

New York Municipal Opportunities Fund

BlackRock®

Inst: **MANKX** A: **MENKX** C: **MFNKX** K: **MKNKX**

Commentary as of 09/30/22

- The fund posted returns of -2.39% (Institutional shares) and -2.45% (Investor A shares, without sales charge) for the third quarter of 2022.
- The fund outperformed its benchmark during the quarter. The largest driver of relative performance was the fund's interest rate hedge (short U.S. Treasury futures).
- At quarter-end, the fund had an overweight position in municipal bonds with maturities of 15-25 years and an overweight allocation to credit rated A and below. The fund's net duration (interest rate sensitivity) positioning at quarter-end was well below the benchmark and represented a decrease from the prior quarter.

Contributors	Detractors
The fund's interest rate hedges contributed the most to performance during a quarter in which interest rates increased significantly in both U.S. government and municipal markets. The fund also received contributions from its security selection in the tax-backed local and education sectors.	Municipal duration exposure detracted from results as municipal interest rates rose significantly during the quarter. An overweight exposure to longer maturity bonds also detracted, as did security selection within the utilities sector.

Further insight

Interest rates rose significantly during the quarter. The rise in rates brought with it difficult liquidity conditions, but attractive valuations. New York-specific new issuance levels remained robust, which maintained the pressure on spreads. Additionally, lower coupon bonds (4% coupons and lower) experienced particularly acute difficulties as investors moved away from longer duration bonds and toward higher coupons. Given this backdrop, the fund looked for opportunities to pick up call protection and extended yield curve positioning. It also looked to new issues to increase premium coupon exposure when available. The bulk of new issuance in New York was again from frequent issuers, which limited opportunities to diversify, though it provided the ability to improve structures.

★★★★★ Morningstar Overall™

Institutional shares rated against 52 Muni New York Intermediate Funds, as of 9/30/22, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.††

Portfolio management

Peter Hayes, Theodore Jaeckel,
James Pruskowski, Michael Kalinoski

Top 10 holdings (%)

New York N Y City Mun Wtr Fin 5 06/15/2040	1.96
Hudson Yds Infrastructure Corp 5 02/15/2042	1.74
New York N Y City Mun Wtr Fin 4 06/15/2045	1.21
Tob 5 64990agm1 Nyshgr 144a	1.19
New York Transn Dev Corp Spl F 5.25 01/01/2050	1.11
Puerto Rico Sales Tax Fing Co (rst 4.75 07/01/2053	1.08
Tob 5 59259n3k7 Mtatrn 144a	1.07
Tob 5 64971xfu7 Nycgen 144a	1.05
Tob 5.25 89602hdr5 Trbtrn 144a	1.02
Metropolitan Transn Auth N Y R 5 11/15/2044	0.97

Investment approach

*Invests in New York municipal bonds through a flexible investment approach seeking to manage interest rate risk and credit risk while provide a compelling combination of attractive tax-advantaged income, returns and meaningful downside protection.

Average annual total returns (%) as of 9/30/22

	3Q22 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years	Since Inception
Institutional	-2.39	-11.36	-10.14	-1.81	0.58	2.19	4.71
Investor A (Without Sales Charge)	-2.45	-11.61	-10.36	-2.08	0.33	1.92	4.45
Investor A (With Sales Charge)	-6.60	-15.36	-14.17	-3.49	-0.54	1.48	4.31
Morningstar Muni New York Intermediate Category Avg.	-2.82	-11.00	-10.46	-2.01	0.03	1.00	—
BBG Municipal Bond¹	-3.40	-11.50	-10.81	-1.65	0.68	1.87	—
BBG Custom New York Municipal Bond²	-4.10	-14.47	-13.51	-2.55	0.23	—	—

Expenses for Institutional shares: Total **0.61%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.54%**. For Investor A shares: Total **0.85%**; Net, Including Investment Related Expenses **0.79%**. Institutional and Investor A shares have contractual waivers with an end date of 06/30/2023 terminable upon 90 days' notice. For certain share classes, BlackRock may voluntarily agree to waive certain fees and expenses in which the adviser may discontinue at any time without notice. Expenses stated as of the fund's most recent prospectus. Data represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. All returns assume reinvestment of dividends and capital gains. Current performance may be lower or higher than that shown. Refer to blackrock.com for most recent month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 4.25% for Investor A shares. Institutional shares have no front- or back-end load. Institutional shares have limited availability and may be purchased at various minimums. See prospectus for details. Net Expenses Excluding Investment Related Expenses for Institutional shares: **0.50%**; for Investor A shares: **0.75%**.

Important Risks: The fund is actively managed and its characteristics will vary. Holdings shown should not be deemed as a recommendation to buy or sell securities. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. There may be less information on the financial condition of municipal issuers than public corporations. The market for municipal bonds may be less liquid than taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions are taxable. Concentrating in a single state is subject to greater risk of adverse economic conditions and regulatory changes.

The opinions expressed are those of the fund's portfolio management team as of September 30, 2022, and may change as subsequent conditions vary. Information and opinions are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings.

1 The BBG Municipal Bond Index measures the U.S. municipal market performance of bonds issued by states or municipalities. All bonds in the index are exempt from U.S. federal income taxes or subject to the alternative minimum tax. **2** The BBG Custom New York Municipal Bond Index measures the performance of municipal bonds issued in New York and are exempt from federal income and alternative minimum tax. The state level municipal bond indices consist of bonds that have been issued by municipalities or municipal authorities within the 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. **3** The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The fund was rated against the following numbers of U.S.-domiciled Muni New York Intermediate funds over the following time periods: 52 in the last 3 years, 47 in the last 5 years and 40 in the last 10 years. With respect to these Muni New York Intermediate funds, the fund received a Morningstar Rating of 4, 5 and 5 stars for the 3-, 5- and 10-year periods, respectively. Other classes may have different performance characteristics.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the fund and are available, along with information on other BlackRock funds, by calling 800-882-0052 or from your financial professional. The prospectus should be read carefully before investing.

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