,161,576
State Farm LifePath 2040 Fund	1,751,947,113	1,757,351,755
State Farm LifePath 2050 Fund	427,090,360	428,381,738

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. Each LifePath Index Master Portfolio 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 entered into (the “trade dates”). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the LifePath Index Master Portfolios are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, a portion of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on an accrual basis.

Each LifePath Index Master Portfolio records daily its proportionate share of the Underlying Master Portfolios’ income, expenses and realized and unrealized gains and losses.

Recent Accounting Standards: In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update 2018-13 “Changes to the Disclosure Requirements for Fair Value Measurement” which modifies disclosure requirements for fair value measurements. The guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. Management is currently evaluating the impact of this guidance to the LifePath Index Master Portfolios.

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

Other: Expenses directly related to a LifePath Index Master Portfolio are charged to that LifePath Index Master Portfolio. 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 LifePath Index Master Portfolios’ investments are valued at fair value (also referred to as “market value” within the financial statements) as of the close of trading on the New York Stock Exchange (“NYSE”) (generally 4:00 p.m., Eastern time). U.S. GAAP defines fair value as the price the LifePath Index Master Portfolios would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The LifePath Index Master Portfolios determine the fair values of their financial instruments using various independent dealers or pricing services under policies approved by the Board of Trustees of MIP (the “Board”). The BlackRock Global Valuation Methodologies Committee (the “Global Valuation Committee”) is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments.

Fair Value Inputs and Methodologies: The following methods and inputs are used to establish the fair value of each LifePath Index Master Portfolio’s assets and liabilities:

- Exchange-traded funds (“ETFs”) traded on a recognized securities exchange are valued at the official closing price each day, if available. For ETFs traded on more than one exchange, the official closing price on the exchange where the stock is primarily traded is used. ETFs traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.
- Investments in open-end U.S. mutual funds are valued at NAV each business day.
- The LifePath Index Master Portfolios record their proportionate investment in the Underlying Master Portfolios at fair value, which is based upon their pro rata ownership in the net assets of the Underlying Master Portfolios.

If events (e.g., a company announcement, market volatility or a natural disaster) occur that are expected to materially affect the value of such investments, or in the event that the 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 Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value (“Fair Valued Investments”). The fair valuation approaches that may be used by the Global Valuation Committee will 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 Global Valuation Committee, or its delegate, seeks to determine the price that each LifePath Index Master Portfolio 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 Global Valuation Committee, or its delegate, deems relevant and consistent with the principles of fair value measurement. The pricing of all Fair Valued Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

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

- Level 1 — Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each LifePath Index Master Portfolio 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)

Notes to Financial Statements (continued)

- Level 3 — Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each LifePath Index Master Portfolio's own assumptions used in determining the fair value of investments)

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 Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with each LifePath Index Master Portfolio's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

As of December 31, 2018, certain investments of the LifePath Index Master Portfolios' were valued using NAV as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

4. SECURITIES AND OTHER INVESTMENTS

Securities Lending: Certain LifePath Index Master Portfolios may lend their securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the LifePath Index Master Portfolios collateral consisting of cash, an irrevocable letter of credit issued by a bank, or securities issued or guaranteed by the U.S. Government. The initial collateral received by each LifePath Index Master Portfolio is required to have a value of at least 102% of the current value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter at a value equal to at least 100% of the current market value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the LifePath Index Master Portfolio and any additional required collateral is delivered to the LifePath Index Master Portfolio, or excess collateral returned by the LifePath Index Master Portfolio, on the next business day. During the term of the loan, the LifePath Index Master Portfolios are entitled to all distributions made on or in respect of the loaned securities, but do not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

The market value of any securities on loan, all of which were classified as investment companies in the LifePath Index Master Portfolios' Schedules of Investments, and the value of any related collateral are shown separately in the Statements of Assets and Liabilities as a component of investments at value — affiliated, and collateral on securities loaned at value, respectively. As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested by the securities lending agent, BlackRock Institutional Trust Company, N.A. ("BTC"), if any, is disclosed in the Schedules of Investments.

