Today’s Challenges of Income Investing
Challenge 1: A shrinking market for yield

Fixed income assets yielding over 4% (1999 – 2017)

- Less than a quarter of major global fixed income markets yield over 4% today
- Even with interest rates slowly beginning to rise in the US, bonds still have a long way to go to provide attractive income

Source: BlackRock Investment Institute, Barclays and Thomson Reuters, July 2017. For illustrative purposes only. The bars show market capitalization weights of assets with an average annual yield over 4% in a select universe that represents about 70% of the Barclays Multiverse Bond Index. US Treasury is represented by the Barclays US Treasury Index. Euro core is based on the Barclays French and German government debt indexes. US Agencies is represented by the Barclays US Aggregate Agencies Index. US Municipal is represented by the Barclay Municipal Bond index. Euro periphery is an average of the Barclays government debt indexes for Italy, Spain and Ireland. US MBS is represented by the Barclays US Mortgage Backed Securities index. Global Credit is represented by the Barclays Global Aggregate Corporate index. US CMBS is represented by the Barclays Investment Grade CMBS index. Emerging Market combines the Barclays EM hard and local currency debt indexes. Global High Yield is represented by the Barclays Global High Yield index. Past performance does not guarantee future results.
Challenge 2: Income comes with more risk today

Source: Morningstar, as of 12/31/16. For illustrative purposes only. Illustration assumes an investment universe of Money Funds, Core Bonds and High Yield Bonds represented by the Morningstar Taxable Money Market Funds category, Barclays US Aggregate Bond Index and Barclays US High Yield 2% Issuer Capped Index, respectively. You cannot invest directly in an index. Allocations determined by portfolio mix that achieves stated yield target with lowest level of risk. Risk represented by trailing 10-year annualized standard deviation. The hypothetical 3% Income Portfolio in 2006 consisted of a 68% allocation to Money Funds and the remainder allocation is not invested. In 2016 that allocation was 83% Core Bonds and 17% High Yield Bonds. The hypothetical 4% Income Portfolio in 2006 consisted of a 91% allocation to Money Funds and the remainder allocation is not invested. In 2016 that allocation was 63% Core Bonds and 37% High Yield Bonds. The hypothetical 5% Income Portfolio in 2006 consisted of a 75% allocation to Money Funds, 12% to Core Bonds and 13% to High Yields bonds. In 2016 that allocation was 43% Core Bonds and 57% High Yield Bonds.
Challenge 3: So much to do, so few hours in a day
Limited time, unlimited choices

Challenges for Advisors:

- Generating growth and income is increasingly challenging in today’s market environment
- Compounding this, Advisors are facing fee compression, regulatory changes, and an overwhelming number of investment options
- BlackRock’s managed models can offer simple, scalable, low-cost solutions that can help free up advisors’ time

The average Advisor spends \( \sim 35\% \) of their time managing and administering client portfolios\(^2\)

Embracing managed portfolios may **reduce the time** spent on investment management & administration\(^3\)

---

For illustrative purposes only. (1) Investment Company Institute as of 12/31/16. (2) Source: Cerulli, “U.S. Retail Investor Advice Relationships 2015”. (3) Time savings estimations (8 hours) assumes a 45 hour work week. Estimations based on halving Investment Mgmt. & Administrative time (17.5%) x (45 hour work week).
BlackRock Multi-Asset Income Model Portfolio
BlackRock Multi-Asset Income Model Portfolio

Our value proposition

Seeking Competitive Income & Returns with Volatility Below Defined Risk Benchmark

Turnkey Solutions for Financial Advisors
Offer a core income solution and robust resources to serve as your one-stop-shop for portfolio needs

Institutional Capabilities to Individual Investors
Focus on consistency of results by leveraging BlackRock’s industry-leading risk analytics and technology

Diversified, Risk Managed Portfolio
Flexible investment process across a range of global income producing asset classes with a keen focus on managing portfolio volatility
BlackRock Multi-Asset Income Model Portfolio
Risk-First Approach to Generating Income

