



★★★★★ Morningstar Overall (Inst)

INST: MAHQX • A: MDHQX • C: MFHQX

Total Return Fund

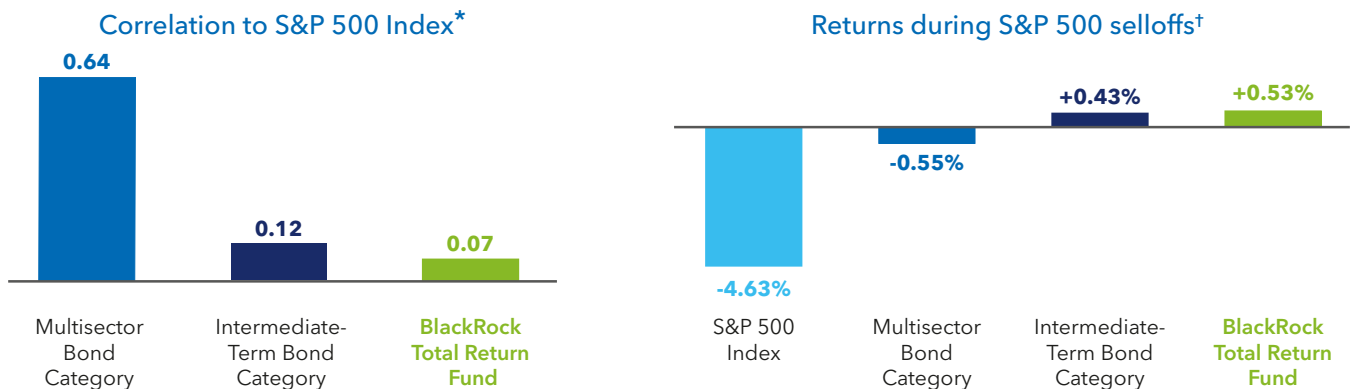
Performance: Relative to the benchmark, the fund's overweights in U.S. investment grade credit, securitized assets, and municipals contributed positively to performance in March. There were no material detractors from performance.

Positioning: We maintained a duration overweight, favoring shorter-dated bonds for their attractive risk-adjusted income. We added to non-U.S. sovereigns and emerging markets, while reducing agency mortgages and municipals.

▲ **Increased:** Non-U.S. sovereign bonds, emerging market debt

▼ **Decreased:** Agency mortgage-backed securities (MBS), municipals, collateralized loan obligations (CLOs)

Diversify equity risk



* Source: Morningstar. Based on the cumulative 5-year period ended 3/31/19. † Source: Morningstar. S&P 500 selloff is defined as a calendar month period in which the S&P 500 Index fell by 2 or more percent. Returns are the average of 14 monthly periods from 12/31/10-3/31/19. Diversification cannot assure profit or protect against a loss.

Strong performance

	BlackRock Total Return Fund (MAHQX)	Morningstar Intermediate-Term Bond Category Average
Higher return (5-year)	3.12%	2.51%
Better Sharpe Ratio (5-year)	0.82	0.68

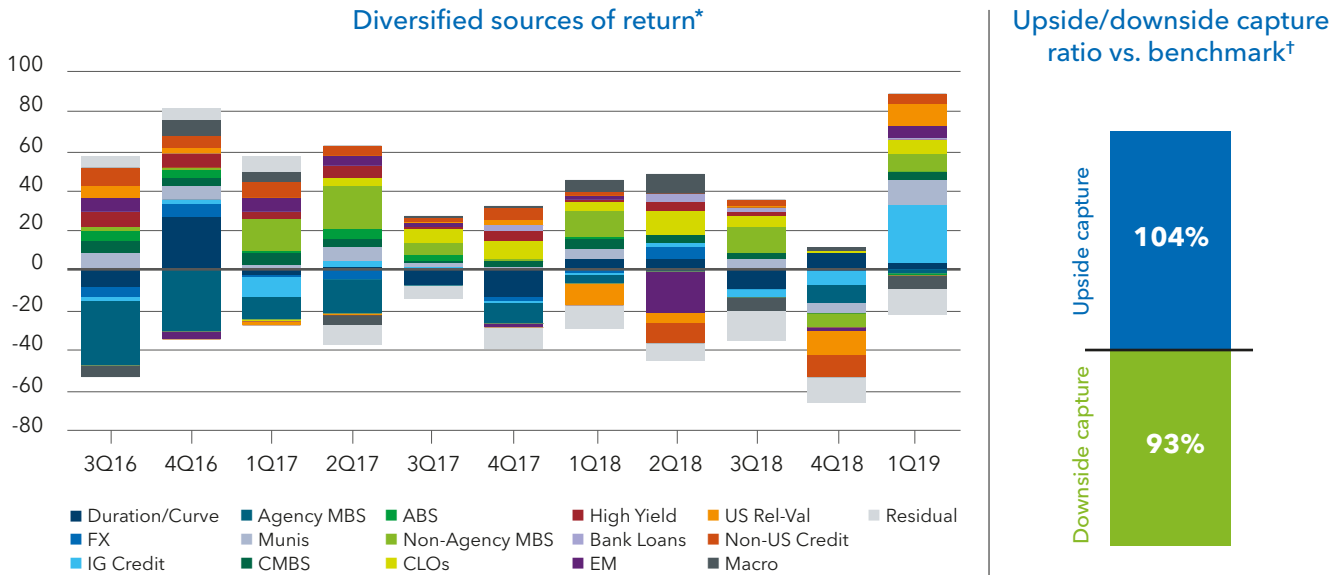
Source: Morningstar. Data as of 3/31/19. Sharpe ratio uses a fund's monthly standard deviation and excess return (difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk.

