

INST: PBAIX • A: PCBAX

★★★★★ Morningstar Overall (INST)



Analyst-Driven %¹
100
Data-Coverage %¹
100

Key views on the market

Transatlantic divergence: US exceptionalism with above-trend growth and inflation is set to continue. In contrast, the outlook for nominal activity in Europe remains weak, even more so post-U.S. election. We are positioned short North American government bonds and long European government bonds as activity and fiscal policy continue to **diverge on either side of the Atlantic**.

Global reflation: We are positioned for **resilient global growth**. We remain directionally long equities on a strong earnings outlook with central banks remaining biased to ease. We have shifted directional and cross-country equity exposure to non-US markets, based on contrarian pricing and flows insights. The long end of yield curves continues to underprice inflation and issuance risk, and we have added to short positions in 30yr US Treasuries.

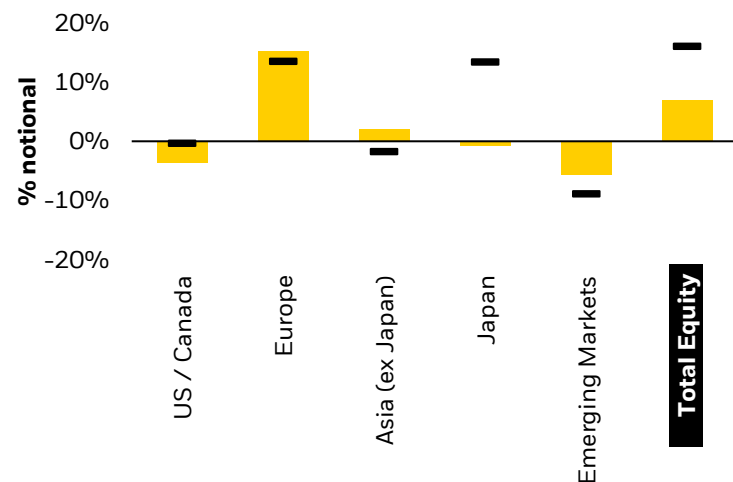
Fiscal dominance: After two decades of central bankers steering the economy (and markets), we believe **fiscal policy** is now firmly in the driver's seat. A **"Guns & Butter 2.0"** combination of remilitarization and industrial policy spending is set to keep stock-bond correlations more positive and make portfolio diversification more challenging.

Portfolio positioning as of November 30, 2024

Equity exposures

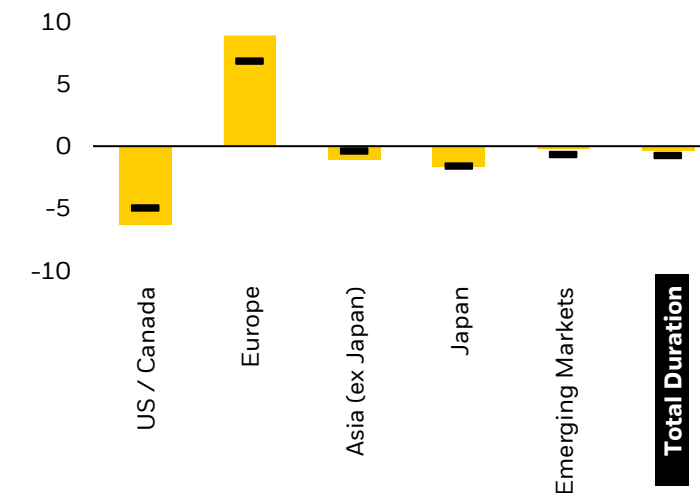
- Trimming net equity exposures, but remain slightly long
- Added to short S&P500 relative value position vs. non-US markets based on contrarian pricing and flows insights

