Multi-Asset Income Fund

BlackRock

INST: BIICX • A: BAICX • C: BCICX

Bronze

Analyst-Driven %[2]
100
Data-Coverage %[2]
100

Performance: April was a challenging month for markets with negative returns across both equities and bonds thanks to sticky inflation and fears of more hawkish Fed policy. The fund delivered negative returns against this backdrop.

▲ **Contributors:** Collateralized Loan Obligations (“CLOs”), commercial real estate, cash and FX hedging.

▼ **Detractors:** Detractors: Duration positioning, US equities, covered calls, infrastructure equities, REITs, high yield bonds.

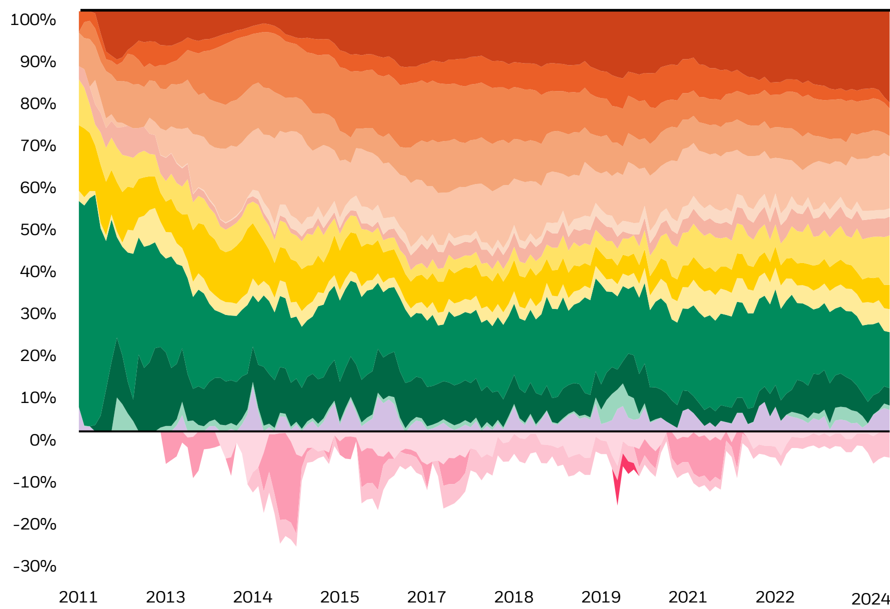
Positioning: As a continuation of our March positioning changes, we modestly added further to floating rate assets via high quality CLOs while trimming areas of credit where we believe upside is more limited.

▲ **Increased:** CLOs, bank loans.

▼ **Decreased:** Commercial real estate, non-agency mortgages.

Tactical asset allocation in action

As of April 30, the fund’s overall allocation was 53% fixed income, 42% equity and 5% cash.



	As of 04/30	Historical High	Historical Low	Apr yield contr.
Bank loans/CLOs	**22%**	22%	0%	**24%**
EM debt	**1**	8	1	**1**
Non-agency/CMBS	**7**	16	0	**7**
Preferred stock	**5**	12	5	**5**
Covered calls	**12**	21	0	**25**
Global REITs	**2**	4	0	**1**
Infrastructure equity	**4**	7	0	**2**
U.S. dividend equity	**12**	11	3	**4**
Intl dividend equity	**6**	16	4	**3**
EM dividend equity	**5**	8	1	**3**
High yield	**13**	55	12	**14**
Inv grade bonds	**4**	20	0	**3**
Agency/Govt	**1**	8	0	**1**
Cash	**5**	11	0	**7**
Equity hedges	**0**	-13	0	**–**
Interest rate hedges	**0**	-21	0	**–**
Currency hedges	**-6**	-7	0	**–**
Credit hedges	**0**	-6	0	**–**

Values may not equal 100% due to rounding. Asset class exposure shown as a percent of market value. Hedging strategies shown as a percent of notional value and only include short positions.

30-day SEC yield as of 04/30/24	Institutional	Investor A	Investor C	Effective duration
Subsidized	**6.33%**	**5.75%**	**5.31%**	**2.48 years**
Unsubsidized	**6.21%**	**5.65%**	**5.19%**	