Fund data based on Institutional shares, which may not be available to all investors. Other share classes may vary. 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 all dividend and capital gain distributions. Current performance may be lower or higher than that shown. Refer to blackrock.com for recent performance.

Morningstar has awarded the fund a Silver medal. Fewer than 10% of U.S. open-end funds hold medalist ratings. (Last rating 12/11/18).¹ The Overall Morningstar Rating of 4 stars pertains to the fund's Institutional shares, rated against 901 Intermediate-Term Bond Funds as of 3/31/19. Ratings are based on risk-adjusted total return and a weighted average of performance figures associated with Morningstar's 3-, 5- and 10-year rating metrics. Ratings are determined monthly and subject to change.²

Diversification across fixed income sectors

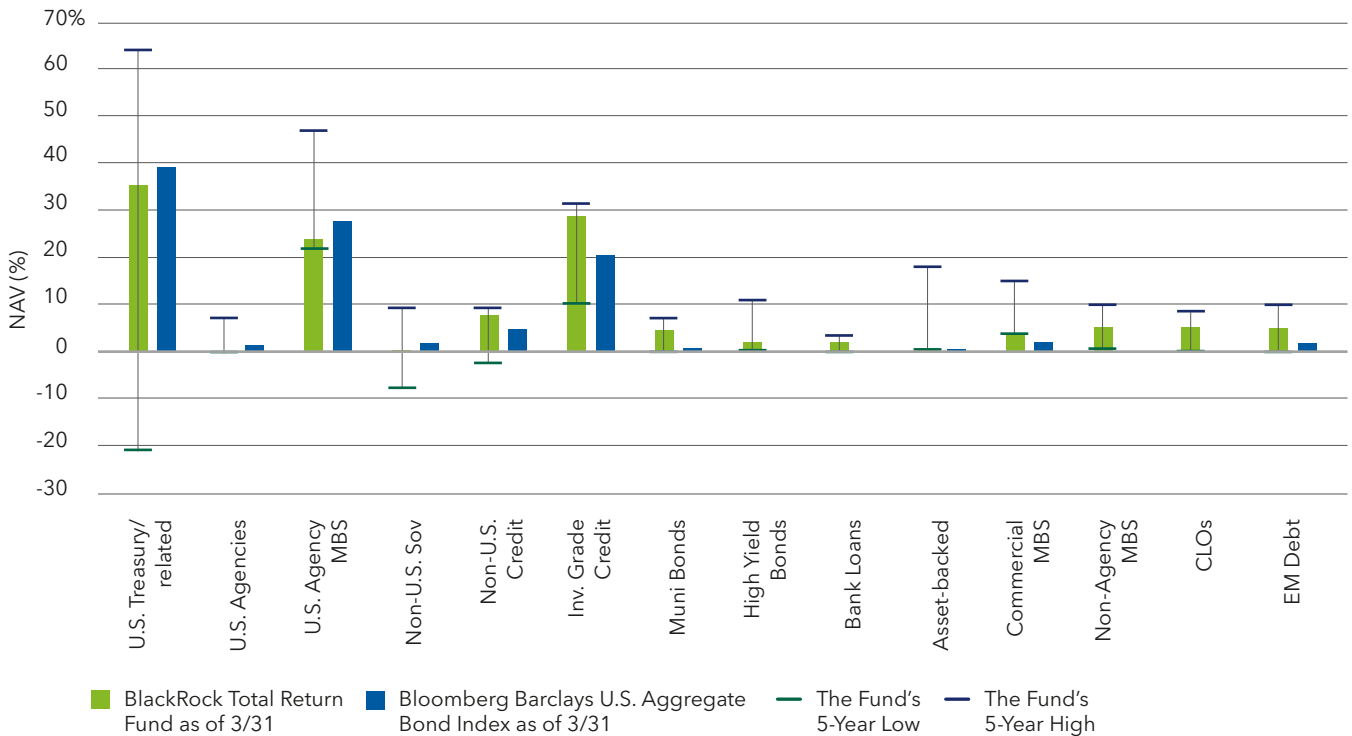
BlackRock's global fixed income platform helps us identify opportunities to generate excess return in various bond market scenarios. Overweights in investment grade credit, munis and securitized assets drove performance in March.



