

BlackRock® Unprecedented times calls for flexibility

Strategic Municipal Opportunities Fund

INST: MAMTX A: MEMTX C: MFMTX

Investment approach

The fund seeks to offer attractive tax-advantaged income while navigating diverse interest rate environments. Employs a flexible approach by actively managing the two main risks in bonds, interest rate and credit risk.

Duration range

0 to 10 years

Typical duration

3 to 8 years

Effective duration

5.69 years

Today's income investors are challenged with interest rates near record lows, high taxes and greater overall market volatility. Consider complementing your traditional muni portfolio with a flexible fund that can take advantage of market dislocations and seeks stability.

- **Income investors must change their behavior:** traditional municipal portfolios benefited from declining interest rates but may now be vulnerable to losses, with even a modest increase in interest rates.
- **Selectivity is more critical than ever in the credit landscape:** the high yield segment of the market remains vulnerable to market dislocations, although this can lead to attractive buying opportunities. Security selection is more critical than ever and investors must remain vigilant for risks yet to emerge.
- **Taxes are taking a big bite:** top marginal tax rates barely moved and post-tax reform and State and Local Tax (SALT) deductions are now capped \$10,000.*

Municipal bonds can help keep more of what you earn



Based on a hypothetical 1-year return for a \$100,000 investment yielding 4%. For illustrative purposes only.

An adaptable approach for today's municipal markets

The BlackRock Strategic Municipal Opportunities Fund, a flexible, all-in-one municipal solution, seeks to provide investors attractive tax-advantaged income and strong returns through diverse interest rate environments.

- 1** Flexible municipal bond approach
- 2** Adapts to changing bond markets
- 3** Seeks tax-advantage income through different rate environments

* Library of Congress and Internal Revenue Service as of 12/31/20. † Earned \$4,000 but paid in taxes \$1,632 based on federal tax rate of 40.8% in 2020. ‡ Earned \$4,000 that would have been yours to keep from a municipal investment.

1 A flexible municipal bond approach

BlackRock: a leading manager of municipal bonds

\$164 billion in assets

56 municipal investment professionals

17 member credit research team

As of 12/31/20.

Today's municipal markets are unlike those of the last 30 years, leaving traditional municipal strategies without the flexibility to take advantage of opportunities while navigating challenges.

The fund is a flexible, all-in-one municipal solution that invests across the entire municipal spectrum in search of the best tax-advantaged income opportunities.

Flexibility to capture the best opportunities

Calendar year returns by Morningstar categories

Building a flexible bond portfolio requires a unique set of capabilities – digging deeper, reaching further and moving faster. BlackRock's bond platform was built for these times, combining our insight, access and technology to deliver the investing advantage you need to help meet your goals.

	2014	2015	2016	2017	2018	2019	2020
High Yield Muni	13.9	4.1	0.9	7.4	2.1	9.1	Muni National Long 5.2
Muni National Long	10.6	3.1	Tax-Free Money Market 0.2	Muni National Long 5.7	Muni National Short 1.2	Muni National Long 8.3	Muni National Intern 4.5
Muni National Intern	6.8	2.5	Muni National Long 0.0	Muni National Intern 4.6	Tax-Free Money Market 1.0	Muni National Intern 6.8	High Yield Muni 3.6
Muni National Short	1.4	0.7	Muni National Short -0.2	Muni National Short 1.7	Muni National Intern 0.8	Muni National Short 3.1	Muni National Short 2.3
Tax-Free Money Market	0.0	0.0	Muni National Intern -0.2	Tax-Free Money Market 0.4	Muni National Long 0.3	Tax-Free Money Market 1.1	Tax-Free Money Market 0.4

Source: Morningstar. As of 12/31/20. For illustrative purposes only. Not a recommended allocation.

2 Adapting to changing municipal markets

Duration is...

...a measure of a bond's sensitivity to a change in interest rates. For every 1% change in interest rates, a bond's price will move approximately 1% in the opposite direction for every year of duration. For example, a bond with a duration of 4 years would decrease in value by 4% if rates were to rise 1%.

