

Global Allocation Fund

BlackRock®

INST: MALOX • A: MDLOX • C: MCLOX • K: MKLOX

★★★★★ Morningstar Overall Rating™ (Inst)  Silver

Performance: The fund generated a positive return but underperformed its reference benchmark in March as expectations of a rapidly improving economy pressured the long end of the Treasury curve and growth-oriented sectors.

▲ **Contributors:** Security selection in materials; broad underweight to fixed income; overweight to the U.S. dollar.

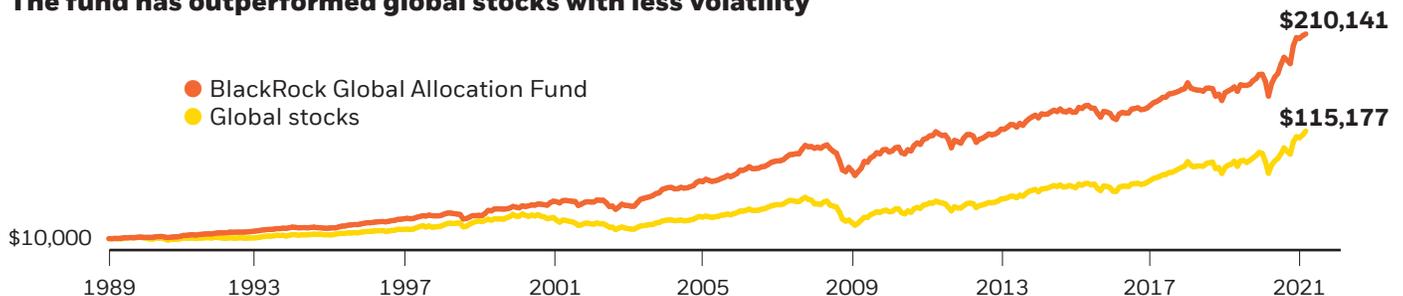
▼ **Detractors:** Selection/overweight in technology; selection in consumer discretionary and communication services; cash.

Positioning: Given the supportive macro backdrop, we maintain an overweight to equities, exposure to credit for income, and a diversified portfolio of hedges to manage the overall risk profile.

▲ **Increased:** Energy, materials and financial stocks; securitized assets; cash; U.S. dollar.

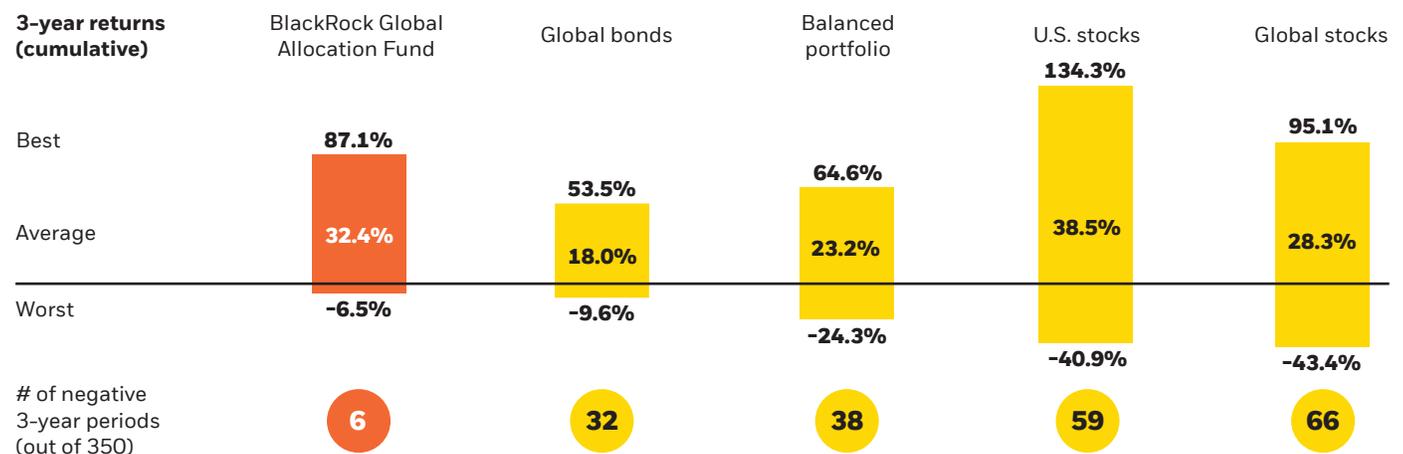
▼ **Decreased:** Health care and Information technology stocks; portfolio duration (interest rate sensitivity); high yield credit.

The fund has 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: 9.78% and global stocks: 15.28%.