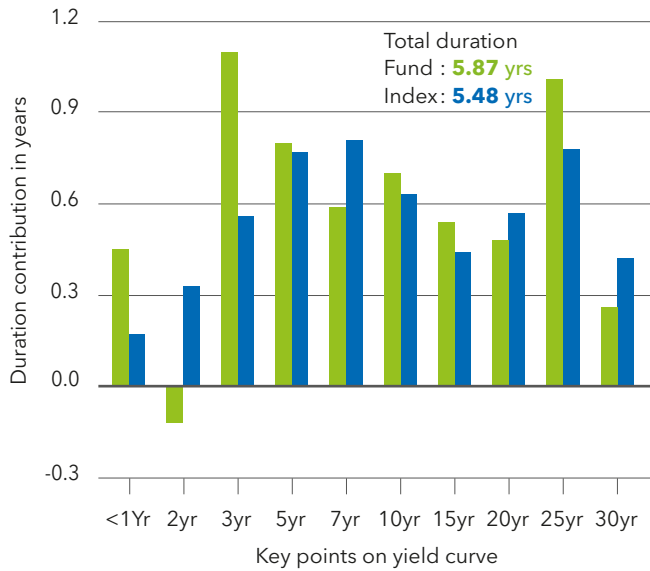
* Source: BlackRock. Return attribution is based on gross returns of the fund's Institutional share class. **U.S. Relative Value:** The fund's U.S. relative value strategies reflect the portfolio management team's specific views on the mortgage market. **Macro:** The macro strategy is how the portfolio management team implements thematic and macro-economic investment views through duration, yield curve and foreign-currency positioning. **Residual:** This non-attributable portion of the fund's total return is derived from trading and allocation effects across the fund's investment strategies. † Source: Morningstar. Based on 5-year annualized returns of the fund's Institutional shares vs the Bloomberg Barclays U.S. Aggregate Bond Index as of 3/31/19.

Sector allocation history

The fund is flexible around the benchmark and adapts to changing markets. In March, we increased non-U.S. sovereigns and emerging market debt amid supportive monetary policies, and reduced agency mortgages and munis.



Yield curve duration positioning

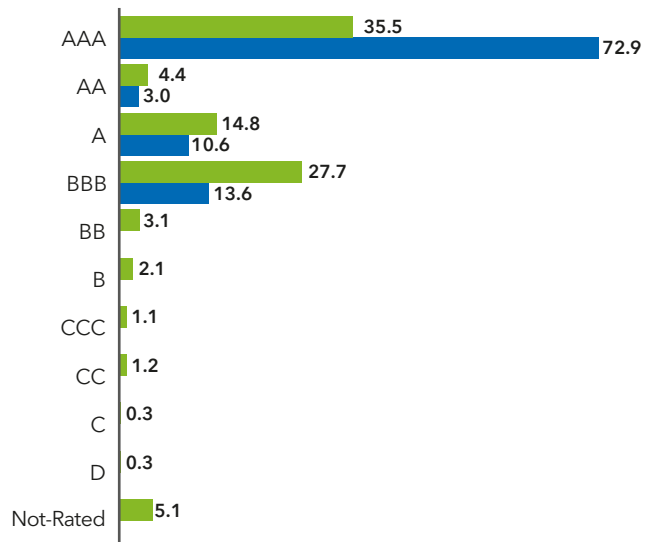


■ BlackRock Total Return Fund ■ Bloomberg Barclays U.S. Aggregate Bond Index

As of 3/31/19. * 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.

