

LifePath Index 2040 Fund

As of 03/31/2019 | Class K: LIKXX | Institutional: LIKIX | Investor A: LIKAX | **Investor P: LIKPX**

INVESTMENT STRATEGY

LifePath Index 2040 Fund seeks to provide for retirement outcomes by investing in broadly diversified global asset classes with asset allocations becoming more conservative over time. Performance is expected to track the performance of the Fund's custom benchmark. The Fund is designed to take age-appropriate risk for investors expecting to retire around the year 2040.



Morningstar has awarded the Fund a Gold medal, its highest level of conviction (Effective 01/25/2019).†

ANNUALIZED PERFORMANCE

	1 Year	3 Year	5 Year	10 Year	Since Inception
With Sales Charge					
Investor P	-0.85	7.64	5.58	N/A	6.66
Without Sales Charge					
Investor P	4.67	9.59	6.73	N/A	7.39
Benchmark	5.07	9.91	7.03	N/A	7.76
Morningstar Average	5.56	10.12	6.72	10.89	N/A

CALENDAR YEAR PERFORMANCE

	2014	2015	2016	2017	2018	YTD	1Q2019
Without Sales Charge							
Investor P	N/A	N/A	N/A	N/A	-7.32	11.65	11.65
Benchmark	7.23	-0.90	8.30	19.93	-7.17	11.69	11.69
Morningstar Average	5.25	-1.99	7.95	19.52	-7.74	14.08	6.48

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 5.25%. The calendar year performance shown does not reflect the deduction of the sales load. If reflected, the performance would have been lower. Investor P shares have limited availability and may be purchased at various minimums. The Share Class Launch date noted under Key Facts is the date the class of shares was incepted. The performance information for periods prior to the inception date of the share class is based on the Fund's Institutional Shares, adjusted to reflect the fees and expenses applicable to such share class. See fund prospectus for details.

Key Risks: 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. 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. 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. 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. The target date in the funds name is the approximate date an investor plans to start withdrawing money. The principal value is not guaranteed at any time, including at the target date. An index fund has operating and other expenses while an index does not. As a result, while an Index fund will attempt to track the applicable index as closely as possible, it will tend to underperform the index to some degree over time.

The Fund's information prior to November 28, 2014 is the information for the Fund when it followed a different target asset allocation to target lower levels of equity exposure.

KEY FACTS

Size of Fund (Millions)	\$4,992.4M
Fund Launch Date	05/31/2011
Share Class Launch Date	08/06/2018
Morningstar Category	Target-Date 2040
Benchmark	BlackRock LifePath Index 2040 Custom Benchmark

ANNUAL EXPENSES

Gross Expense Ratio	0.47%
Net Expense Ratio	0.40%

The Net Expense Ratio excluding Investment Related Expenses is 0.33% Investment Related Expenses include acquired fund fees of 0.07%, 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 04/30/2021 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

Amy Whitelaw	Alan Mason
Matthew O'Hara	Greg Savage

TOP HOLDINGS (%)²

BLACKROCK RUSSELL 1000 INDEX FUND	45.85
ISHARES MSCI TOTAL INTL STOCK ETF	29.58
ISHARES DEVELOPD RL ESTAT CL K	10.95
BLACKROCK BOND INDEX FUND	10.26
ISHARES TIPS BOND ETF	1.56
BLACKROCK SMALL CAP INDEX FUND	1.53
Total of Portfolio	99.73

ASSET TYPE BREAKDOWN (%)²

	Fund	Benchmark	Active
Equity	86.8	88.2	-1.4
Fixed Income	11.9	11.8	0.1
Other	0.0	0.0	0.0
Alternatives	0.0	0.0	0.0
Net Derivatives	0.0	0.0	0.0
Cash	1.3	0.0	1.3

Allocations subject to change.

PORTFOLIO CHARACTERISTICS

Average Market Capitalization (millions)	\$14,090.6M
Effective Duration	0.68 yrs

REGIONAL EXPOSURE (%)²

	Fund	Benchmark	Active
North America	64.9	65.7	-0.8
Europe	15.3	15.5	-0.2
Emerging Markets	8.2	8.3	-0.1
Japan	6.2	6.3	-0.1
Asia Pac ex Japan	4.0	4.0	-0.1
World	0.1	0.1	0.0
Other	0.0	0.0	0.0
Net Derivatives	0.0	0.0	0.0
Cash	1.3	0.0	1.3

The fund is actively managed and its characteristics will vary.

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.

Average Market Cap: The average size of the securities the fund invests in. **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.

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 Analyst Rating is not a credit or risk rating. It is a subjective evaluation performed by the manager research analysts of Morningstar. Morningstar evaluates funds based on five key pillars, which are process, performance, people, parent, and price. Analysts use this five pillar evaluation to determine how they believe funds are likely to perform over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weighting of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflect an Analyst's conviction in a fund's prospects for outperformance. Analyst Ratings are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf>.

The Morningstar Analyst Rating should not be used as the sole basis in evaluating a mutual fund. Morningstar Analyst Ratings are based on Morningstar's current expectations about future events; therefore, in no way does Morningstar represent ratings as a guarantee nor should they be viewed by an investor as such. Morningstar Analyst Ratings involve unknown risks and uncertainties which may cause Morningstar's expectations not to occur or to differ significantly from what we expected.

The Blended Benchmark measures the performance of those companies within the following indices: The Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series L), FTSE EPRA/NAREIT Developed Real Estate Index, MSCI ACWI ex USA IMI Index, Russell 1000® Index and Russell 2000® Index. It is not possible to invest directly in the custom benchmark.

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