Securities lending transactions are entered into by the LifePath Index Master Portfolios under Master Securities Lending Agreements (each, an "MSLA"), which provide the right, in the event of default (including bankruptcy or insolvency), for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the LifePath Index Master Portfolios, as lender, would offset the market value of the collateral received against the market value of the securities loaned. When the value of the collateral is greater than that of the market value of the securities loaned, the lender is left with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty's bankruptcy or insolvency. Under the MSLA, absent an event of default, the borrower can resell or re-pledge the loaned securities, and a LifePath Index Master Portfolio can reinvest cash collateral received in connection with loaned securities. Upon an event of default, the parties' obligations to return the securities or collateral to the other party are extinguished, and the parties can resell or re-pledge the loaned securities or the collateral received in connection with the loaned securities in order to satisfy the defaulting party's net payment obligation for all transactions under the MSLA. The defaulting party remains liable for any deficiency.

As of period end, the following table is a summary of the LifePath Index Master Portfolios' securities lending agreements by counterparty which are subject to offset under an MSLA:

<i>Counterparty</i>	<i>Securities Loaned at Value</i>	<i>Cash Collateral Received^(a)</i>	<i>Net Amount</i>
<i>LifePath Index 2025 Master Portfolio</i>			
Merrill Lynch, Pierce, Fenner & Smith	\$ 98,793,171	\$ (98,793,171)	\$ —
<i>LifePath Index 2030 Master Portfolio</i>			
JP Morgan Securities LLC	\$ 54,373,803	\$ (54,373,803)	\$ —
<i>LifePath Index 2040 Master Portfolio</i>			
JP Morgan Securities LLC	\$ 27,056,433	\$ (27,056,433)	\$ —

Notes to Financial Statements (continued)

<i>Counterparty</i>	<i>Securities Loaned at Value</i>	<i>Cash Collateral Received^(a)</i>	<i>Net Amount</i>
<i>LifePath Index 2045 Master Portfolio</i>			
Barclays Capital Inc	\$ 1,763,111	\$ (1,763,111)	\$ —
JP Morgan Securities LLC	5,238,630	(5,238,630)	—
	<u>\$ 7,001,741</u>	<u>\$ (7,001,741)</u>	<u>\$ —</u>
<i>LifePath Index 2050 Master Portfolio</i>			
Citigroup Global Markets Inc	\$ 309,927	\$ (309,927)	\$ —
JP Morgan Securities LLC	13,347,873	(13,347,873)	—
	<u>\$ 13,657,800</u>	<u>\$ (13,657,800)</u>	<u>\$ —</u>

(a) Cash collateral received in excess of the value of securities loaned from the individual counterparty is not shown for financial reporting purposes in the table above. Cash collateral has been received in connection with securities lending agreements as follows:

<i>LifePath Index 2025 Master Portfolio</i>	<i>LifePath Index 2030 Master Portfolio</i>	<i>LifePath Index 2040 Master Portfolio</i>	<i>LifePath Index 2045 Master Portfolio</i>	<i>LifePath Index 2050 Master Portfolio</i>
\$ 100,617,450	\$ 55,377,850	\$ 27,560,265	\$ 7,144,960	\$ 13,910,000

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the LifePath Index Master Portfolios benefit from a borrower default indemnity provided by BlackRock. BlackRock's indemnity allows for full replacement of the securities loaned if the collateral received does not cover the value on the securities loaned in the event of borrower default. Each LifePath Index Master Portfolio could incur a loss if the value of an investment purchased with cash collateral falls below the market value of loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received.

5. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisory: MIP, on behalf of the LifePath Index Master Portfolios, entered into an Investment Advisory Agreement with BFA, the LifePath Index Master Portfolios' investment adviser and an indirect, wholly-owned subsidiary of BlackRock, to provide investment advisory services. The Manager is responsible for the management of each LifePath Index Master Portfolio's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of each LifePath Index Master Portfolio.

For such services, each LifePath Index Master Portfolio pays the Manager a monthly fee at an annual rate equal to 0.05% of the average daily value of each LifePath Index Master Portfolio's net assets.

Administration: MIP, on behalf of the LifePath Index Master Portfolios, entered into an Administration Agreement with BlackRock Advisors, LLC ("BAL"), which has agreed to provide general administrative services (other than investment advice and related portfolio activities).

BAL is not entitled to compensation for providing administrative services to the LifePath Index Master Portfolios, for so long as BAL is entitled to compensation for providing administrative services to corresponding feeder funds that invest substantially all of their assets in the LifePath Index Master Portfolios, or BAL (or an affiliate) receives investment advisory fees from the LifePath Index Master Portfolios.

