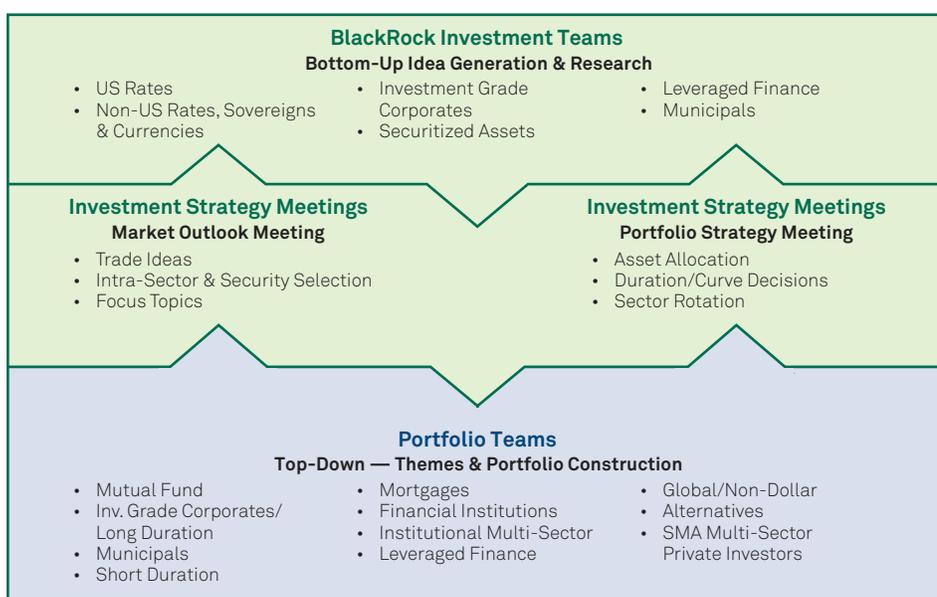


Managed Accounts Core Bond

www.blackrock.com

Investment Process

- BlackRock's Fixed Income Investment approach blends top-down and bottom-up investment ideas
- Investment Teams are responsible for research, analysis, security selection and execution
- Rick Rieder as Chief Investment Officer of Fixed Income, Fundamental Portfolios, leads the investment strategy meetings
- Portfolio teams are each independently accountable for asset allocation and portfolio construction



Investment Strategy

This investment strategy seeks total return derived primarily from coupon interest and capital appreciation. It invests primarily in government securities, investment grade corporate bonds, asset-backed and mortgage-backed securities, and approximately 40% in shares of a fee-waived mutual fund, which can invest in a wide variety of investment grade fixed income securities. These portfolios are expected to have durations of three to seven years. An investor selecting this strategy may risk some loss of principal. More detailed information on this strategy is available upon request.

Target Allocation



BlackRock Bond Allocation Target Shares (BATS) are a series of fee-waived mutual funds that invest in fixed income securities. BATS add value through selective exposure to additional fixed income sectors not typically seen in other managed account strategies.

BATS Series C invests in:

- Obligations of domestic and non-U.S. corporations
- Asset-backed securities
- Mortgage-related securities
- Non-U.S. obligations
- U.S. Treasuries and Agencies
- Cash equivalents
- Repurchase agreements

BATS Series M invests in:

- Agency and non-agency MBS
- Asset-backed securities
- U.S. Treasuries
- Mortgage dollar rolls
- Cash equivalents

Individual Securities include:

- U.S. Treasuries and Agencies
- Mortgage pass-throughs
- Corporates
- Cash and cash equivalents
- Asset-backed securities

Model Portfolio Characteristics

	Core Bond	Barclays Aggregate Bond Index
Effective Duration	5.5 years	5.9 years
Nominal Weighted Average Life	8.1 years	8.3 years
Average Coupon	3.1%	3.5%

Quarterly Composite Performance (% Returns)

	Core Bond Composite (Net)	Core Bond Composite (Gross)	Barclays Aggregate Bond Index (Benchmark)
YTD	-1.9	-0.3	0.0
3/31/18	-2.0	-1.6	-1.5
6/30/18	-0.4	0.0	-0.2
9/30/18	-0.2	0.2	0.0
12/31/18	0.8	1.2	1.6

Investing involves risk. Past performance does not guarantee or indicate future results. The information expressed herein is as of December 31, 2018 and is subject to change. Model portfolio characteristics reflect the strategy for a fully discretionary, unconstrained account and are the result of actual trading. Actual portfolios may differ as a result of account size, client-imposed investment restrictions, the timing of client investments, market, economic and individual company considerations and other factors.

BlackRock acts as either a discretionary investment manager or a non-discretionary model provider in a variety of separately managed account or wrap fee programs. Any performance information included herein represents the performance achieved by BlackRock as a discretionary investment manager with trade implementation responsibility for accounts included in a performance.

Average Annual Total Composite Returns (%)

	Core Bond Composite (Net)	Core Bond Composite (Gross)	Barclays Aggregate Bond Index (Benchmark)
1 Year	-1.9	-0.3	0.0
3 Year	0.4	2.1	2.1
5 Year	0.8	2.4	2.5
10 Year	1.9	3.6	3.5
Since Inception (1/1/97)	3.4	5.1	5.0

Historical Composite Performance (% Yearly Total Returns)

	Core Bond Composite (Net)	Core Bond Composite (Gross)	Barclays Aggregate Bond Index (Benchmark)
2018	-1.9	-0.3	0.0
2017	2.0	3.7	3.5
2016	1.1	2.8	2.7
2015	-1.3	0.4	0.6
2014	3.9	5.6	6.0
2013	-3.2	-1.6	-2.0
2012	3.0	4.7	4.2
2011	6.0	7.8	7.8
2010	4.5	6.3	6.5
2009	4.9	6.7	5.9

All data as of 12/31/18 and shown in USD.

