

# BlackRock Sustainable Advantage CoreAlpha Bond Fund

As of 12/31/2023 | Class K: BIAKX | Institutional: BIIIX | Investor A: BIAAX | Investor C: BIACX

## INVESTMENT STRATEGY

The Fund will seek to provide a combination of income and capital growth by investing in a portfolio of debt securities, across multiple fixed income sectors and instruments, using model-based asset allocation and security selection models. The Fund will select corporate bonds of companies to seek to generate alpha and positive aggregate societal impact outcomes, as determined by BlackRock, compared to the Bloomberg U.S. Aggregate Bond Index.



Morningstar has awarded the Fund a BRONZE medal (Effective 11/30/2023).†

## ANNUALIZED PERFORMANCE

With Sales Charge	1 Year	3 Year	5 Year	10 Year	Since Inception
Investor A	1.22	-5.40	0.07	N/A	-0.04
Without Sales Charge	1 Year	3 Year	5 Year	10 Year	Since Inception
Investor A	5.44	-4.11	0.89	N/A	0.52
Benchmark	5.53	-3.31	1.10	N/A	0.80
Morningstar Average	5.59	-3.27	1.05	1.66	N/A

## CALENDAR YEAR PERFORMANCE

Without Sales Charge	2019	2020	2021	2022	2023	YTD	4Q2023
Investor A	9.12	8.63	-2.66	-14.08	5.44	5.44	7.06
Benchmark	8.72	7.51	-1.54	-13.01	5.53	5.53	6.82
Morningstar Average	8.06	7.52	-1.48	-13.32	5.59	5.59	6.47

Performance data quoted 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. 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. Returns with sales charge reflect the deduction of current maximum initial sales charge of 4%. The calendar year performance shown does not reflect the deduction of the sales load. If reflected, the performance would have been lower. Please see the fund prospectus for more details.

## MORNINGSTAR RANKINGS

	1 Year	3 Year	5 Year	10 Year
Morningstar Ranking	290/471	389/425	245/385	N/A
Quartile Rank	3	4	3	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. 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. Principal of mortgage- or asset-backed securities normally may be prepaid at any time, reducing the yield and market value of those securities. Obligations of US govt. agencies are supported by varying degrees of credit but generally are not backed by the full faith and credit of the US govt. The Fund intends to invest a portion of its assets in companies with measurable societal impact outcomes, as determined by BlackRock, and screen out particular companies and industries. This may affect the Fund's exposure to certain companies or industries and the Fund will forego certain investment opportunities. International investing involves special risks including, but not limited to political risks, currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. Investments in emerging markets may be considered speculative and are more likely to experience hyperinflation and currency devaluations, which adversely affect returns. 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.

The Fund's information prior to September 17, 2018 is the information of a predecessor fund that reorganized into the Fund on September 17, 2018. The predecessor fund had the same investment objectives, strategies and policies, portfolio management team and contractual arrangements, including the same contractual fees and expenses, as the Fund as of the date of the reorganization. As a result of the reorganization, the Fund adopted the performance and financial history of the predecessor fund.

(Continued on page 2)

## KEY FACTS

Size of Fund (Millions)	\$40.6M
Fund Launch Date	08/23/2016
Share Class Launch Date	08/23/2016
Morningstar Category	Intermediate Core Bond
Benchmark	Bloomberg US Aggregate Bond Index

## ANNUAL EXPENSES

Gross Expense Ratio	1.35%
Net Expense Ratio	0.54%

The Net Expense Ratio excluding Investment Related Expenses is 0.53% Investment Related Expenses include acquired fund fees of 0.01%, 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

Scott Radell Jasmita Mohan

## TOP HOLDINGS (%)<sup>2</sup>

UNITED STATES TREASURY	19.88
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION II	12.39
FEDERAL NATIONAL MORTGAGE ASSOCIATION	8.85
FEDERAL HOME LOAN MORTGAGE CORPORATION	6.05
UNIFORM MBS	1.82
NVIDIA CORPORATION	1.10
SUMITOMO MITSUI FINANCIAL GROUP INC	1.06
BANCO SANTANDER SA	1.04
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION I	1.00
UNITEDHEALTH GROUP INC	1.00
<b>Total of Portfolio</b>	<b>54.19</b>

**Key Risks Continued:** An investment's environmental, social and governance ("ESG") strategy limits the types and number of investment opportunities available and, as a result, may underperform other investments that do not have an ESG focus. An investment's ESG strategy may result in investing in securities or industry sectors that underperform the market as a whole or underperform other investments screened for ESG standards.

## PORTFOLIO CHARACTERISTICS

Effective Duration

6.23 yrs

## RISK STATISTICS (3 YEARS)

	Fund	Benchmark
Alpha	-0.06	-
Beta	1.03	-
R-Squared	99.35	-
Standard Deviation	7.47%	-
Sharpe Ratio	-0.81	-

<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.

**Effective Duration:** Measures the sensitivity of the price of a bond with embedded options to changes in interest rates, taking into account the likelihood of the bond being called, put and/or sunk prior to its final maturity date. BlackRock uses a proprietary duration model which employs certain assumptions and may differ from other fund complexes. Effective Duration is measured at the portfolio level and adjusted for leverage, hedging transactions and non-bond holdings, including derivatives. **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.

**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 Bloomberg U.S. Aggregate bond Index comprises the total U.S. investment grade bond market.

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Not FDIC Insured - No Bank Guarantee - May Lose Value

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 [www.blackrock.com/us](http://www.blackrock.com/us)

 1-800-882-0052

 [contact.us@blackrock.com](mailto:contact.us@blackrock.com)

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