Expense Limitations and Waivers: With respect to each LifePath Index Master Portfolio, the Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each LifePath Index Master Portfolio pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver"). These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each LifePath Index Master Portfolio's investments in other affiliated investment companies, if any. For the year ended December 31, 2018, the amounts waived were as follows:

	<i>Amounts Waived</i>
LifePath Index Retirement Master Portfolio	\$ 1,738
LifePath Index 2020 Master Portfolio	3,504
LifePath Index 2025 Master Portfolio	4,928
LifePath Index 2030 Master Portfolio	6,943
LifePath Index 2035 Master Portfolio	4,875
LifePath Index 2040 Master Portfolio	5,703
LifePath Index 2045 Master Portfolio	3,767
LifePath Index 2050 Master Portfolio	1,358
LifePath Index 2055 Master Portfolio	1,808
LifePath Index 2060 Master Portfolio	397

Securities Lending: The SEC has issued an exemptive order which permits BTC, an affiliate of the Manager, to serve as securities lending agent for the LifePath Index Master Portfolios, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending. The LifePath Index

Notes to Financial Statements (continued)

Master Portfolios are responsible for fees in connection with the investment of cash collateral received for securities on loan (the “collateral investment fees”). The cash collateral is invested in a money market fund managed by the Manager or its affiliates. However, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees the LifePath Index Master Portfolios bears to an annual rate of 0.04%. Such money market fund shares will not be subject to a sales load, distribution fee or service fee. The money market fund in which the cash collateral has been invested may, under certain circumstances, impose a liquidity fee of up to 2% of the value redeemed or temporarily restrict redemptions for up to 10 business days during a 90 day period, in the event that the money market fund’s weekly liquid assets fall below certain thresholds.

Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment fees. Each LifePath Index Master Portfolio retains a portion of securities lending income and remits a remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to a securities lending agreement, each LifePath Index Master Portfolio retains 80% of securities lending income, and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees. In addition, commencing the business day following the date that the aggregate securities lending income earned across certain funds in the Equity-Liquidity Complex in a calendar year exceeds a specified threshold, each LifePath Index Master Portfolio, pursuant to the securities lending agreement, will retain for the remainder of the calendar year securities lending income in an amount equal to 85% of securities lending income, and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

The share of securities lending income earned by each LifePath Index Master Portfolio is shown as securities lending income — affiliated — net in the Statements of Operations. For the year ended December 31, 2018, each LifePath Index Master Portfolio paid BTC the following amounts in total for securities lending agent services and collateral investment fees:

	<i>Amounts</i>
LifePath Index Retirement Master Portfolio	\$ 3,685
LifePath Index 2020 Master Portfolio	6,124
LifePath Index 2025 Master Portfolio	17,741
LifePath Index 2030 Master Portfolio	16,229
LifePath Index 2035 Master Portfolio	5,548
LifePath Index 2040 Master Portfolio	14,311
LifePath Index 2045 Master Portfolio	4,184
LifePath Index 2050 Master Portfolio	785
LifePath Index 2055 Master Portfolio	5,297
LifePath Index 2060 Master Portfolio	494

Interfund Lending: In accordance with an exemptive order (the “Order”) from the SEC, each LifePath Index Master Portfolio 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 each LifePath Index Master Portfolio’s investment policies and restrictions. Each LifePath Index Master Portfolio 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 December 31, 2018, the LifePath Index Master Portfolios did not participate in the Interfund Lending Program.

Trustees and Officers: Certain trustees and/or officers of MIP are trustees and/or officers of BlackRock or its affiliates.

Other Transactions: Each LifePath Index Master Portfolio may invest its positive cash balances in certain money market funds managed by the Manager or an affiliate. The income earned on these temporary cash investments is shown as income-affiliated in the Statements of Operations.

The LifePath Index Master Portfolios may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common trustees. For the year ended December 31, 2018, the purchase and sale transactions and any net realized gains (losses) with affiliated funds in compliance with Rule 17a-7 under the 1940 Act were as follows:

	Purchases	Sales	Net Realized Gain (Loss)
LifePath Index Retirement Master Portfolio	\$ 295,023	\$ —	\$ —
LifePath Index 2025 Master Portfolio	288,088	—	—
LifePath Index 2055 Master Portfolio	—	583,048	(138,732)

6. PURCHASES AND SALES

For the year ended December 31, 2018, purchases and sales of investments in the Underlying Funds and Underlying Master Portfolios excluding short-term securities, were as follows:

	<i>LifePath Index Retirement Master Portfolio</i>	<i>LifePath Index 2020 Master Portfolio</i>	<i>LifePath Index 2025 Master Portfolio</i>	<i>LifePath Index 2030 Master Portfolio</i>	<i>LifePath Index 2035 Master Portfolio</i>
Purchases	\$ 1,171,994,616	\$ 2,054,261,168	\$ 992,689,454	\$ 2,649,879,893	\$ 937,197,212
Sales	360,695,374	561,555,301	320,402,923	566,367,808	262,053,099

	<i>LifePath Index 2040 Master Portfolio</i>	<i>LifePath Index 2045 Master Portfolio</i>	<i>LifePath Index 2050 Master Portfolio</i>	<i>LifePath Index 2055 Master Portfolio</i>	<i>LifePath Index 2060 Master Portfolio</i>
Purchases	\$ 1,969,064,776	\$ 710,660,460	\$ 854,478,776	\$ 382,638,562	\$ 112,926,481
Sales	344,797,587	142,780,828	166,127,449	59,581,190	15,493,038

7. INCOME TAX INFORMATION

Each LifePath Index Master Portfolio is classified as a partnership for U.S. federal income tax purposes. As such, each investor in the LifePath Index Master Portfolios is treated as the owner of its proportionate share of net assets, income, expenses and realized and unrealized gains and losses of the LifePath Index Master Portfolios. Therefore, no U.S. federal income tax provision is required. It is intended that the LifePath Index Master Portfolios' assets will be managed so an investor in each LifePath Index Master Portfolio can satisfy the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended.

Each LifePath Index Master Portfolio files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each LifePath Index Master Portfolio's U.S. federal tax returns generally remains open for each of the four years ended December 31, 2018, except for LifePath Index 2060 Master Portfolio, which remains open for the years ended December 31, 2018, December 31, 2017 and the period ended December 31, 2016. The statutes of limitations on each LifePath Index Master Portfolio'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 LifePath Index Master Portfolios as of December 31, 2018, 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 LifePath Index Master Portfolios' financial statements.

As of December 31, 2018, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	<i>LifePath Index Retirement Master Portfolio</i>	<i>LifePath Index 2020 Master Portfolio</i>	<i>LifePath Index 2025 Master Portfolio</i>	<i>LifePath Index 2030 Master Portfolio</i>	<i>LifePath Index 2035 Master Portfolio</i>
Tax cost	\$ 2,404,583,001	\$ 4,499,976,235	\$ 3,185,571,949	\$ 6,012,294,415	\$ 2,644,582,973
Gross unrealized appreciation	\$ 100,812,210	\$ 62,389,079	\$ 80,399,911	\$ 254,604,124	\$ 98,025,458
Gross unrealized depreciation	(205,352,591)	(232,404,094)	(167,301,030)	(479,393,011)	(151,976,042)
Net unrealized appreciation (depreciation)	\$ (104,540,381)	\$ (170,015,015)	\$ (86,901,119)	\$ (224,788,887)	\$ (53,950,584)

	<i>LifePath Index 2040 Master Portfolio</i>	<i>LifePath Index 2045 Master Portfolio</i>	<i>LifePath Index 2050 Master Portfolio</i>	<i>LifePath Index 2055 Master Portfolio</i>	<i>LifePath Index 2060 Master Portfolio</i>
Tax cost	\$ 4,592,899,495	\$ 1,832,625,405	\$ 2,048,890,197	\$ 846,497,213	\$ 162,825,625
Gross unrealized appreciation	\$ 173,855,902	\$ 64,432,520	\$ 87,074,643	\$ 34,582,666	\$ 3,806,802
Gross unrealized depreciation	(349,092,340)	(103,503,971)	(153,648,340)	(58,676,355)	(8,840,274)
Net unrealized appreciation (depreciation)	\$ (175,236,438)	\$ (39,071,451)	\$ (66,573,697)	\$ (24,093,689)	\$ (5,033,472)

8. BANK BORROWINGS

MIP, on behalf of the LifePath Index Master Portfolios, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is a party to a 364-day, \$2.25 billion credit agreement with a group of lenders. Under this agreement, the LifePath Index Master Portfolios may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the LifePath Index Master Portfolios, 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) one-month LIBOR (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum or (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. The agreement expires in April 2019 unless extended or renewed. Prior to April 19, 2018, the aggregate commitment amount was \$2.1 billion and the fee was 0.12% per annum. Participating Funds paid an upfront commitment fee of 0.02% on the total commitment amounts, in addition to administration, legal and arrangement fees, which are included in miscellaneous expenses in the Statements of Operations. 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 December 31, 2018, the LifePath Index Master Portfolios did not borrow under the credit agreement.