Volatility Since Inception†

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>2011-2017 Volatility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Asset Income Model</td>
<td>4.8%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>10.7%</td>
</tr>
<tr>
<td>Core Bonds</td>
<td>2.8%</td>
</tr>
<tr>
<td>50/50 Risk Benchmark</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Current Yield‡

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>2017 Year-to-Date Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Asset Income Model</td>
<td>3.9%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>2.4%</td>
</tr>
<tr>
<td>Core Bonds</td>
<td>2.6%</td>
</tr>
<tr>
<td>50/50 Risk Benchmark</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

As of 6/30/17. Multi-Asset Income SMA inception 12/31/2011. Investing involves risk. Information is subject to change. Standard Deviation measures the volatility of the strategy's returns. Higher deviation represents higher risk. Past performance is no guarantee of future results. Global Equity represented by the MSCI World Index. Core Bonds represented by the Barclays Aggregate Index. The 50/50 Risk Benchmark is composed of 50% MSCI World Index and 50% Barclays Aggregate Index. It is not possible to invest directly in an index.

*The above model portfolio information is supplemental to the BlackRock Multi-Asset Income SMA Composite presentation located at the end of the presentation.

†Volatility is based off of the composite monthly returns.‡Model yield is based on the trailing twelve month yields of the portfolio investments as of 6/30/17. Core bonds represented by the Bloomberg Barclays US Aggregate Index yield to worst. Global equities represented by the MSCI World Index current yield.
<table>
<thead>
<tr>
<th>Traditional Equity Income</th>
<th>Traditional Fixed Income</th>
<th>Alternative Income Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>US dividend-payers</td>
<td>Investment grade debt</td>
<td>International REITs</td>
</tr>
<tr>
<td>International dividend-payers</td>
<td>High yield debt</td>
<td>US REITs</td>
</tr>
<tr>
<td></td>
<td>Mortgage backed securities</td>
<td>US preferred stock</td>
</tr>
<tr>
<td></td>
<td>Sovereign debt</td>
<td>Bank loans</td>
</tr>
<tr>
<td>Min / Max</td>
<td>Min / Max</td>
<td>Emerging market debt</td>
</tr>
<tr>
<td>10% / 60%</td>
<td>0% / 90%</td>
<td></td>
</tr>
<tr>
<td>Historical range</td>
<td>Historical range</td>
<td>Historical range</td>
</tr>
<tr>
<td>20% – 40%</td>
<td>30% – 60%</td>
<td>10% – 45%</td>
</tr>
</tbody>
</table>

Subject to change. For illustrative purposes only. The above characteristics are in reference to the investment universe of the BlackRock Multi-Asset Income SMA. *The above model portfolio information is supplemental to the BlackRock Multi-Asset Income SMA Composite presentation located at the end of the presentation.
BlackRock Multi-Asset Income Model Portfolio
A Tactical Investment Process

BlackRock Multi-Asset Income Model Asset Allocation Changes Over Time

As of 6/30/17. Investing involves risk. For illustrative purposes only. The portfolio holdings and characteristics of the Multi-Asset Income model portfolio reflects the current strategy for the fully discretionary, unconstrained account and is not the result of actual trading. Actual portfolios may differ as a result of the account size, client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations. Subject to change. *The above model portfolio information is supplemental to the BlackRock Multi-Asset Income SMA Composite presentation located at the end of the presentation.
As of 6/30/17. Asset allocation strategies do not assure profit and do not protect against loss. Actual client accounts may differ. Subject to change. *The above model portfolio information is supplemental to the BlackRock Multi-Asset Income SMA Composite presentation located at the end of the presentation. Investing involves risk.
BlackRock Multi-Asset Income Team

Top-down, Tactical Asset Allocation
Dedicated team responsible for portfolio management, risk monitoring and tactical investment ideas across $25B+ in global income strategies

Alex Shingler, CFA
Co-Portfolio Manager

Michael Fredericks
Lead Portfolio Manager

Justin Christofel, CFA, CAIA
Co-Portfolio Manager

Bottom-up Security Selection & Risk Management
Leveraging insight from over 15 global investment teams with dedicated risk management oversight from the Risk & Quantitative Analysis group

Quantitative fixed income
San Francisco

Risk & Quantitative Analytics

US dividend equity
Princeton

European high yield
London

Global fixed income
London

Global dividend equity
London

European dividend equity
London

EM dividend equity
London

Asia dividends
Hong Kong

US high yield & bank loans
New York

Preferred stock
New York

Covered call writing
Boston

MLPs
Princeton

Asia high yield
Singapore

Mortgage Team
New York

Fundamental fixed income
New York

Equity Income
Fixed Income
Nontraditional Income Sources

As of 6/30/17. Subject to change.