The firm claims compliance with GIPS®. For a complete list and description of the firm's composites and/or a presentation that adheres to the GIPS standards, contact SMAMarketing@blackrock.com.

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.

Important Notes

Investing involves risk.

BlackRock Investment Management, LLC ("BlackRock") acts as a discretionary investment manager or non-discretionary model provider in a variety of separately managed account or wrap fee programs (each, an "SMA Program") sponsored either by BlackRock or a third party investment adviser, broker-dealer or other financial services firm (a "Sponsor"). When acting as a discretionary investment manager, BlackRock is responsible for implementing trades in SMA Program accounts. When acting as a non-discretionary model provider, BlackRock's responsibility is limited to providing non-discretionary investment recommendations (in the form of model portfolios) to the SMA Program Sponsor or overlay portfolio manager ("OPM"), and the Sponsor or OPM may utilize such recommendations in connection with its management of SMA Program accounts. In such "model-based" SMA Programs ("Model-Based Programs"), it is the Sponsor or OPM, and not BlackRock, which serves as the investment manager to, and has trade implementation responsibility for, the Model-Based Program accounts.

Past performance does not guarantee or indicate future results. Any performance information included herein represents the performance achieved by BlackRock as a discretionary investment manager with trade implementation responsibility for the accounts included in the performance composite. The performance shown does not reflect the performance of Model-Based Program accounts managed by a Sponsor or OPM utilizing BlackRock's non-discretionary investment recommendations. In Model-Based Programs, although it is generally contemplated that the Sponsor or OPM will implement BlackRock's investment recommendations in Program accounts, the performance of such accounts may differ from the performance shown for a variety of reasons, including but not limited to: the Sponsor or OPM, and not BlackRock, is responsible for implementing trades in the accounts; differences in market conditions; client-imposed investment restrictions; the timing of client investments and withdrawals; fees payable by Model-Based Program accounts; and/or 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. 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 both separate investment accounts and mutual funds; but they do reflect commissions, other expenses (except custody), 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. 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. Net composite returns reflect the deduction of the maximum annual fee of 1.64% typically deducted quarterly. Due to the compounding effect of these fees, annual net composite returns may be lower than stated gross returns less stated maximum fee. Index returns do not reflect transaction costs or the deduction of fees and it is not possible to invest directly in an index.

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. This material has been created by BlackRock and the information included herein has not been verified by your program sponsor and may differ from information provided by your program sponsor. This material must be preceded or accompanied by the manager profile, which you can obtain from your Financial Advisor.

The performance results from May 1, 2009 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. The performance results from January 1, 2008 to April 30, 2009 represent the composite of all fully discretionary, unconstrained SMA program accounts managed in this style by the firm for at least three months. The performance results from July 1, 2006 to December 31, 2007 represent the composite of all fully discretionary, unconstrained SMA program accounts with a minimum market value of \$240,000 managed in this style by the firm for at least three months. Results prior to July 1, 2006 represent BlackRock's unconstrained, discretionary institutional accounts with a minimum of \$25 million managed in this style for at least three months (although none held BlackRock Bond Allocation Target Shares (BATS)). BATS are utilized in an attempt to provide an investment experience that is similar to that achieved by BlackRock's institutional accounts managed in this style. Therefore, the performance of such institutional accounts is included in the composite because BlackRock believes it is relevant to prospective clients.

Certain information contained herein has been obtained from third-party sources believed to be reliable, but we cannot guarantee its accuracy or completeness.

Each BATS is classified as a non-diversified portfolio under the Investment Company Act of 1940 and may be more at risk than a widely diversified portfolio to any single, economic, political or regulatory event. The BATS' investment adviser has irrevocably agreed to waive all of the BATS' fees and reimburse all of the BATS' operating expenses, except interest and extraordinary expenses incurred by the BATS.

Shares of the BATS portfolios are available only to separately managed account clients of BlackRock. When a client terminates BlackRock's management, such termination may result in the automatic redemption of shares of the BATS portfolios held by or on behalf of the client. The liquidation of those shares will have tax consequences for the client. Investors should carefully consider the potential impact of liquidations and restrictions before selecting the investment strategy described herein or other strategies that utilize BATS.

For more information about BlackRock Bond Allocation Shares ("BATS"), request a prospectus from your Financial Advisor. You should consider the investment objectives, risks, charges and expenses of BATS carefully before investing. The prospectus contains this and other information about the fund. The prospectus should be read carefully before investing. BlackRock BATS is distributed through BlackRock Distributors, Inc., member FINRA.

The Bloomberg Barclays Aggregate Bond Index is composed of the Barclays Capital Government/Corporate Bond and Mortgage-Backed Securities Indices. It includes Treasury, agency, corporate and mortgage-backed issues.

FOR MORE INFORMATION: www.blackrock.com

©2019 BlackRock, Inc. All Rights Reserved. BLACKROCK is a registered trademark of BlackRock, Inc. All other trademarks are those of their respective owners.