

MFHGX

Total Return Fund

BLACKROCK®

As of 03/31/2021 | Class K: MPHGX | Class R: MRCBX | Institutional: MAHQX | Investor A1: MEHQX | Investor A: MDHQX | **Investor C: MFHGX** | Service: MSHGX

Diversified, core bond portfolio

Sources ideas across BlackRock's bond platform

Seeks to deliver strong risk-adjusted returns for all bond market scenarios



Morningstar has awarded the Fund a Silver medal. Fewer than 10% of US open-end funds hold medalist ratings (Effective 11/23/2020).†

ANNUALIZED PERFORMANCE

With Sales Charge	1 Year	3 Year	5 Year	10 Year
Investor C	4.50	4.31	2.91	3.57
Without Sales Charge	1 Year	3 Year	5 Year	10 Year
Investor C	5.50	4.31	2.91	3.57
Benchmark	0.71	4.65	3.10	3.44
Morningstar Average	6.63	4.88	3.85	3.83

CALENDAR YEAR PERFORMANCE

Without Sales Charge	2016	2017	2018	2019	2020	YTD	1Q2021
Investor C	2.51	3.23	-1.86	8.73	7.84	-2.99	-2.99
Benchmark	2.65	3.54	0.01	8.72	7.51	-3.37	-3.37
Morningstar Average	3.86	4.27	-0.61	8.94	8.06	-2.56	-2.56

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 applicable contingent deferred sales charges (CDSC) for Investor C shares. The maximum CDSC of 1% for Investor C shares is reduced to 0% after 1 year. 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	406/597	430/540	430/476	245/342
Quartile Rank	3	4	4	3

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. 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. 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 gov. agencies are supported by varying degrees of credit but generally are not backed by the full faith and credit of the US gov. 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. Short-selling entails special risks. If the fund makes short sales in securities that increase in value, the fund will lose value. Any loss on short positions may or may not be offset by investing short-sale proceeds in other investments.

KEY FACTS

Size of Fund (Millions)	\$19,811.5M
Fund Launch Date	12/27/2001
Share Class Launch Date	12/07/2001
Morningstar Category	Intermediate Core-Plus Bond
Number of Issuers	3,784
Benchmark	Bloomberg Barclays US Aggregate Bond Index

ANNUAL EXPENSES

Gross Expense Ratio	1.50%
Net Expense Ratio	1.45%

The Net Expense Ratio excluding Investment Related Expenses is 1.44%. 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 01/31/2022 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

Rick Rieder Bob Miller
David Rogal

TOP ISSUERS (%)²

UNITED STATES TREASURY	9.90
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION II	7.72
UNIFORM MBS	6.80
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5.37
FEDERAL HOME LOAN MORTGAGE CORPORATION	4.89
Total of Portfolio	34.68

TOP SECTORS (%)²

	Fund	Benchmark	Active
US Treasuries	26.4	37.2	-10.9
US Investment Grade Credit	25.6	22.5	3.0
Agency Residential Mortgages	25.3	27.4	-2.1
Emerging Markets	8.5	1.5	6.9
CLO Securities	6.7	0.0	6.7
Non-US Credit	5.7	4.5	1.1
Non-Agency Mortgages	5.3	0.0	5.3
US High Yield Credit	5.2	0.0	5.2
Commercial Mortgages	4.0	2.2	1.8
Bank Loans	1.9	0.0	1.9
ABS	1.5	0.3	1.2
Other	-16.0	4.2	-20.3

PORTFOLIO CHARACTERISTICS

Effective Duration	5.12 yrs
Weighted Average Life	6.87 yrs

CREDIT RATINGS BREAKDOWN (%)^{2,3}

	Fund	Benchmark	Active
Cash	-2.3	0.0	-2.3
Derivatives	0.0	0.0	0.0
AAA Rated	40.7	70.8	-30.0
AA rated	3.1	3.0	0.1
A Rated	18.1	11.4	6.8
BBB Rated	21.8	14.9	6.9
BB Rated	5.3	0.0	5.3
B Rated	3.8	0.0	3.8
CCC Rated	1.1	0.0	1.1
CC Rated	0.6	0.0	0.6
C Rated	0.2	0.0	0.2
D Rated	0.2	0.0	0.2
Not Rated	6.6	0.0	6.6
Other	0.9	0.0	0.9

RISK STATISTICS (3 YEARS)

	Fund	Benchmark
Standard Deviation	4.42%	3.56%
Sharpe Ratio	0.64	0.88

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. **Weighted Average Life:** The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. Once calculated, WAL tells how many years it will take to pay half of the outstanding principal.

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 an evaluation performed by Morningstar's Manager Research Group. The funds are evaluated on five pillars: process, performance, people, parent, and price. This evaluation determines how they believe funds are likely to perform relative to a benchmark over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors. For active funds, an Analyst Rating of Gold, Silver, or Bronze reflects the expectation that the fund will be able to deliver positive alpha net of fees relative to the standard benchmark index assigned to the Morningstar category. The Analyst Ratings are overseen by an Analyst Rating Committee and are monitored and reevaluated at least every 14 months.

For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/962834.pdf>. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

The Bloomberg Barclays U.S. Aggregate Bond Index comprises the total U.S. investment grade bond market.

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