As of 6/30/17. Subject to change.
Multi-Asset Income Investment Process

- The Multi-Asset Income investment team is responsible for research, portfolio construction and risk management.
- The team also leverages BlackRock’s global platform for technology, trading and execution.

**Research**

- Combination of quantitative, qualitative and asset class specific research to develop broad macro themes.
- Build on robust framework to capture drivers of asset prices:
  - Valuation
  - Macro Economic
  - Market Sentiment
  - Idiosyncratic Factors
- Identify resulting opportunities:
  - Asset classes
  - Countries
  - Sectors

**Portfolio Construction**

- Determine appropriate risk level relative to risk budget (50% MSCI World / 50% Barclays Agg):
  - Allocate risk budget across equity, spread, and duration
  - Collaborative process adjusts portfolios to changing conditions

**Risk Management**

- Help to protect the portfolio against unanticipated market moves:
  - Real time stress tests and scenario analysis
  - Identify and mitigate uncompensated risk and unwanted concentration:
    - Factor-based analysis
  - Assess realized performance:
    - How does it measure up to the investment thesis?
  - Reevaluate and update investment views
BlackRock Multi-Asset Income SMA Composite Performance

### Quarterly Performance (% Returns)
(Not Annualized for Less than 1 Year)

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>3/31/17</th>
<th>6/30/17</th>
<th>9/30/17</th>
<th>12/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite (Gross)</td>
<td>5.57</td>
<td>2.87</td>
<td>2.62</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Composite (Net)</td>
<td>3.97</td>
<td>2.09</td>
<td>1.84</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>6.40</td>
<td>3.57</td>
<td>2.73</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Average Annual Total Returns (% Yearly Total Returns)

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite (Gross)</td>
<td>8.64</td>
<td>3.55</td>
<td>6.53</td>
</tr>
<tr>
<td>Composite (Net)</td>
<td>5.79</td>
<td>1.09</td>
<td>4.06</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>8.61</td>
<td>4.01</td>
<td>7.03</td>
</tr>
</tbody>
</table>

Data as of 6/30/17,

*The Multi-Asset Income SMA Composite Benchmark is composed of: 50% MSCI World Net TR Index and 50% Barclays US Aggregate Bond Index. Benchmark returns reflect monthly rebalancing of the Benchmark’s component indexes to their established percentages throughout the periods shown.

**Investing involves risk.** Past performance does not guarantee or indicate future results. The performance results from January 1, 2012 to the end of the most recent calendar quarter represent the composite of all fully discretionary, unconstrained Separately Managed Account (SMA) program accounts managed in this style by the firm for at least two months. Please see Important Notes at the end of the presentation for more information.
Important Notes

THE INFORMATION CONTAINED HEREIN MAY BE PROPRIETARY IN NATURE AND HAS BEEN PROVIDED TO YOU ON A CONFIDENTIAL BASIS, AND MAY NOT BE REPRODUCED, COPIED OR DISTRIBUTED WITHOUT THE PRIOR CONSENT OF BLACKROCK, INC. AND/OR ITS SUBSIDIARIES (TOGETHER, “BLACKROCK”).

This document contains general information only and does not take into account an individual’s financial circumstances. An assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a professional adviser before making an investment decision.

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed may change as subsequent conditions vary.

The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by BlackRock to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. Any investments named within this material may not necessarily be held in any accounts managed by BlackRock. Reliance upon information in this material is at the sole discretion of the reader. Statements concerning financial market trends are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions. Outlook and strategies are subject to change without notice.

