Performance: The fund underperformed its reference benchmark in September as equity markets fell sharply amid global supply chain constraints, U.S. fiscal and monetary uncertainties, and concerns regarding risks in China.

▲ Contributors: Overweight to energy. Within fixed income, exposure to securitized assets. Exposure to cash.

▼ Detractors: Selection in consumer discretionary and communication services. Underweight government bonds.

Positioning: Overweight equities with a more cautious near-term outlook. Quality cyclical bias balanced with positioning in secular growth. Underweight rates and overweight credit sectors. Reliance on cash, derivatives, and USD as hedges.


▼ Decreased: Industrials and technology stocks. Emerging market sovereign bonds.

The fund has historically outperformed global stocks with less volatility

Source: BlackRock, Bloomberg. Based on a hypothetical investment of $10,000 in the fund and FTSE World Index made first month post inception (2/3/89). Volatility is represented by annualized standard deviation. Standard deviation for the fund: 9.74% and global stocks: 15.20%.

A history of competitive performance and limited drawdowns

<table>
<thead>
<tr>
<th>3-year returns (cumulative)</th>
<th>BlackRock Global Allocation Fund</th>
<th>Global bonds</th>
<th>Balanced portfolio</th>
<th>U.S. Stocks</th>
<th>Global Stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best</td>
<td>87.1%</td>
<td>53.5%</td>
<td>64.6%</td>
<td>134.3%</td>
<td>95.1%</td>
</tr>
<tr>
<td>Average</td>
<td>32.4%</td>
<td>11.6%</td>
<td>29.0%</td>
<td>56.1%</td>
<td>45.6%</td>
</tr>
<tr>
<td>Worst</td>
<td>-6.5%</td>
<td>-9.6%</td>
<td>-24.3%</td>
<td>-40.9%</td>
<td>-43.4%</td>
</tr>
</tbody>
</table>

# of negative 3-year periods (out of 355)

<table>
<thead>
<tr>
<th></th>
<th>BlackRock Global Allocation Fund</th>
<th>Global bonds</th>
<th>Balanced portfolio</th>
<th>U.S. Stocks</th>
<th>Global Stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best</td>
<td>6</td>
<td>32</td>
<td>38</td>
<td>59</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: BlackRock, Bloomberg, Morningstar. Cumulative 3-year returns from first month after fund inception (2/3/89). Asset classes represented by FTSE World Gov’t Bond Index, S&P 500 Index, FTSE World Index. Balanced portfolio is 60% Morningstar World Large Stock category and 40% Morningstar World Bond category, rebalanced quarterly.

All data as of 9/30/21. Fund data based on Institutional shares, which may not be available to all investors; other share classes will vary. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index.

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. All returns assume reinvestment of dividends and capital gains. Current performance may be lower or higher than that shown. For current month-end returns visit www.blackrock.com.

Morningstar has awarded the fund’s Institutional share class a Silver medal. (Last rating 4/6/21.)

The overall Morningstar rating of 5 stars pertains to the fund’s Institutional shares, rated against 417 funds in the World Allocation category as of 9/30/21. Ratings are based on a risk-adjusted total return and a weighted average of performance figures associated with 3-, 5- and 10-year Morningstar rating metrics. Ratings are determined monthly and subject to change.

October 2021 | Commentary
Flexibility in practice: adapting as markets change

Post-tech bubble: Increased U.S. equity exposure due to attractive valuations and a recovering global economy.

Credit crisis: Added to convertible bonds during the global credit crisis as limited liquidity across the asset class due to distressed selling led to attractive prices.

Rick Rieder assumed leadership (April 2019): Decreased exposure to cash following policy pivot among global central banks, and added to U.S. equities, Treasuries and investment grade credit.

Prior to 2015, the fund’s exposure was based on market value and adjusted for the economic value of futures and swaps. From 2015, the fund’s exposure is based on the economic value of securities and is adjusted for futures, options and swaps, except with respect to fixed income securities and convertible bonds. Commodity-related is comprised of precious metals ETFs. Prior to 2006, commodity-related exposure was included in equities. Prior to October 2019, exposure to securitized debt was included within fixed income. Historical ranges represent actual exposures, not minimum or maximum prospectus limits. Subject to change. Over/under indications are relative to the fund’s reference benchmark, which is 36% S&P 500 Index, 24% FTSE World (ex-U.S.) Index, 24% ICE BofAML Current 5-Year U.S. Treasury Index and 16% FTSE Non-U.S. Dollar World Government Bond Index.