9. **PRINCIPAL RISKS**

In the normal course of business, certain LifePath Index Master Portfolios invest in securities or other instruments and may enter into certain transactions, and such activities subject each LifePath Index Master Portfolio 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. Each LifePath Index Master Portfolio's prospectus provides details of the risks to which each LifePath Index Master Portfolio is subject.

The LifePath Index Master Portfolios may be exposed to additional risks when reinvesting cash collateral in money market funds that do not seek to maintain a stable NAV per share of \$1.00, which may be subject to redemption gates or liquidity fees under certain circumstances.

Counterparty Credit Risk: The LifePath Index Master Portfolios 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. The LifePath Index Master Portfolios manage 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 LifePath Index Master Portfolios to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the LifePath Index Master Portfolios' exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statements of Assets and Liabilities, less any collateral held by the LifePath Index Master Portfolios.

10. **SUBSEQUENT EVENTS**

Management has evaluated the impact of all subsequent events on the LifePath Index Master Portfolios 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.

To the Board of Trustees of Master Investment Portfolio and the Investors of LifePath® Index Retirement Master Portfolio, LifePath® Index 2020 Master Portfolio, LifePath® Index 2025 Master Portfolio, LifePath® Index 2030 Master Portfolio, LifePath® Index 2035 Master Portfolio, LifePath® Index 2040 Master Portfolio, LifePath® Index 2045 Master Portfolio, LifePath® Index 2050 Master Portfolio, LifePath® Index 2055 Master Portfolio and LifePath® Index 2060 Master Portfolio

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of LifePath® Index Retirement Master Portfolio, LifePath® Index 2020 Master Portfolio, LifePath® Index 2025 Master Portfolio, LifePath® Index 2030 Master Portfolio, LifePath® Index 2035 Master Portfolio, LifePath® Index 2040 Master Portfolio, LifePath® Index 2045 Master Portfolio, LifePath® Index 2050 Master Portfolio, LifePath® Index 2055 Master Portfolio and LifePath® Index 2060 Master Portfolio (ten of the series constituting Master Investment Portfolio, hereafter collectively referred to as the “Master Portfolios”) as of December 31, 2018, the related statements of operations for the year ended December 31, 2018, the statements of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Master Portfolios as of December 31, 2018, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended December 31, 2018 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Master Portfolios' management. Our responsibility is to express an opinion on the Master Portfolios' financial statements 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 Master Portfolios 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 of these financial statements 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 are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, 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. 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. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian, administrator of the Master Portfolios, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 27, 2019

We have served as the auditor of one or more BlackRock investment companies since 2000.

