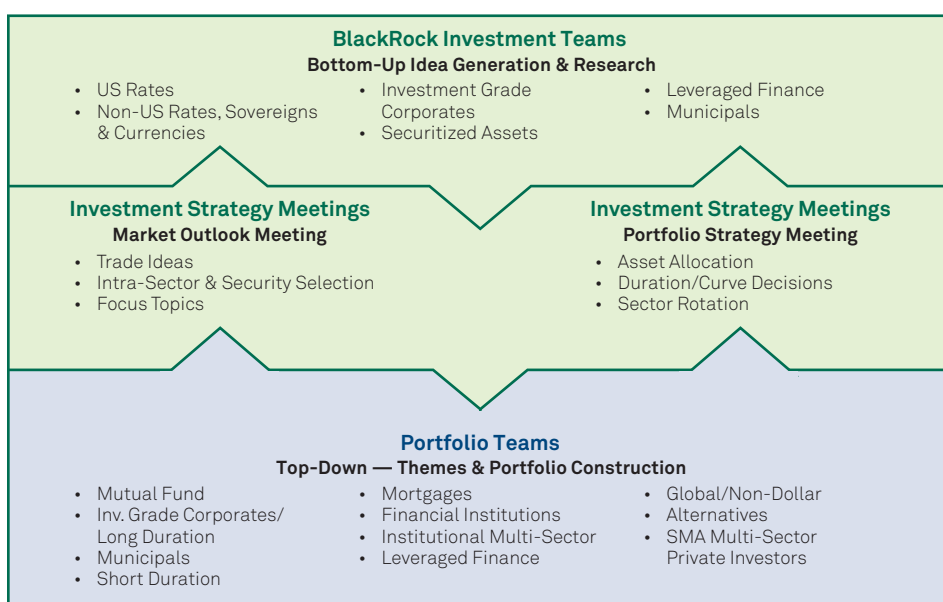


## Managed Accounts Short-Term Municipal Fixed Income

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### 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 secondarily, capital appreciation. It generally invests in investment grade municipal securities. It also may invest in mutual funds and other pooled investment vehicles, which may pay fees and expenses to BlackRock that are in addition to the fees payable to BlackRock for managing the account. These portfolios are expected to have durations of one to four years. An investor selecting this strategy may risk some loss of principal. More detailed information on this strategy is available upon request.

### Model Portfolio Characteristics

	Short-Term Municipal Fixed Income	Barclays Managed Money Municipal Short Term Index (1-5 Yr.)
Average Duration	2.9 years	2.9 years
Average Maturity	3.2 years	3.1 years
Average Yield to Maturity	2.00%	1.88%

### Quarterly Composite Performance (% Returns)

	Short-Term Municipal Fixed Income Composite (Net)	Short-Term Municipal Fixed Income Composite (Gross)	Benchmark*
YTD	0.4	1.7	1.6
3/31/18	-0.3	0.0	-0.1
6/30/18	0.3	0.7	0.7
9/30/18	-0.4	-0.1	-0.2
12/31/18	0.8	1.1	1.2

\*Currently (since 1/1/12): Barclays Managed Money Municipal Short Term Index (1-5 Yr.) From 10/1/04 – 12/31/11: Barclays Custom Short-Term Municipal Fixed Income Index. Prior to 9/30/04: Short Term Muni Index

**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 (%)

	Short-Term Municipal Fixed Income Composite (Net)	Short-Term Municipal Fixed Income Composite (Gross)	Benchmark*
1 Year	0.4	1.7	1.6
3 Year	-0.3	1.0	1.0
5 Year	-0.2	1.1	1.1
10 Year	0.4	1.7	1.9
Since Inception (1/1/04)	0.9	2.1	2.3

## Historical Composite Performance (% Yearly Total Returns)

	Short-Term Municipal Fixed Income Composite (Net)	Short-Term Municipal Fixed Income Composite (Gross)	Benchmark*
2018	0.4	1.7	1.6
2017	0.1	1.4	1.6
2016	-1.3	-0.1	-0.2
2015	-0.1	1.2	1.4
2014	-0.1	1.2	1.1
2013	-0.5	0.8	1.2
2012	0.2	1.4	1.6
2011	2.1	3.4	3.5
2010	0.1	1.4	1.4
2009	3.6	4.9	5.7

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](mailto: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.

\*Currently (since 1/1/12): Barclays Managed Money Municipal Short Term Index (1-5 Yr.) From 10/1/04 – 12/31/11: Barclays Custom Short-Term Municipal Fixed Income Index. Prior to 9/30/04: Short Term Muni Index

## Important Notes

**The value of the portfolio will fluctuate based on the value of the underlying securities.** 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. Municipals - This strategy invests in municipal securities. Municipal securities are subject to the risk that legislative changes and local and business developments may adversely affect the yield or value of the strategy's investments in such securities. An investment in any municipal portfolio should be made with an understanding of the risks involved in investing in municipal bonds; such as interest rate risk, credit risk and market risk, including the possible loss of principal. The value of the portfolio will fluctuate based on the value of the underlying securities. Clients should contact their tax advisor regarding the suitability of tax-exempt investments in their portfolio. If sold prior to maturity, municipal securities are subject to gain/losses based on the level of interest rates, market conditions and the credit quality of the issuer. Income may be subject to the alternative minimum tax (AMT) and/or state and local taxes, based on state of residence.

## 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 an annual fee of 1.25% typically deducted quarterly. Due to the compounding effect of these fees, annual net composite returns may be lower than stated gross returns less stated annual fee. Index returns do not reflect transaction costs or the deduction of fees and it is not possible to invest directly in an index. 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 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 professional, investment supervisory personnel, and the firm's proprietary investment processes, integrated global research systems and access to third-party research sources. During the periods shown, changes may have occurred in the investment team responsible, and/or the investment process utilized, for managing client accounts. Additional changes to the investment team and/or investment process may occur in the future.

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, 2005 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 one month. The performance results prior to January 1, 2005 represent the composite of all fully discretionary, unconstrained SMA program accounts managed in this style by the firm for at least one quarter. This strategy previously was named "Tax-Exempt Low Duration Fixed Income".

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

The **Bloomberg Barclays Managed Money Municipal Short Term Index** is a rules-based, market-value weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated short term tax exempt bond market, including state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

The **Bloomberg Barclays Custom Short-Term Municipal Index** contains a limited number of securities, consists of laddered, fixed coupon interest bearing municipal securities that are noncallable, rated AA or better at time of inclusion, not subject to the Alternative Minimum Tax, and have maturities between one and five years. No more than 10% of the Index will be allocated to securities issued from issuers within the same state.

The **Short Term Muni Index** is composed of 75% BofA ML Municipal Large Cap Index, 1-3 Years and 25% BofA ML Municipal Large Cap Index, 3-7 Years, which are sub-indexes of the BofA Merrill Lynch Municipal Securities Index. The BofA ML Municipal Large Cap Index, 1-3 Years tracks the performance of Municipal investment grade debt of U.S. municipals having at least one year and less than three years remaining term to maturity. The BofA ML Municipal Large Cap Index, 3-7 Years tracks the performance of Municipal investment grade debt of U.S. municipals having at least three years and less than seven years remaining term to maturity.

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