Geographic allocation

% of Net assets

- 54% United States
- 19% Canada
- 19% Developed Europe
- 0% Emerging Europe
- 2% Asia Pacific ex-Japan
- 1% Japan
- 1% Emerging Asia
- 2% Latin America
- 1% Africa / Middle East
- 11% Cash equivalents

Largest change this month:
Emerging Asia ▼ from 10% to 6% of assets.

Currency allocation

% of Net assets

- 69% U.S. dollar
- 11% Euro
- 4% British pound sterling
- 1% Other Europe
- 8% Japanese yen
- 4% Other Asia
- 1% Latin America
- 1% Rest of the world

Largest change this month:
Other Asia ▲ from 6% to 4% of assets.

All data as of 9/30/21.
Our view on the market and portfolio positioning

September lived up to its volatile reputation. U.S. stocks (as measured by the S&P 500) were down 4.7% over the month with cyclical sectors, such as materials and industrials, faring worse. Most international markets also softened, with Japan and China as two notable outliers. While a sharp market correction is never pleasant to experience, the good news is we’re on a cusp of a period which has historically been much kinder to stocks.

Most investors intuit that fall trading typically starts weak but ends strong. Going back to 1927, Q4 S&P 500 monthly price returns, i.e., excluding dividends, average roughly 0.90%/month. And while patterns can shift over time, this seasonal pattern has been relatively stable. Even after accounting for the ‘87 crash, since the late ‘80s October-December returns have averaged approximately 1.50%. Apart from average returns, the “win-rate” is also higher than a typical month, particularly for November and December. During the past 34 years these months have posted positive returns roughly 75% of the time, making them two of the most reliable months of the year for equity investors.

Given lingering issues surrounding China, COVID and the budget negotiations in Washington it is not hard to imagine more volatility in the coming weeks. That said, fundamentals remain solid, interest rates are low, and the market is coming into a seasonally strong period; investors should use further market weakness as a buying opportunity.

Within the Global Allocation Fund, we continue to believe that equities offer investors the best risk-reward opportunities relative to other major asset classes. Despite the ongoing risks posed by rising input costs, we remain positive on risk assets due to the unprecedented strength we are continuing to witness on the demand side of the economy and historically easy financial conditions. Over the month, we reduced our equity exposure but remain overweight. We believe that market weakness reflected a combination of anxiety over China, supply issues (increasingly around energy), budget uncertainty and typical seasonal weakness. That said, we expect markets to stabilize in coming weeks and for equity markets to end the year above current levels.

Looking ahead, we remain favorable on secular growth equities and would look for opportunities to add on weakness, particularly in technology, healthcare, and select names in consumer discretionary. Given the point in the economic cycle, we prefer to focus on companies with a propensity to deliver strong and consistent earnings growth, rather than positioning for a big rebound in valuations. Within derivatives, we looked to de-gross the portfolio by reducing our hedges via equity futures (by reducing long positions and covering short positions) as we scaled back our equity overweight given near-term headwinds. In-line with the fund’s risk aware mandate, our equity positioning is balanced with portfolio hedges, expressed through cash, derivatives and the USD, given diminished efficacy of traditional hedges such as duration and gold in the current environment.

Russ Koesterich shares the team’s outlook on the markets.

One of the world's most well-resourced investment teams

Rick Rieder, Portfolio Manager, 33 years of experience
Russ Koesterich, CFA, JD, Portfolio Manager, 26 years of experience
David Clayton, CFA, JD, Portfolio Manager, 27 years of experience
Kate Moore, Head of Thematic Strategy, 22 years of experience

Backed by a roster of experienced and dedicated analysts
Average annual total returns (%) as of 9/30/21