Trustee and Officer Information

Independent Trustees ^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past Five 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 Five Years
Rodney D. Johnson 1941	Chair of the Board ^(d) and Trustee (Since 2009)	President, Fairmount Capital Advisors, Inc. from 1987 to 2013; Member of the Archdiocesan Investment Committee of the Archdiocese of Philadelphia from 2004 to 2012; Director, The Committee of Seventy (civic) from 2006 to 2012; Director, Fox Chase Cancer Center from 2004 to 2011; Director, The Mainstay (non-profit) since 2016.	24 RICs consisting of 138 Portfolios	None
Mark Stalneckner 1951	Chair Elect of the Board (Since 2018) ^(d) Trustee (Since 2015)	Chief Investment Officer, University of Delaware from 1999 to 2013; Trustee and Chair of the Finance and Investment Committees, Winterthur Museum and Country Estate from 2005 to 2016; Member of the Investment Committee, Delaware Public Employees' Retirement System since 2002; Member of the Investment Committee, Christiana Care Health System from 2009 to 2017; Member of the Investment Committee, Delaware Community Foundation from 2013 to 2014; Director and Chair of the Audit Committee, SEI Private Trust Co. from 2001 to 2014.	24 RICs consisting of 138 Portfolios	None
Susan J. Carter 1956	Trustee (Since 2016)	Director, Pacific Pension Institute from 2014 to 2018; Advisory Board Member, Center for Private Equity and Entrepreneurship at Tuck School of Business since 1997; Senior Advisor, Commonfund Capital, Inc. ("CCI") (investment adviser) in 2015; Chief Executive Officer, CCI from 2013 to 2014; President & Chief Executive Officer, CCI from 1997 to 2013; Advisory Board Member, Girls Who Invest from 2015 to 2018 and Board Member thereof since 2018; Advisory Board Member, Bridges Fund Management since 2016; Trustee, Financial Accounting Foundation since 2017; Practitioner Advisory Board Member, Private Capital Research Institute ("PCRI") since 2017.	24 RICs consisting of 138 Portfolios	None
Collette Chilton 1958	Trustee (Since 2015)	Chief Investment Officer, Williams College since 2006; Chief Investment Officer, Lucent Asset Management Corporation from 1998 to 2006.	24 RICs consisting of 138 Portfolios	None
Neil A. Cotty 1954	Trustee (Since 2016)	Bank of America Corporation from 1996 to 2015, serving in various senior finance leadership roles, including Chief Accounting Officer, from 2009 to 2015, Chief Financial Officer of Global Banking, Markets and Wealth Management from 2008 to 2009, Chief Accounting Officer from 2004 to 2008, Chief Financial Officer of Consumer Bank from 2003 to 2004, Chief Financial Officer of Global Corporate Investment Bank from 1999 to 2002.	24 RICs consisting of 138 Portfolios	None
Cynthia A. Montgomery 1952	Trustee (Since 2009)	Professor, Harvard Business School since 1989; Director, McLean Hospital from 2005 to 2012.	24 RICs consisting of 138 Portfolios	Newell Rubbermaid, Inc. (manufacturing)
Joseph P. Platt 1947	Trustee (Since 2009)	General Partner, Thorn Partners, LP (private investments) since 1998; Director, WQED Multi-Media (public broadcasting not-for-profit) since 2001; Chair, Basic Health International (non-profit) since 2015.	24 RICs consisting of 138 Portfolios	Greenlight Capital Re, Ltd. (reinsurance company); Consol Energy Inc.
Robert C. Robb, Jr. 1945	Trustee (Since 2009)	Partner, Lewis, Eckert, Robb and Company (management and financial consulting firm) since 1981 and Principal since 2010.	24 RICs consisting of 138 Portfolios	None

Independent Trustees ^(a) (continued)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past Five 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 Five Years
Kenneth L. Urish 1951	Trustee (Since 2009)	Managing Partner, Urish Popeck & Co., LLC (certified public accountants and consultants) since 1976; Past-Chairman of the Professional Ethics Committee of the Pennsylvania Institute of Certified Public Accountants and Committee Member thereof since 2007; Member of External Advisory Board, The Pennsylvania State University Accounting Department since founding in 2001; Principal, UP Strategic Wealth Investment Advisors, LLC since 2013; Trustee, The Holy Family Institute from 2001 to 2010; President and Trustee, Pittsburgh Catholic Publishing Associates from 2003 to 2008; Director, Inter-Tel from 2006 to 2007.	24 RICs consisting of 138 Portfolios	None
Claire A. Walton 1957	Trustee (Since 2016)	Chief Operating Officer and Chief Financial Officer of Liberty Square Asset Management, LP from 1998 to 2015; General Partner of Neon Liberty Capital Management, LLC since 2003; Director, Boston Hedge Fund Group from 2009 to 2018; Director, Woodstock Ski Runners since 2013; Director, Massachusetts Council on Economic Education from 2013 to 2015.	24 RICs consisting of 138 Portfolios	None
Frederick W. Winter 1945	Trustee (Since 2009)	Director, Alkon Corporation since 1992; Dean Emeritus of the Joseph M. Katz School of Business, University of Pittsburgh, Dean and Professor from 1997 to 2005, Professor until 2013.	24 RICs consisting of 138 Portfolios	None

Interested Trustees ^{(a)(e)}

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past Five 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 Five Years
Robert Fairbairn 1965	Trustee (Since 2018)	Senior Managing Director of BlackRock, Inc. since 2010; oversees BlackRock's Strategic Partner Program and Strategic Product Management Group; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; 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.	127 RICs consisting of 304 Portfolios	None
John M. Perowski 1964	Trustee (Since 2015) and 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.	127 RICs consisting of 304 Portfolios	None

^(a) The address of each Trustee is c/o BlackRock, Inc., 55 East 52nd Street, New York, NY 10055.