For more complete information, please ask your Financial Advisor for the client agreement and disclosure document. Please read them carefully before you invest and consider the strategy’s investment objective, risks, charges and management expenses among other information contained in the documents.

This communication and its content represent confidential information.

Performance and Fees. Past performance is no guarantee of future results. Certain performance figures do not reflect the deduction of investment advisory fees (please refer to Part 2 of BlackRock’s Form ADV) in the case of separate accounts; but they do reflect commissions, other expenses, and reinvestment of earnings. Such fees that a client may incur in the management of their investment advisory account may reduce the client's return. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. The “net of fees” performance figures reflect the deduction of actual investment advisory fees but do not reflect the deduction of custodial fees. All periods longer than one year are annualized. When BlackRock invests a client’s separate account in mutual funds or exchange traded funds, such funds may charge fees and expenses payable to third parties and/or BlackRock that are in addition to the fee payable to BlackRock in connection with its management of the separate account.

Composite and Benchmark Descriptions and Additional Performance Detail. Investing involves risk. The performance information shown reflects the performance of a composite of accounts (or portions of accounts) that does not necessarily reflect the performance that any particular account investing in the same or similar securities may have had during the period. Actual account performance is likely to differ from the composite performance shown for a variety of reasons, including but not limited to: differences in market conditions, portfolio turnover and in the number, types, availability and diversity of securities that can be purchased; economies of scale, regulations and other factors applicable to the management of large separate accounts and mutual funds; client-imposed investment restrictions; the timing of client investments and withdrawals; the deduction of taxes; tax considerations; and other factors. Composite and benchmark / index performance results reflect realized and unrealized appreciation and the reinvestment of dividends, interest, and / or capital gains. Taxes have not been deducted. Gross composite returns do not reflect actual performance because they do not reflect the deduction of any fees or expenses. Due to the compounding effect of these fees, annual net composite returns may be lower than stated gross returns less stated maximum fee. The firm’s performance results are the product of the efforts of numerous personnel and the firm-wide global resources made available to them. The personnel and resources contributing to the firm’s performance results include portfolio managers and their staff, research analysts, risk management professionals, in-house trading professionals, investment supervisory personnel, and the firm’s proprietary investment processes, integrated global research systems and access to third-party research sources.
Important Notes (cont.)

Risk
Investment involves risk. Stock and bond values fluctuate in price so the value of your investment can go down depending upon market conditions. The two main risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to make principal and interest payments. The principal on mortgage- or asset-backed securities may be prepaid at any time, which will reduce the yield and market value of these securities. Obligations of US Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the US Government. Investments in non-investment-grade debt securities ("high-yield bonds" or "junk bonds") may be subject to greater market fluctuations and risk of default or loss of income and principal than securities in higher rating categories. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax. International investing involves risks related to foreign currency, limited liquidity, less government regulation, and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are often heightened for investments in emerging / developing markets or smaller capital markets.

Model Portfolio
Information concerning portfolio allocations, holdings, and characteristics is representative of the model portfolio for this strategy and does not necessarily reflect an actual account. Actual portfolios may differ as a result of account size, client-imposed investment restrictions, the timing of client investments and market, economic, and individual company considerations.

Credit Quality
The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit worthiness of such issues/issuer and generally range from AA, (highest) to D (lowest).

Securities Referenced
Any reference herein to any security and/or a particular issuer shall not constitute a recommendation to buy or sell, offer to buy, offer to sell, or a solicitation of an offer to buy or sell any such securities issued by such issuer. BlackRock may or may not own the securities referenced and, if such securities are owned, no representation is being made that such securities will continue to be held.

Tax & Legal
This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. You should consult your tax or legal advisor regarding such matters.

Forward Looking Information
This material may contain “forward-looking” information that is not purely historical in nature. Such information may include, among other things, projections, forecasts, estimates of yields or returns, and proposed or expected portfolio composition. Moreover, where certain historical performance information of other investment vehicles or composite accounts managed by BlackRock has been included in this material and such performance information is presented by way of example only. No representation is made that the performance presented will be achieved, or that every assumption made in achieving, calculating or presenting either the forward-looking information or the historical performance information herein has been considered or stated in preparing this material. Any changes to assumptions that may have been made in preparing this material could have a material impact on the investment returns that are presented herein by way of example. There is no guarantee that any forecasts made will come to pass.
Important Notes (cont.)