A history of competitive performance and limited drawdowns



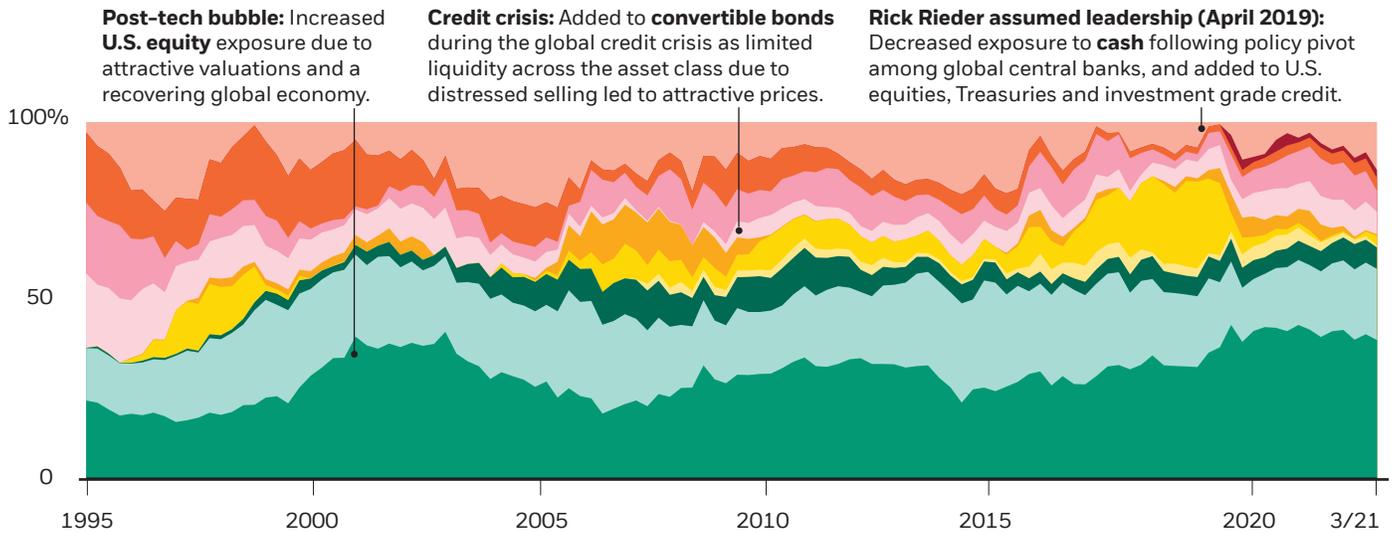
Source: BlackRock, Bloomberg, Morningstar. Cumulative 3-year returns from first month after fund inception (2/3/89). Asset classes represented by FTSE World Gov't Bond Index, S&P 500 Index, FTSE World Index. Balanced portfolio is 60% Morningstar World Large Stock category and 40% Morningstar World Bond category, rebalanced quarterly. All data as of 3/31/21. **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.)¹

The overall Morningstar rating of 5 stars pertains to the fund's Institutional shares, rated against 400 funds in the World Allocation category as of 3/31/21. 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.²

Flexibility in practice: adapting as markets change



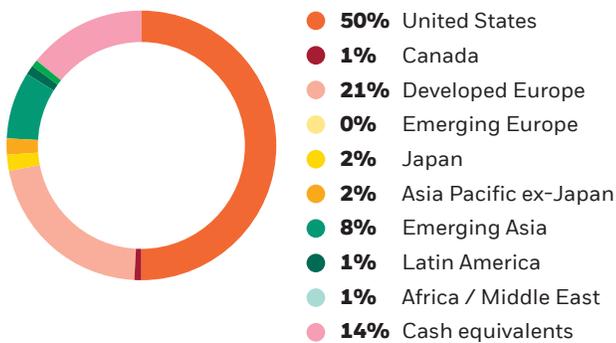
	As of 3/31	Over/under	Historical range		As of 3/31	Over/under	Historical range
U.S. equities	38.9%	▲	15 - 45%	U.S. TIPS	0.4%	▲	0 - 15%
Developed equities ex-U.S.	19.9%	▼	10 - 35%	U.S. credit	6.0%	▲	0 - 25%
Emerging market equities	6.0%	▲	0 - 15%	Non-U.S. sovereign debt	5.8%	▼	0 - 25%
Commodity-related	0.6%	▲	0 - 5%	Non-U.S. credit	3.5%	▲	0 - 25%
Treasuries, agencies & munis	2.7%	▼	0 - 25%	Securitized debt	2.3%	▲	0 - 5%
				Cash equivalents	13.9%	▲	0 - 30%

Asset allocation mix for the month ended March 31, 2021 has been restated to reflect the classification of convertible bonds as equity (rather than fixed income as previously stated for such period).

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

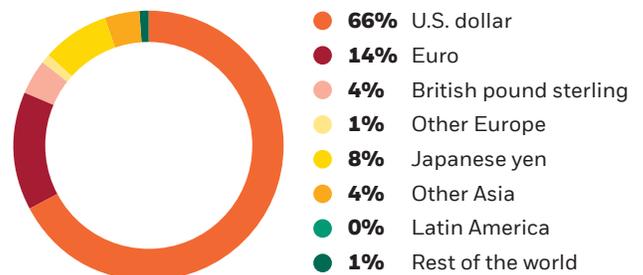


Largest change this month:

United States ▼ from 53% to 50% of assets.