^(b) Independent Trustees serve until their resignation, retirement, removal or death, or until December 31 of the year in which they turn 75. The Board may determine to extend the terms of Independent Trustees on a case-by-case basis, as appropriate. The Board has approved extending the mandatory retirement age for Rodney D. Johnson until December 31, 2018.

^(c) In connection with the acquisition of Barclays Global Investors by BlackRock, Inc. ("BlackRock") in December 2009, certain Independent Trustees were elected to the Board. As a result, although the chart shows certain Independent Trustees as joining the Board in 2009, those Independent Trustees first became members of the boards of other funds advised by BlackRock Advisors, LLC or its affiliates as follows: Rodney D. Johnson, 1995; Cynthia A. Montgomery, 1994; Joseph P. Platt, 1999; Robert C. Robb, Jr., 1999; Kenneth L. Urish, 1999; and Frederick W. Winter, 1999.

^(d) Mr. Stalneckner was approved as Chair Elect of the Board effective January 1, 2018. It is expected that, effective January 1, 2019, Mr. Stalneckner will assume the position of Chair of the Board and Mr. Johnson will retire as Chair of the Board.

^(e) Mr. Fairbairn and Mr. Perowski are both "interested persons," as defined in the 1940 Act, of the Trust/MIP based on their positions with BlackRock and its affiliates. Mr. Fairbairn and Mr. Perowski are also board members of the BlackRock Equity-Bond Complex and the BlackRock Closed-End Complex.

Officers Who Are Not Trustees ^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service)	Principal Occupation(s) During Past Five Years
Thomas Callahan 1968	Vice President (Since 2016)	Managing Director of BlackRock, Inc. since 2013; Head of BlackRock's Global Cash Management Business since 2016; Co-Head of the Global Cash Management Business from 2014 to 2016; Deputy Head of the Global Cash Management Business from 2013 to 2014; Member of the Cash Management Group Executive Committee since 2013; Chief Executive Officer of NYSE Liffe U.S. from 2008 to 2013.
Jennifer McGovern 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group since 2013.
Neal J. Andrews 1966	Chief Financial Officer (Since 2009)	Managing Director of BlackRock, Inc. since 2006.
Jay M. Fife 1970	Treasurer (Since 2009)	Managing Director of BlackRock, Inc. since 2007.
Charles Park 1967	Chief Compliance Officer (Since 2014)	Anti-Money Laundering Compliance Officer for the BlackRock-advised Funds in the Equity-Bond Complex, the Equity-Liquidity Complex and the Closed-End Complex from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the Equity-Bond Complex, the Equity-Liquidity Complex and the Closed-End 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.
John MacKessy 1972	Anti-Money Laundering Compliance Officer (Since 2018)	Director of BlackRock, Inc. since 2017; Global Head of Anti-Money Laundering at BlackRock, Inc. since 2017; Director of AML Monitoring and Investigations Group of Citibank from 2015 to 2017; Global Anti-Money Laundering and Economic Sanctions Officer for MasterCard from 2011 to 2015.
Benjamin Archibald 1975	Secretary (Since 2012)	Managing Director of BlackRock, Inc. since 2014; Director of BlackRock, Inc. from 2010 to 2013; Secretary of the iShares [®] exchange traded funds since 2015; Secretary of the BlackRock-advised mutual funds since 2012.

^(a) The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, NY 10055.

^(b) Officers of the Trust/MIP serve at the pleasure of the Board.

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

At a special meeting of shareholders held on November 21, 2018, each LifePath Index Fund's shareholders and each LifePath Index Master Portfolio's interestholders elected Trustees who took office on January 1, 2019. The newly elected Trustees include ten former Trustees and five individuals who served as directors/trustees of the funds in the BlackRock Equity-Bond Complex. Information regarding the individuals who began serving as Trustees effective January 1, 2019 can be found in the proxy statement for the special meeting of shareholders, which is available on the SEC's EDGAR Database at <http://www.sec.gov>.

