

As of 03/31/2019 | Class K: BLDRX | Institutional: BLDIX | Investor A: BLADX | Investor C: BMICX

High-Quality Fixed Income Holding

Access BlackRock's Deep Bond Expertise

Seeking Higher-Quality Income

ANNUALIZED PERFORMANCE

With Sales Charge	1 Year	3 Year	5 Year	10 Year	Since Inception
Investor A	-0.79	2.97	2.95	6.30	5.64
Without Sales Charge	1 Year	3 Year	5 Year	10 Year	Since Inception
Investor A	3.35	4.38	3.79	6.74	6.02
Benchmark	6.24	5.49	5.28	7.48	5.39
Morningstar Average	2.87	4.01	2.81	6.24	N/A

CALENDAR YEAR PERFORMANCE

Without Sales Charge	2014	2015	2016	2017	2018	YTD	1Q2019
Investor A	6.68	-1.48	9.33	5.03	-0.82	3.78	3.78
Benchmark	8.30	1.01	5.50	8.76	-1.06	6.11	6.11
Morningstar Average	3.54	-2.07	5.55	6.25	-3.14	5.08	5.08

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. Returns with sales charge reflect the deduction of current maximum initial sales charge of 4.00%. Please see the fund prospectus for more details.

MORNINGSTAR RANKINGS

	1 Year	3 Year	5 Year	10 Year
Morningstar Ranking	73/204	80/183	33/150	35/85
Quartile Rank	2	2	1	2

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. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fund of funds are subject to the risks associated with the underlying BlackRock funds in which it invests. International investing involves special risks including, but not limited to currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. 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.

Prior to 10/1/16, the Fund had a different name, portfolio management team, investment strategy, expenses and benchmark. Fund inception date is 09/30/16

The Fund's information between July 29, 2013 and October 1, 2016 is the information for the Fund when it followed different investment strategies under the name "BlackRock Investment Grade Bond Portfolio." The Fund's information prior to July 29, 2013 is the information for the Fund when it followed different investment strategies under the name "BlackRock Long Duration Bond Portfolio."

KEY FACTS

Size of Fund (Millions)	\$334.8M
Share Class Launch Date	10/19/2007
Morningstar Category	Allocation--15% to 30% Equity
Number of Issuers	311
Benchmark	70% BBG Barc US Aggregate Bond / 30% S&P 500 Index

ANNUAL EXPENSES

Gross Expense Ratio	1.38%
Net Expense Ratio	0.77%

The Net Expense Ratio excluding Investment Related Expenses is 0.69% Investment Related Expenses include acquired fund fees of 0.18%, and interest expense (cost of borrowing securities to seek to enhance return or reduce risk) of 0.00%, and certain other expenses, if applicable. There is an additional management fee waiver of 0.14% related to certain affiliated investments. 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 04/30/2019 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

Michael Fredericks Justin Christofel
Thomas Musmanno, CFA Alex Shingler

TOP ISSUERS (%)²

FLOATING RATE INCOME FUND CLASS K	12.05
HIGH YIELD BOND FUND CLASS K	7.47
GNMA FUND CLASS K	4.24
BLACKROCK ALL TGT SH BATS SERIES A	4.04
ISHARES CORE HIGH DIVIDEND ETF CHARTER COMMUNICATIONS	1.13
OPERATING L 4.464 07/23/2022	0.67
JPMORGAN CHASE & CO MTN 2.295 08/15/2021	0.64
WISDOMTREE INTERNATIONAL EQUITY FU	0.63
ALLERGAN FUNDING SCS 3.45 03/15/2022	0.59
BANK OF AMERICA CORP MTN 3.499 05/17/2022	0.55
Total of Portfolio	32.01

ASSET TYPE BREAKDOWN (%)²

	Fund
US Fixed Income	78.9
Non-US Fixed Income	14.1
US Equity	5.6
Cash and/or Derivatives	1.0
Non-US Equity	0.5
Allocations subject to change.	

PORTFOLIO CHARACTERISTICS

Model Duration	1.77 yrs
30-Day SEC Yield	3.52%
Unsubsidized 30-Day SEC Yield	3.26%

CREDIT RATINGS BREAKDOWN (%)^{2 3}

	Fund
AAA Rated	5.5
AA Rated	5.0
A Rated	20.4
BBB Rated	35.5
BB Rated	3.1
B Rated	0.0
Not Rated	30.5

RISK STATISTICS (3 YEARS)

	Fund	Benchmark
Standard Deviation	2.50%	3.74%
Sharpe Ratio	1.25	1.13

² % 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.

³ 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.

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. **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. **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.

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 blended benchmark is 70% Bloomberg Barclays US Aggregate Bond Index/ 30% S&P 500 Index. The Bloomberg Barclays U.S. Aggregate Bond Index comprises the total U.S. investment grade bond market. The S&P 500 Index comprises large-capitalization U.S. equities.

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