● Current ● 3 months prior



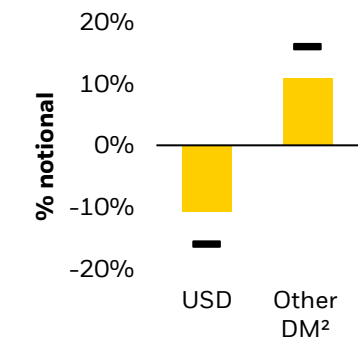
Fixed income exposures

- Remain neutral global duration
- Added to longs German, UK, and Swedish bonds vs shorts in US Treasuries and Canadian government bonds on diverging growth, inflation, and fiscal policy



FX exposures

- Underweight US\$ vs. Australian and Canadian dollars based on fiscal divergences



Source: BlackRock as of 11/30/2024. For illustrative purposes only. Subject to change. Overall Morningstar Rating for PBAIX rated against 53 Macro Trading Funds based on risk adjusted total return as of 11/30/2024. Morningstar has awarded the Fund a Bronze Medal (effective 5/10/2024). BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings. ¹ Analyst Driven % is the analyst input into the overall rating assignment, including direct analyst coverage and inheritance of an analyst-rated pillar. Data Coverage % is available input data for rating calculation at the Pillar level. ² Other DM includes AUD, CAD and EUR.

Morningstar percentile ranking (PBAIX)	33	1 year 20/60	13	3 year 7/53	21	5 year 11/53	21	10 year 8/39
Since strategy inception (7/1/2016)*								
			BlackRock Tactical Opportunities Fund (PBAIX)			Morningstar Macro Trading Fund Category Average		
Higher returns (annualized)			5.43%			2.96%		
Higher Sharpe ratio			0.68			0.21		
Lower correlation (to S&P 500)			0.16			0.77		
Lower correlation (to US Agg)			-0.22			0.22		
Lower fees (net/gross)			0.82% / 0.82%			1.68% / 1.81%		

Source: BlackRock, Morningstar as of 11/30/2024. Morningstar percentile ranking based on total return excluding sales charges, independently calculated and not combined to create an overall ranking. Expenses stated as of the fund's most recent prospectus.* The fund's returns prior to 7/1/2016 are the returns of the fund when it followed different investment strategies under the name "Managed Volatility Fund" which focused on generating total returns through a discretionary tactical asset allocation process.

Standardized performance as of 9/30/2024 for PBAIX is as follows: 1 yr 4.53%, 3 yr 4.79%, 5 yr 5.00%, 10 yr 3.73%. Performance 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. All returns assume investment of dividends and capital gains. Current performance may be lower or higher than that shown. Refer to blackrock.com for current month end performance.

Sharpe Ratio uses a fund's standard deviation and its excess return (difference between the fund return and the risk-free return) to determine reward per unit of risk. **Duration** measures how long it takes, in years, for an investor to be repaid a bond's price by the bond's total cash flows. Duration can also measure the sensitivity of a bond's or fixed income portfolio's price to changes in interest rates. **Notional** value is the total value controlled by a position or obligation; e.g. how much value is represented by a derivatives contract. The opinions expressed are those of the fund's portfolio management team and may change as subsequent conditions vary. Information and opinions are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

Performance, fees and rankings for other share classes could be higher or lower. Investing involves risk, including possible loss of principal. Please 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 at blackrock.com. The prospectus and, if available, the summary prospectus should be read carefully before investing.

Important risks of the fund: 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. 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. Asset allocation strategies do not assure profit and do not protect against loss. 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. Investing in small- and mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life sub-accounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Institutional share class of the fund was rated against the following numbers of U.S.-domiciled Macro Trading Funds over the following time periods: 53 for 3 years, 48 for 5 years and 39 for 10 years. The fund received a Morningstar Rating of 3 stars for the 3-year period, 3 stars for the 5-year period and 4 stars for the 10-year period. Other classes may have different performance characteristics. **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/. 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.

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Key drivers of YTD performance

Contributors

- Directional longs in equities, including US value, Japanese, and European equities
- Long peripheral vs. core European equities
- Long German Bunds vs. short US Treasuries

Detractors

- Currency positioning short US\$
- Long Latin American vs. Asian rates (in H1)