Investment Adviser

BlackRock Fund Advisors
San Francisco, CA 94105

Administrator

BlackRock Advisors, LLC
Wilmington, DE 19809

Accounting Agent and Custodian

State Street Bank and Trust Company
Boston, MA 02111

Transfer Agent

BNY Mellon Investment Servicing (US) Inc.
Wilmington, DE 19809

Distributor

BlackRock Investments, LLC
New York, NY 10022

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Philadelphia, PA 19103

Legal Counsel

Sidley Austin LLP
New York, NY 10019

Address of the Trust/MIP

400 Howard Street
San Francisco, CA 94105

Additional Information

Proxy Results

A Special Meeting of Shareholders was held on November 21, 2018 for shareholders of record on September 24, 2018, to elect a Board of Trustees of each Trust. The newly elected Trustees took office effective January 1, 2019.

Shareholders approved the Trustees* of BlackRock Funds III with voting results as follows:

	<i>Votes For</i>	<i>Votes Withheld</i>
Bruce R. Bond	74,530,043,622	332,513,579
Susan J. Carter	74,632,807,465	229,749,735
Collette Chilton	74,606,070,125	256,487,076
Neil A. Cotty	74,519,888,492	342,668,709
Robert Fairbairn	74,487,805,275	374,751,925
Lena G. Goldberg	74,560,684,153	301,873,047
Robert M. Hernandez	74,552,443,194	310,114,006
Henry R. Keizer	74,581,539,095	281,018,105
Cynthia A. Montgomery	74,593,918,281	268,638,919
Donald C. Opatmy	74,537,022,996	325,534,205
John M. Perlowski	74,513,534,069	349,023,132
Joseph P. Platt	74,562,906,468	299,650,732
Mark Stalnecker	74,563,261,799	299,295,401
Kenneth L. Urish	74,524,944,737	337,612,464
Claire A. Walton	74,595,571,180	266,986,021

The above Trustees, referred to as the BlackRock Multi-Asset Board, have also been elected to serve as directors/trustees for other BlackRock-advised equity, multi-asset, index and money market funds.

Shareholders approved the Trustees* of Master Investment Portfolio with voting results as follows:

	<i>Votes For</i>	<i>Votes Withheld</i>	<i>Votes Abstained</i>
Bruce R. Bond	114,235,868,542	568,012,891	641,786,714
Susan J. Carter	114,644,969,512	314,986,585	485,712,049
Collette Chilton	114,535,742,702	412,456,983	497,468,461
Neil A. Cotty	114,294,090,740	648,797,018	502,780,388
Robert Fairbairn	114,073,048,324	869,686,392	502,933,430
Lena G. Goldberg	114,462,170,860	487,956,046	495,541,240
Robert M. Hernandez	114,478,389,572	461,883,856	505,394,718
Henry R. Keizer	114,350,013,418	592,432,169	503,222,560
Cynthia A. Montgomery	114,570,515,635	380,167,878	494,984,633
Donald C. Opatmy	114,233,094,017	712,297,050	500,277,079
John M. Perlowski	114,154,454,706	787,250,166	503,963,275
Joseph P. Platt	114,347,337,899	591,983,810	506,346,437
Mark Stalnecker	114,353,522,475	588,157,237	503,988,435
Kenneth L. Urish	114,294,097,454	648,416,164	503,154,528
Claire A. Walton	114,578,394,936	379,651,521	487,621,690

* Denotes Trust-wide proposal and voting results.

The above Trustees, referred to as the BlackRock Multi-Asset Board, have also been elected to serve as directors/trustees for other BlackRock-advised equity, multi-asset, index and money market funds.

Additional Information (continued)

General Information

Householding

The LifePath Index Funds will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports 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 househanded 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 LifePath Index Funds at (800) 441-7762.

Availability of Quarterly Schedule of Investments

The LifePath Index Funds/LifePath Index Master Portfolios file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The LifePath Index Funds/LifePath Index Master Portfolios' Forms N-Q are available on the SEC's website at <http://www.sec.gov>. The LifePath Index Funds'/ LifePath Index Master Portfolios' Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the LifePath Index Funds/LifePath Index Master Portfolios use to determine how to vote proxies relating to portfolio securities is available upon request and without charge (1) by calling (800) 441-7762; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

Availability of Proxy Voting Record

Information about how the LifePath Index Funds/LifePath Index Master Portfolios voted proxies relating to securities held in the LifePath Index Funds/LifePath Index Master Portfolios' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com>; or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.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 <http://www.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 reach us on the Web at <http://www.blackrock.com>.

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.

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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This report is intended for current holders. It is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of a LifePath Index Fund unless preceded or accompanied by the LifePath Index Fund's current prospectus. Past performance results shown in this report should not be considered a representation of future performance. Investment returns and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are as dated and are subject to change.

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