The fund has the flexibility to maintain duration between 0 and 10 years and will typically range from 3 to 8 years.

Credit risk...

...refers to the potential that a borrower may not repay a loan in full. Investors are often compensated for this greater risk by receiving a higher yield.

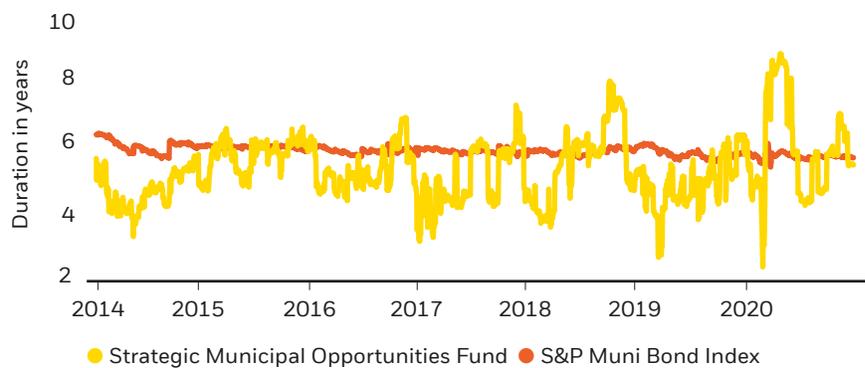
The fund has the flexibility to invest up to 50% of the portfolio in high yield municipal bonds and will typically fall within a range of 15-30%. For illustrative purposes only.

The fund takes a flexible approach to investing in municipal bonds. This means it has a wider opportunity set to adapt to changing market conditions, unlike traditional, benchmark-constrained municipal strategies.

By actively managing appropriate levels of interest rate and credit risk, the two major risks associated with bond investing, the fund seeks to balance the trade-offs between income and returns while mitigating volatility.

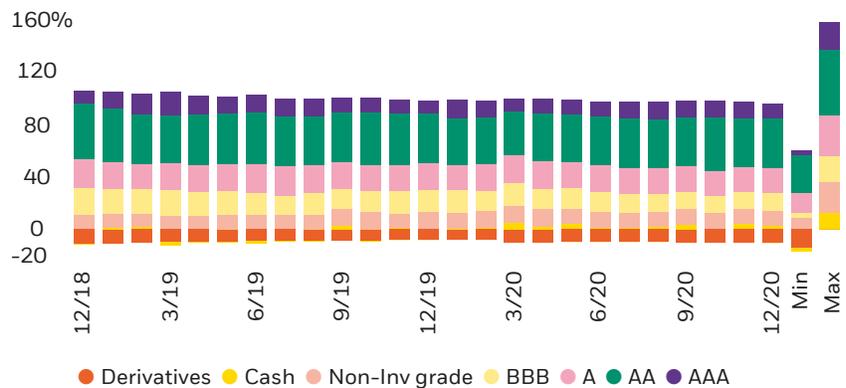
Flexibility to manage interest rate risk

Active duration management



Flexibility to manage credit risk

Composition of credit quality



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.

3 Seeking income through diverse environments

Yield

2.44%/2.35%

Tax-equivalent SEC/
unsubsidized yield

1.44%/1.39%

30-day SEC yield/
unsubsidized yield

As of 12/31/20. Based on Institutional shares. Subsidized 30-day SEC yield is based on a 30-day period ending on the last day of the previous month and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. If the fund expenses have waivers, the subsidized yield is based on the net expenses. Unsubsidized 30-day SEC yield is based on total expenses of the fund. Tax-equivalent yield is for illustrative purposes only. Refer to back page for additional information.

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. You cannot invest directly in an index.

The performance information for periods prior to the inception date of the Investor A shares is based on the Fund's Institutional Shares, adjusted to reflect the fees and expenses applicable to such share class. See the fund prospectus for more details.