Currency allocation

% of net assets



Largest change this month:

U.S. Dollar ▲ from 64% to 66% of assets.

All data as of 3/31/21.

Our views on the market and portfolio positioning

Since November, several related themes have dominated the market: a remarkably quick vaccine effort, layer-upon-layer of fiscal stimulus, growing fears of inflation and higher interest rates. Against this backdrop, investors have rotated from secular growth companies to high-beta (market sensitive), more cyclical and lower quality value stocks. Going forward, we would advocate exposure to more cyclical market segments while trimming high-beta and lower quality names.

While the value rally continues, it is sputtering in the more speculative corners of the style. Small cap value can be used as a proxy on exposure to cheap stocks and volatility. During the period from early November through mid-February, small cap value gained roughly 40%, nearly double the broader market. However, since mid-March, small cap value stocks are down while large cap value continues to advance. There are several factors at work, but one contributor is almost certainly the volatility inherent in small cap names — with the 30-day volatility on small cap value roughly 60% higher than large cap value.

Another important theme in today's market is earnings momentum. Unlike last year when earnings multiples surged, this year's gains are being driven by earnings growth. Companies witnessing positive analyst earnings revisions are more likely to lead going forward. While this bull market is barely a year old, with major averages more than 80% above the 2020 lows, we are no longer in the first stage. As the bull market matures, chasing volatility may be less rewarding. Instead, a focus on cyclical exposure, a reasonable price and an ability to drive earnings growth may prove beneficial going forward.

We believe markets are transitioning into a new regime characterized by a recognition of the potential for robust economic growth and broader implications for the eventual withdrawal of ongoing liquidity support. Within the fund's equity allocation, we are emphasizing growth/quality paired with cyclical exposure, with a

preference for stocks and segments with above-average profitability and earnings consistency. In line with our desire to lean into cyclical expressions given the expectation for robust economic growth in the coming months, we added to select companies across energy, materials and financials. Outside of traditional cyclical exposure, we have reoriented sector exposure to be closer tied to consumer spending. This would include an emphasis on payment companies within technology as well as direct consumer plays within home builders and select apparel companies in consumer discretionary. We remain underweight defensive sectors, such as consumer staples and real estate, whose low growth rates and relatively high dividends could cause them to underperform the broader market if the global economy accelerates rapidly and bond yields continue to rise.



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 3/31/21

	1 Month (not annualized)	YTD (not annualized)	1 Year	3 Years	5 Years	10 Years	Since inception ³
Institutional	0.82	1.75	40.63	10.45	9.77	6.62	9.91
Investor A (Without Sales Charge) ⁴	0.78	1.67	40.26	10.13	9.47	6.32	9.63
Investor A (With Sales Charge) ⁴	-4.51	-3.67	32.90	8.17	8.30	5.75	9.44
FTSE World Index ⁵	3.36	5.06	55.70	12.85	13.84	9.97	-
Morningstar World Allocation Avg.	2.01	3.64	33.64	6.43	7.60	5.55	-
Reference Benchmark ⁶	1.61	1.56	30.86	9.26	9.28	7.36	-

Total returns (annualized) as of 3/31/21 for Institutional shares: 1 Yr, 40.63%; 5 Yrs, 9.77%; 10 Yrs, 6.62%; Since Inception, 9.91%; for Investor A shares without/with maximum sales charge: 1 Yr, 40.26%/32.90%; 5 Yrs, 9.47%/8.30%; 10 Yrs, 6.32%/5.75%; Since Inception, 9.63%/9.44%.

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. For current month-end returns visit www.blackrock.com. 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%/1.15%; Net, Including Investment-Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses): **0.83%/1.10%**. Institutional and Investor A have contractual waivers with an end date of 2/28/22, 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: 0.80%/1.07%.**

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 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 March 31, 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 risk 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 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.** **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 World Allocation category, the fund received a Morningstar Rating of 5 stars for the 3-year period, rated against 400 funds; 5 stars for the 5-year period, rated against 351 funds; and 4 stars for the 10-year period, rated against 224 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 (10/21/94) 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 36% S&P 500 Index, 24% FTSE World (ex-US) Index, 24% ICE BofAML Current 5-Year U.S. Treasury Index and 16% FTSE Non-US. Dollar World Government Bond Index. S&P 500 Index comprises large-capitalization U.S. equities. FTSE World (ex-US) Index comprises world equities, ex-US. ICE BofAML 5-year U.S. Treasury Bond Index tracks the 5-year U.S. Treasury bond. FTSE Non-US. Dollar World Government Bond Index tracks government bond indices, ex-US.

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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