Definitions

Standard deviation is a statistical measure that depicts how widely the returns of an investment varied over a certain period of time. Investors can use the standard deviation of historical performance to try to predict the range of returns that may occur for a particular investment. A higher standard deviation indicates greater volatility or a wider range of returns.

Beta is a historical measure of the degree of change in value in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one generally exhibits more volatility than its benchmark index, and a portfolio with a beta of less than one generally exhibits less volatility than its benchmark index.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often described as a measurement of the value added or subtracted by a portfolio's manager.

Up-market capture ratio is a measure of manager's performance in up markets relative to the market itself. The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market. In this presentation, quarterly data is used.

Down-market capture ratio is a measure of manager's performance in down markets relative to the market itself. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline. In this presentation, quarterly data is used.
Important Notes (cont.)

It is not possible to directly invest in an unmanaged index.

Represented indices: Core bonds represented by the Barclays US Aggregate Index, comprising more than 5,000 investment-grade taxable bonds. Bank loans represented by the S&P Leveraged Loan Index, designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads, and interest payments. Preferred stock represented by the S&P US Preferred Stock Capped Index measures the performance of preferred stocks listed in US with a market capitalization over $100 million. High yield represented by the Barclays HY 2% Issuer Capped Index, comprising issues that have at least $150 million par value outstanding, a maximum credit rating of Ba1 or BB+ (including defaulted issues) and at least 1 year to maturity. Each issuer is limited to 2% of the index. EM debt represented by JPM EMBI Global Total Return Index tracking total returns for traded external debt instruments in the emerging markets including US dollar-denominated Brady bonds, loans, and Eurobonds with an outstanding face value of at least $500 million. Dividend Equities represented by the MSCI World High Dividend Yield Index, reflecting the performance of the high dividend yield of large- and mid-cap stocks in the US. US REITs represented by the FTSE NAREIT All Equity REITS Total Return Index, measuring the stock performance of companies engaged in the ownership and development of the real estate markets. MLPs represented by the Alerian MLP Index, a market-cap weighted, float-adjusted index composite of the 50 most prominent energy Master Limited Partnerships (MLPs). Global equity represented by the MSCI World Index, consisting of a market value weighted average of the performance of about 1,350 securities on the stock exchange of selected countries.
## Historical Data: BlackRock Multi-Asset Income SMA Composite

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Pure Gross of Fee Composite Return (%)</th>
<th>Net of Fee Composite Return (%)</th>
<th>Benchmark Return (%)</th>
<th>Number of Portfolios</th>
<th>Composite Dispersion (%)</th>
<th>Composite 3-Year Annualized Standard Deviation (%)&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Benchmark 3-Year Annualized Standard Deviation (%)&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Total Assets at End of Period (US$mn)</th>
<th>Percentage of Firm Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>12.08</td>
<td>9.28</td>
<td>10.13</td>
<td>119</td>
<td>0.22</td>
<td>N/A</td>
<td>N/A</td>
<td>126</td>
<td>&lt;1</td>
</tr>
<tr>
<td>2013</td>
<td>7.87</td>
<td>5.17</td>
<td>11.55</td>
<td>407</td>
<td>0.35</td>
<td>N/A</td>
<td>N/A</td>
<td>324</td>
<td>&lt;1</td>
</tr>
<tr>
<td>2014</td>
<td>4.05</td>
<td>1.45</td>
<td>5.53</td>
<td>506</td>
<td>0.22</td>
<td>4.01</td>
<td>5.36</td>
<td>402</td>
<td>&lt;1</td>
</tr>
<tr>
<td>2015</td>
<td>-0.15</td>
<td>-2.65</td>
<td>0.08</td>
<td>507</td>
<td>0.32</td>
<td>5.14</td>
<td>5.69</td>
<td>395</td>
<td>&lt;1</td>
</tr>
<tr>
<td>2016</td>
<td>6.78</td>
<td>4.11</td>
<td>5.23</td>
<td>424</td>
<td>0.26</td>
<td>4.96</td>
<td>5.63</td>
<td>347</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

---

*Past Performance is not indicative of future results.*

Data shown may be subject to revisions from time to time based on availability of new information. Any such revisions are not material.