Institutional shares have no front- or back-end load, have limited availability and may be purchased at various minimums. See prospectus for details. Institutional Shares/Investor A Total and Net, Including Investment Related are 0.76%/0.71% and 0.99%/0.94%, respectively.

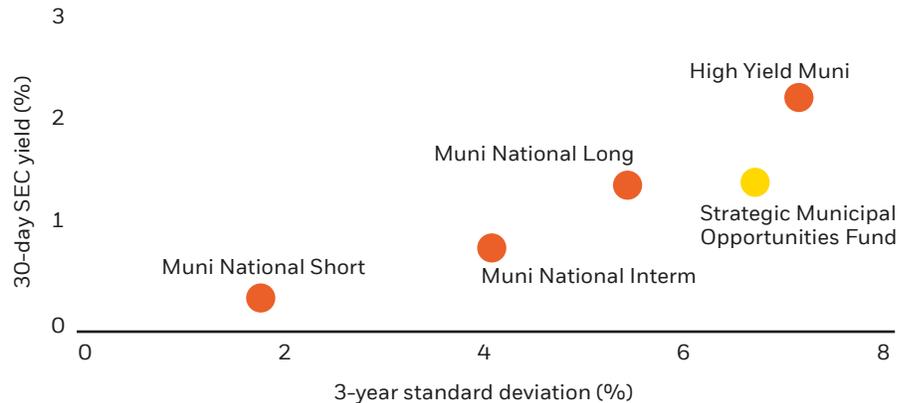
Institutional Shares/Investor A shares have contractual waivers with an end date of 9/30/21 terminable upon 90 days' notice. Expenses stated as of the fund's most recent prospectus. Investment dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses are included in the Net, Including Investment Related Expenses and excluded from the Net, Excluding Investment Related Expenses.

Our deep understanding of the opportunities and risks in the market have helped us deliver investment results across our suite of municipal strategies. As interest rates continue to be volatile, traditional municipal strategies that worked in the past may not be able to deliver what investors need.

The fund seeks to offer attractive tax-advantaged income and strong returns through different rate environments.

Finding income and navigating volatility

SEC yield vs. standard deviation



Source: Morningstar and Lipper. As of 12/31/20. All categories are represented by their Morningstar category averages. Performance data quoted represents past performance and does not guarantee future results.

% average annual total returns (as of 12/31/20)*	% average annual total returns			
	1-year	3-year	5-year	10-year
BlackRock Strategic Municipal Opportunities Fund (Inst)	0.57	2.80	3.42	4.64
BlackRock Strategic Municipal Opportunities Fund (Inv A)	0.33	2.53	3.17	4.41
BlackRock Strategic Municipal Opportunities Fund (MSC) [†]	-3.93	1.06	2.28	3.95
S&P Municipal Bond Index ¹	5.64	5.42	4.72	5.53
Morningstar Muni National Interm Category Avg	4.51	3.99	3.23	3.89

* The fund's annual total returns prior to 1/27/14 are the returns of the fund that followed a different investment strategy under the name Intermediate Municipal Fund. [†] MSC Returns with sales charge reflect the deduction of current maximum initial sales charge of 4.25% for A shares.

Ways to get started

The **BlackRock Strategic Municipal Opportunities Fund** seeks to provide attractive tax-advantaged income while navigating different rate environments. Consider adding the fund to complement existing municipal strategies. Below are three ways the Strategic Municipal Opportunities Fund can be used to customize your municipal portfolio to meet your investing needs.