Credit quality allocation*

% of market value



Market movements

The upbeat tone of financial markets continued in March, with many asset classes generating positive performance for the month amid low volatility. A steady rally in government bonds accelerated into a marked repricing after the Fed signalled its willingness to let the economy stretch a bit, and European manufacturing activity again triggered growth fears. In this environment, we think interest rates are likely to remain range-bound for the near-term, which means investors can once again use duration as a hedge to build more durable portfolios.

Duration positioning

During the month of March, we maintained the fund's duration (sensitivity to interest rates) at 5.9 years, which is slightly overweight relative to the benchmark. We rotated some exposure into the 3- to 5-year part of the yield curve given an attractive risk-reward profile. It is our view that a slower global growth dynamic and a near-neutral policy rate should keep U.S. interest rates range-bound in the near term.

In Europe, we modestly added duration exposures in core European countries as we anticipate an extended period of weak growth in the region.

Sector positioning

As interest rates declined in March, we shifted to an underweight in agency mortgages as lower rates could potentially lead to a pickup in prepayment speed. We also took profits in municipals and collateralized loan obligations on the back of strong performance in those sectors. Conversely, we added to non-U.S. sovereign bonds as we continue to see weaker economic activity data outside the United States.

We remain constructive on emerging markets, and tactically added to exposures in the sector, particularly in local sovereign debt. We believe the U.S. dollar may have peaked, and a supportive policy backdrop across local central banks should create opportunities despite continued geopolitical uncertainties. We maintained the fund's select positions in Brazil, Indonesia and Mexico while remaining cautious around credit selection.

% Average annual total returns as of 3/31/19

	1 Month (not annualized)	YTD (not annualized)	1 year	3 years	5 years	10 years	Since inception*	30-day SEC yield as of 3/31†	
								Subsidized	Unsubsidized
Institutional§	1.98	3.40	3.95	2.54	3.12	5.83	4.38	3.37	3.34
Investor A (Without/ with sales charge)§	1.95/-2.13	3.41/-0.73	3.60/-0.55	2.20/0.82	2.80/1.97	5.50/5.07	4.06/3.82	2.92	2.90
Lipper Core Bond Funds Avg.¶	1.81	3.20	3.96	2.18	2.43	4.45	-	-	-
Morningstar Intermediate- Term Bond Funds Avg.	1.70	3.13	3.98	2.37	2.51	4.56	-	-	-
Bloomberg Barclays U.S. Aggregate Bond Index‡	1.92	2.94	4.48	2.03	2.74	3.77	4.39	-	-

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, **0.49%/0.82%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses): **0.45%/0.79%**. Institutional and Investor A have contractual waivers with an end date of 1/31/20 terminable upon 90 days' notice. Performance data quoted represents past performance and does not guarantee future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. 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 dividends and capital gains. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 4% for Investor A shares. **Institutional shares have no front- or back-end load, have limited availability and may be purchased at various minimums. See prospectus for details.** Net Expenses, Excluding Investment Related Expenses for Institutional/Investor A shares: 0.44%/0.78%.

Important 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. 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. Investments in non-investment-grade debt securities ("high-yield" or "junk" bonds) may be subject to greater market fluctuations and risk of default or loss of income and principal than securities in higher rating categories. The principal on mortgage- or asset-backed securities normally may be prepaid at any time, which reduces the yield and market value of those securities. Obligations of U.S. gov't agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. gov't. 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. 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 March 31, 2019, 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.

* **Fund Inception:** 9/24/07. † **30-day SEC Yield** reflects the income earned by an investor in the fund during a 30-day period after deducting the fund's expenses. **Unsubsidized SEC Yield** represents what a fund's 30-day SEC Yield would have been had no fee waiver or expense reimbursement been in place during the period. § The performance information for periods prior to the inception date of the Institutional and Investor A share classes (9/24/07) is based on the performance of the fund's Class K shares, adjusted to reflect the fees and expenses applicable to the Institutional and Investor A share classes, respectively. See fund prospectus for more details. ¶ Lipper category is as of 3/31/19 and may not accurately represent the current composition of the portfolio. ‡ Bloomberg Barclays U.S. Aggregate Bond Index comprises the total U.S. investment grade bond market. **1 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 involve unknown risks and uncertainties which may cause Morningstar's expectations not to occur or to differ significantly from what we expected. **2 The Morningstar Rating™** for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, 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. With respect to U.S.-domiciled funds in the Intermediate-Term Bond fund category, the fund received a Morningstar Rating of 3 stars for the 3-year period, rated against 901 funds; 4 stars for the 5-year period, rated against 769 funds; and 4 stars for the 10-year period, rated against 564 funds. Ratings are for Institutional share class. Other classes may have different performance characteristics. **3 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.

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