<table>
<thead>
<tr>
<th></th>
<th>1 Month (not annualized)</th>
<th>YTD (not annualized)</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor A (Without Sales Charge)</td>
<td>-3.28</td>
<td>3.99</td>
<td>16.32</td>
<td>10.87</td>
<td>9.01</td>
<td>7.80</td>
<td>9.37</td>
</tr>
<tr>
<td>Investor A (With Sales Charge)</td>
<td>-8.36</td>
<td>-1.48</td>
<td>10.21</td>
<td>8.89</td>
<td>7.84</td>
<td>7.22</td>
<td>9.55</td>
</tr>
<tr>
<td>FTSE World Index</td>
<td>-4.18</td>
<td>12.62</td>
<td>29.33</td>
<td>13.35</td>
<td>14.01</td>
<td>12.79</td>
<td>-</td>
</tr>
<tr>
<td>Morningstar World Allocation Avg.</td>
<td>-2.53</td>
<td>7.07</td>
<td>18.41</td>
<td>6.93</td>
<td>7.07</td>
<td>6.96</td>
<td>-</td>
</tr>
<tr>
<td>Reference Benchmark</td>
<td>-3.15</td>
<td>5.81</td>
<td>15.73</td>
<td>9.83</td>
<td>9.15</td>
<td>8.63</td>
<td>-</td>
</tr>
</tbody>
</table>

Total returns (annualized) as of 9/30/21 for Institutional shares: 1 Yr, 16.63%; 5 Yr, 9.30%; 10 Yr, 8.09%; Since Inception, 9.83%; for Investor A shares without/with maximum sales charge: 1 Yr, 16.32%/10.21%; 5 Yr, 9.01%/7.84%; 10 Yr, 7.80%/7.22%; Since Inception, 9.37%/9.55%.

Data 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 reinvestment of dividends and capital gains. Current performance may be lower or higher than that shown. Share classes have different sales charges, fees and other features. Returns with sales charge reflect the deduction of current maximum initial sales charge of 5.25% for Investor A shares. Institutional shares have no front- or back-end load, limited availability and may be purchased at various minimums. See prospectus for details. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Expenses, as stated in the fund’s most recent prospectus, for Institutional/Investor A shares: Total, 0.88%/1.14%. Net, Including Investment-Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses): 0.82%/1.08%. Institutional and Investor A have contractual waivers with an end date of 6/30/23, terminable upon 90 days’ notice. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Net Expenses, Excluding Investment Related Expenses for Institutional/Investor A shares: 0.79%/1.05%.

Important 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. International investing involves special risks including, but not limited to, currency fluctuations, illiquidity and volatility. These risks may be heightened for its 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. 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 to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility.

The opinions expressed are those of the fund’s portfolio management team as of September 30, 2021 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.

1 The Morningstar Analyst Rating™ is not a credit or rating. It is an evaluation performed by Morningstar’s Manager Research Group based 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 time 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 benchmark index assigned to the Morningstar category. The Analyst Ratings are overseen by an Analyst Rating Committee and are monitored and revalued 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. 2 The Morningstar Rating™ is for funds, or ‘star rating.’ It is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) at least three years old. 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 1% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 33.5% receive 3 stars, the next 27.5% 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, 66% five-year rating/90% 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. With respect to U.S.-domiciled funds in the World Allocation category, the fund received a Morningstar Rating of 5 stars for the 3-year period, rated against 417 funds; 5 stars for the 5-year period, rated against 361 funds; and 4 stars for the 10-year period, rated against 243 funds. Ratings are for Institutional share class. Other classes may have different performance characteristics. 3 Fund Inception: 2/3/89. 4 The performance information for periods prior to the inception date of the Investor A share class (1/21/94) is based on the fund’s Institutional shares, adjusted to reflect the fees and expenses applicable to the Investor A share class. See the fund’s prospectus for more details. 5 The FTSE World Index is comprised of world equities, including the U.S. 6 The Reference Benchmark is the 36% S&P 500 Index/24% FTSE World (ex-U.S.) Index/24% ICE BofAML Current 5-Year U.S. Treasury Index and 16% FTSE Non-U.S. Dollar World Government Bond Index. S&P 500 Index comprises large-capitalization U.S. equities. FTSE World (ex-U.S.) Index comprises world equities, ex-U.S. ICE BofAML 5-Year U.S. Treasury Bond Index tracks the 5-year U.S. Treasury bond. FTSE Non-U.S. Dollar World Government Bond Index tracks government bond indices, ex-U.S.

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.

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