

BDHKX

# Dynamic High Income Fund

BLACKROCK®

As of 06/30/2024 | Class K: BDHKX | Institutional: BDHIX | Investor A: BDHAX | Investor C: BDHCX

Complement to your core income portfolio

Manages difficult to access income streams

Seeks high income from non-traditional sources



Morningstar has awarded the Fund a BRONZE medal (Effective 05/03/2024).†

## ANNUALIZED PERFORMANCE

Without Sales Charge	1 Year	3 Year	5 Year	10 Year	Incept.
Class K	12.99	0.99	3.99	N/A	4.90
Benchmark	9.94	3.03	5.20	N/A	5.40
Morningstar Average	12.61	2.83	7.05	6.20	N/A

## CALENDAR YEAR PERFORMANCE

Without Sales Charge	2019	2020	2021	2022	2023	YTD	2Q2024
Class K	19.92	4.54	10.82	-17.23	14.35	5.64	1.14
Benchmark	21.92	14.06	14.43	-16.40	18.12	3.29	-0.19
Morningstar Average	19.23	11.72	13.89	-13.64	13.78	6.56	1.18

Performance data shown represents past performance which 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. Current performance may be lower or higher than that shown. All returns assume reinvestment of all dividend and capital gain distributions. Refer to blackrock.com for current month-end performance. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Class K shares have limited availability. The performance information for periods prior to the inception date of the share class shows the performance of the Fund's Institutional Shares. The performance of this share class would be substantially similar to Institutional Shares because this share class and Institutional Shares invest in the same portfolio of securities and performance would only differ to the extent that this share class and Institutional Shares have different expenses. See the fund prospectus for more details.

## MORNINGSTAR RANKINGS

	1 Year	3 Year	5 Year	10 Year
Morningstar Ranking	325/740	590/689	605/649	N/A
Quartile Rank	2	4	4	N/A

Rankings based on total return excluding sales charges, independently calculated and not combined to create an overall ranking. For periods not shown, Morningstar does not provide rankings based on synthetic performance.

**KEY 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. Fund of funds are subject to the risks associated with the underlying BlackRock funds in which it invests. Stock and 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. Asset allocation strategies do not assure profit and do not protect against loss. Non-diversification of investments means that more assets are potentially invested in fewer securities than if investments were diversified, so risk is increased because each investment has a greater effect on performance. 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. Covered call risk is the risk that the issuer will forgo any profit from increases in the market value of the security covering the call option but retain the risk of loss if the security declines in value. A number of factors may influence the option holder's decision to exercise the option, including the value of the security, price volatility, dividend yield and interest rates. To the extent that these factors increase the value of the call option, the option holder is more likely to exercise the option, which may negatively affect the fund.

## KEY FACTS

Size of Fund (Millions)	\$1,065.4M
Fund Launch Date	11/03/2014
Share Class Launch Date	03/28/2016
Morningstar Category	Moderate Allocation
Number of Holdings	1,608
Benchmark	50.00% MSCI World High Div / 50.00% BBG HY 2% Issuer Capped
Analyst-Driven % <sup>i</sup>	100.00%
Data-Driven % <sup>ii</sup>	100.00%

## ANNUAL EXPENSES

Gross Expense Ratio	0.79%
Net Expense Ratio	0.63%
The Net Expense Ratio excluding Investment Related Expenses is 0.60%. Investment Related Expenses include acquired fund fees of 0.03%, and interest expense (cost of borrowing securities to seek to enhance return or reduce risk) of 0.00%, and certain other expenses, if applicable. Expenses stated as of the fund's most recent prospectus. The difference between gross and net expense ratios are due to contractual and/or voluntary waivers, if applicable. This share class has a contractual waiver with an end date of 06/30/2025 terminable upon 90 days' notice. BlackRock may agree to voluntarily waive certain fees and expenses, which the adviser may discontinue at any time without notice.	