1. N/A – 36 months of data not available for that period.
Historical Data: BlackRock Multi-Asset Income SMA Composite (Cont’d)

Notes:

1. For purposes of compliance with the Global Investment Performance Standards (GIPS®), the “firm” refers to the investment adviser and national trust bank subsidiaries of BlackRock, Inc., located globally. This definition excludes: i) BlackRock subsidiaries that do not provide investment advisory or management services, ii) the Absolute Return Strategies (funds-of-hedge-funds) business unit under the “BlackRock Alternative Advisers” platform, iii) BlackRock Capital Investment Corporation, LLC, and iv) FutureAdvisor, Inc..

2. BlackRock claims compliance with the GIPS standards and has prepared and presented this report in compliance with the GIPS standards. BlackRock has been independently verified for the periods 1 January 1993 through 31 December 2015. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The firm is verified annually by Deloitte & Touche LLP.

3. Portfolio returns are calculated monthly, using the Modified Dietz method. Trade date accounting has been used since the inception of the composite. The returns are expressed in US dollars and are asset-weighted since inception.

4. The benchmark index shown is the Tactical Multi-Asset Income Index. The Benchmark is composed of: 50% MSCI World Net TR Index, and 50% Barclays Capital US Aggregate Bond Index.

5. Composite dispersion measures represent the consistency of a firm’s composite performance results with respect to the individual portfolio returns within a composite. Composite dispersion is the square root of the sum of monthly variances of portfolio returns around the composite returns. The monthly variance is the sum of the asset-weighted squared differences between the individual portfolio returns and the composite returns. Only portfolios that have been included in the composite style for a full month are accounted for in the dispersion calculation. For composites containing only one account, a measure of dispersion is not meaningful (NM).

6. Percentage of Firm Assets are rounded to the nearest whole percent. No non-fee paying assets have been included in the Composite.

7. There have been no alterations of the composite due to changes in personnel or other reasons.

8. Futures and options may not be used in the portfolio to create leverage or for any other reason.

9. Gross of fee performance results are presented before management, custodial fees, broker fees and transaction costs, but net of withholding taxes (if applicable). The wrap fee covers the firm’s management services and transaction costs. Net returns are calculated by subtracting the highest applicable wrap fee (2.5% on an annual basis, or 0.625% quarterly).

10. A complete list and description of all composites maintained by BlackRock and the related performance results are available upon request by emailing SMAMarketing@BlackRock.com. Additional information regarding policies for calculating and reporting returns is also available upon request.

**BlackRock Multi-Asset Income SMA Composite:** This investment strategy seeks current income and to a lesser extent long-term capital appreciation. It invests in a diversified portfolio of equity securities, mutual funds and other pooled vehicles, and also may invest individual Fixed Income securities. Mutual funds and pooled investment vehicles may pay fees and expenses to BlackRock that are in addition to the fees payable to BlackRock for managing the account. Selection of this strategy indicates a willingness to assume a high level of portfolio turnover. Over the long-term, the strategy generally is expected to have a level of risk lower than that of the US stock market. Previous name of this strategy: BlackRock WDP Tactical Multi-Asset Income. More detailed information on this strategy is available upon request.

The performance results from January 1, 2012 to the end of the most recent calendar year represents the composite of all fully discretionary, unconstrained Separately Managed Account (SMA) program accounts managed in this style by the firm for at least two months.

The creation date of the composite is January 1, 2012. New accounts and accounts that have changed their investment mandate to that of the composite are included in the composite upon the completion of the second full month under management. Closed accounts and accounts that change their investment mandate are included in the composite through the completion of the last full month under management or the last full month under the old strategy.