Increase your income

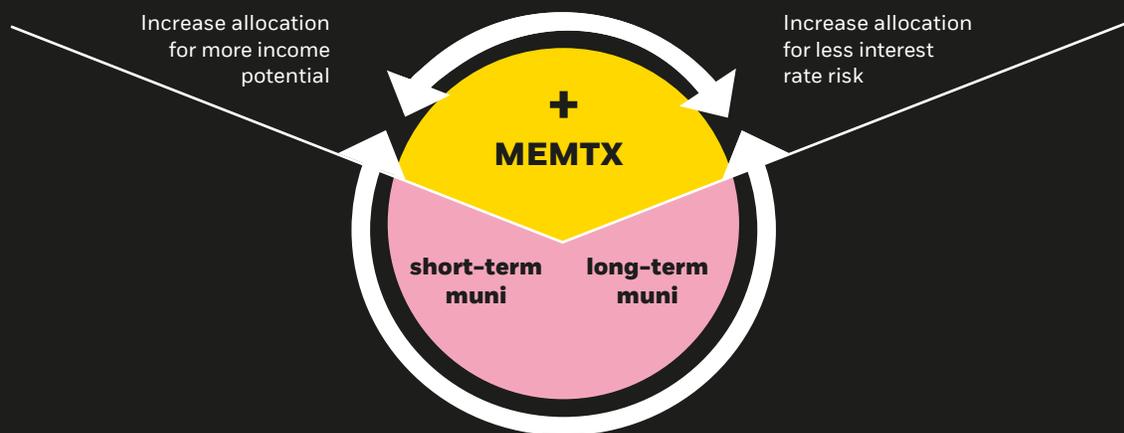
Investors seeking more income than shorter duration bonds, with less interest rate risk than longer duration municipal bonds, should consider an allocation to the fund.

Build a flexible municipal core

Today's municipal market is unlike the last 30 years, leaving traditional municipal bond strategies without the flexibility to take advantage of opportunities and navigate challenges. Consider an allocation to the BlackRock Strategic Municipal Opportunities Fund for tax-advantaged income potential while actively managing interest rate and credit risk.

Reduce your interest rate risk

Even a modest rise in rates can lead to negative returns. Diversifying away from traditional municipal strategies can help mitigate interest rate sensitivity and reduce volatility. Investors in longer-term municipals seeking attractive income, but with less sensitivity to rising interest rates, should consider an allocation to the fund.



For illustrative purposes only. Not a recommended allocation.

Strategic Municipal Opportunities Fund is for

- Investors seeking attractive **tax-advantaged income** but concerned about duration and credit risk
- Investors looking for a proven manager with the ability to **adapt to a more volatile municipal market**
- Investors **seeking more attractive yields** than shorter-term municipal funds and more **flexible duration management** than intermediate- and long-term municipal strategies
- An adaptable approach for today's municipal markets

Why BlackRock

BlackRock helps people around the world, as well as the world's largest institutions and governments, pursue their investing goals. We offer:

- **A comprehensive set of innovative solutions, including mutual funds, separately managed accounts, alternatives and iShares® ETFs**
- **Global market and investment insights**
- **Sophisticated risk and portfolio analytics**

We work only for our clients, who have entrusted us with managing \$8.68 trillion,* earning BlackRock the distinction of being trusted to manage more money than any other investment firm in the world.

* Assets Under Management (AUM) as at December 31, 2020

Want to know more?

blackrock.com

* Source: BlackRock. Based on \$8.68 trillion in AUM as of 12/31/20.

Important Risks: *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. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable. 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. Obligations of U.S. govt. agencies are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. govt. 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. 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. The fund may use derivatives to hedge its investments or seek to enhance returns. Derivatives entail risk relating to liquidity, leverage and credit that may reduce returns and increase volatility.*

Effective 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. Effective Duration is measured at the individual bond level, aggregated to the portfolio level, and adjusted for leverage, hedging transactions and non-bond holdings, including derivatives.

The fund was rated against the following numbers of U.S.-domiciled Muni National Interim funds over the following time periods: 249 in the last 3 years, 223 in the last 5 years and 164 in the last 10 years. With respect to these Muni National Interim funds, the fund received a Morningstar Rating of 1, 3 and 4 stars for the 3-, 5- and 10-year periods, respectively. Other classes may have different performance characteristics.

1 The Standard & Poor's Municipal Bond Index is a broad, market value-weighted index that seeks to measure the performance of the U.S. municipal bond market. All bonds in the index are exempt from U.S. federal income taxes or subject to the alternative minimum tax.

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 and, if available, the summary prospectus should be read carefully before investing.

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