## PORTFOLIO MANAGEMENT

Justin Christofel      Alex Shingler

## TOP EQUITY HOLDINGS

ISHARES INTERNATIONAL DIVIDEND GRO	2.82
ISHARES CORE DIVIDEND GROWTH ETF	2.23
MICROSOFT CORP - ELN	1.95
AMAZON COM INC - ELN	1.33
APPLE INC - ELN	1.26
ALPHABET INC CLASS A - ELN	1.02
META PLATFORMS INC CLASS A - ELN	0.87
NVIDIA CORP - ELN	0.71
UNITEDHEALTH GROUP INC - ELN	0.58
WALMART INC - ELN	0.53
<b>Total of Portfolio</b>	<b>13.30</b>

## ASSET TYPE BREAKDOWN (%)

	Fund
US Equity	49.6
US Fixed Income	26.4
Non-US Fixed Income	12.2
Non-US Equity	6.2
Other	0.1

Allocations subject to change.

## CREDIT RATINGS BREAKDOWN (%)<sup>2,3</sup>

	Fund
Cash and/or Derivatives	0.0
AAA Rated	8.2
AA Rated	9.2
A Rated	8.7
BBB Rated	19.9
BB Rated	27.3
B Rated	20.9
CCC Rated	2.6
CC Rated	0.2

<sup>2</sup> % of net assets represents the Fund's exposure based on the economic value of securities and is adjusted for futures, options, swaps, and convertible bonds. Allocations subject to change.

<sup>3</sup> The fund itself has not been rated by an independent rating agency. Credit quality ratings on underlying securities of the fund are received from S&P, Moody's and Fitch and converted to the equivalent S&P major rating category. This breakdown is provided by BlackRock and takes the median rating of the three agencies when all three agencies rate a security the lower of the two ratings if only two agencies rate a security and one rating if that is all that is provided. Unrated securities do not necessarily indicate low quality. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time. Negative weightings may result from specific circumstances (including timing differences between trade and settle dates of securities purchased by the funds) and/or the use of certain financial instruments, including derivatives, which may be used to gain or reduce market exposure and/or risk management. Certain transactions the funds may utilize may give rise to a form of leverage through either (a) additional market exposure or (b) borrowing capital in an attempt to increase investment return. The use of such transactions includes certain leverage-related risks, including potential for higher volatility, greater decline of the fund's net asset value and fluctuations of dividends and distributions paid by the fund.

**Alpha:** A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Standard Deviation:** Standard Deviation measures the volatility of the funds returns. Higher deviation represents higher volatility. **Sharpe Ratio:** Sharpe Ratio uses a funds standard deviation and its excess return (difference between the funds return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. **Model Duration:** Model Duration measures the sensitivity of the price of a bond to changes in interest rates, taking into account after-tax impact as well as the likelihood of the bond being called, put and/or sunk prior to maturity. BlackRock's options-based duration model employs certain assumptions and may differ from other fund complexes. **30-day SEC Yield:** A standard calculation of yield introduced by the SEC to provide fairer comparison among funds. This yield reflects the interest earned after deducting the fund's expenses during the most recent 30-day period by the average investor in the fund. **Unsubsidized SEC Yield:** Represents what a fund's 30-Day SEC Yield would have been had no fee waivers or expense reimbursement been in place over the period. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days.

<sup>i</sup>**Analyst Driven %** is the analyst input into the overall rating assignment, including direct analyst coverage and inheritance of an analyst-rated pillar

<sup>ii</sup>**Data Coverage %** is available input data for rating calculation at the Pillar level

**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. Investing involves risks including possible loss of principal.**

†The Morningstar Medalist Rating™ is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to [global.morningstar.com/managerdisclosures/](http://global.morningstar.com/managerdisclosures/). The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate.

The blended benchmark is 50.00% MSCI World High Div / 50.00% BBG HY 2% Issuer Capped. The MSCI World High Dividend Yield Index aims to reflect the opportunity set of companies with high dividend income and quality characteristics that pass dividend sustainability, persistence and quality screens. The Bloomberg U.S. Corporate High Yield 2% Issuer Cap Index measures the performance of high yield corporate bonds, with a maximum allocation of 2% to any one issuer.

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## PORTFOLIO CHARACTERISTICS

Model Duration	0.99 yrs
30-Day SEC Yield	7.56%
Unsubsidized 30-Day SEC Yield	7.39%

## CREDIT RATINGS BREAKDOWN (%)<sup>2,3</sup>

	Fund
C Rated	0.1
D Rated	0.1
Not Rated	2.9

## RISK STATISTICS (3 YEARS)

	Fund	Benchmark
Standard Deviation	12.01%	10.51%
Sharpe Ratio	-0.11	0.05

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