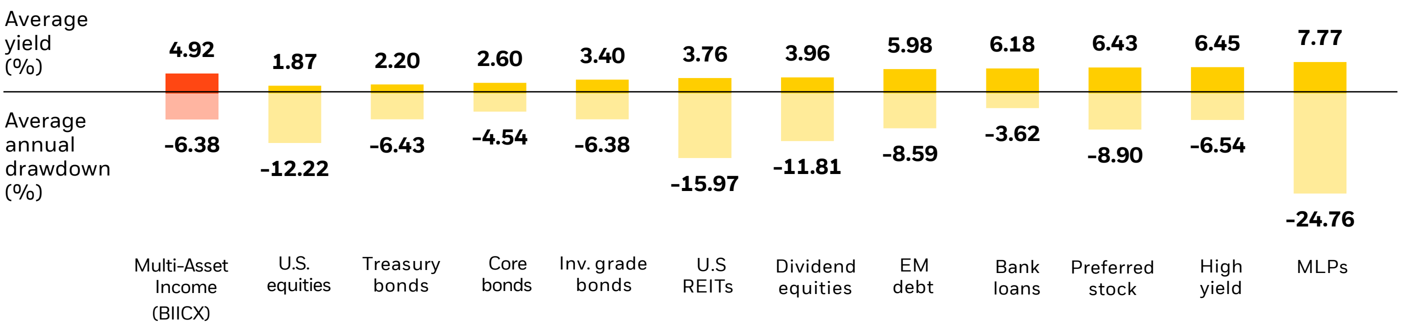
30-day SEC Yield reflects the income earned by an investor in the fund during a 30-day period after deducting the fund’s expenses. Unsubsidized SEC Yield represents what a fund’s 30-day SEC Yield would have been had no fee waiver or expense reimbursement been in place over the period. ***Institutional shares may not be available to all investors. 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. Refer to blackrock.com for most recent month-end performance.*

Morningstar has awarded the fund’s Institutional share class a Bronze medal (Last rating 05/03/24.)[1]

BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings.

High yield and less downside

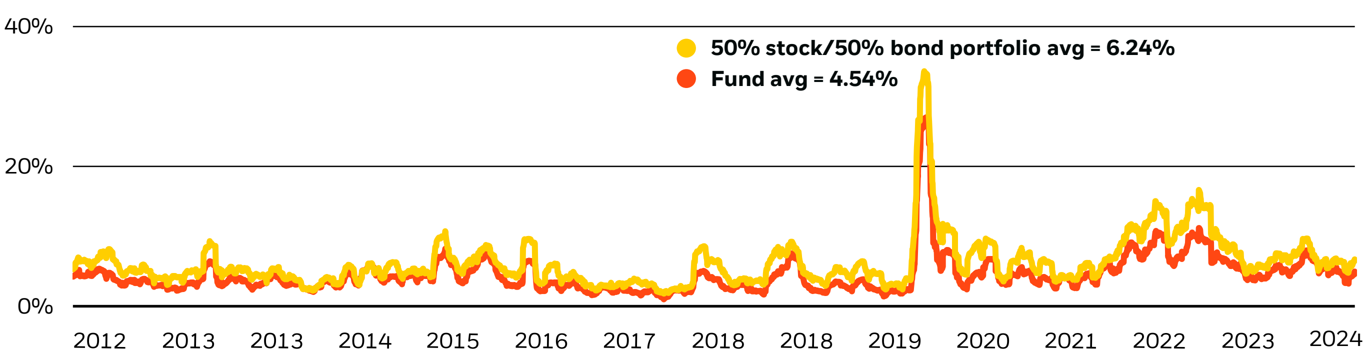
The fund has provided a competitive yield while managing risk to limit losses during periods of market stress.



Source: Morningstar and Bloomberg. Since strategy inception (11/28/11) through 04/30/24. For illustrative purposes only. **Data represents past performance and is no guarantee of future results.** Yield data based on month-end numbers. Fund yield represented by average 30-Day SEC Yield (subsidized). Index yields are shown for illustrative purposes only and do not predict or depict the yield of any BlackRock fund. Yields for the various asset class indices have material differences including investment objectives, liquidity, safety, guarantees of insurance, fluctuation of principal or return and tax features. Fixed income yields represented by yield-to-worst; equity yields by 12-month dividend yield; MLP yield consists primarily of return of capital, which reduces the investor's adjusted cost basis, the composition of which varies based on income, expenses, depreciation and tax elections made by the MLP based on each investor's share of the MLP's income, expenses, gains and losses. Average annual drawdown is the average of the largest declines in value from peak to trough during each of the following calendar years: 2012-2024 YTD. **Represented Indices: Treasury bonds,** Bloomberg U.S. 7-10 Year Treasury Bond Index; **Core bonds,** Bloomberg U.S. Aggregate Bond Index; **Inv. grade debt,** Bloomberg U.S. Corporate Bond Index; **High yield bonds,** Bloomberg HY 2% Issuer Capped Index; **EM debt,** JP Morgan Emerging Market Bond Index Global; **Bank loans,** S&P Leveraged Loan Index; **U.S. equities,** S&P 500 Index; **Dividend equities,** MSCI World High Dividend Yield Index; **Preferred stock,** S&P U.S. Preferred Stock Index; **U.S. REITs,** FTSE NAREIT Equity REIT Index; **MLPs,** Alerian MLP Index.

Lower volatility than a 50% stock/50% bond portfolio

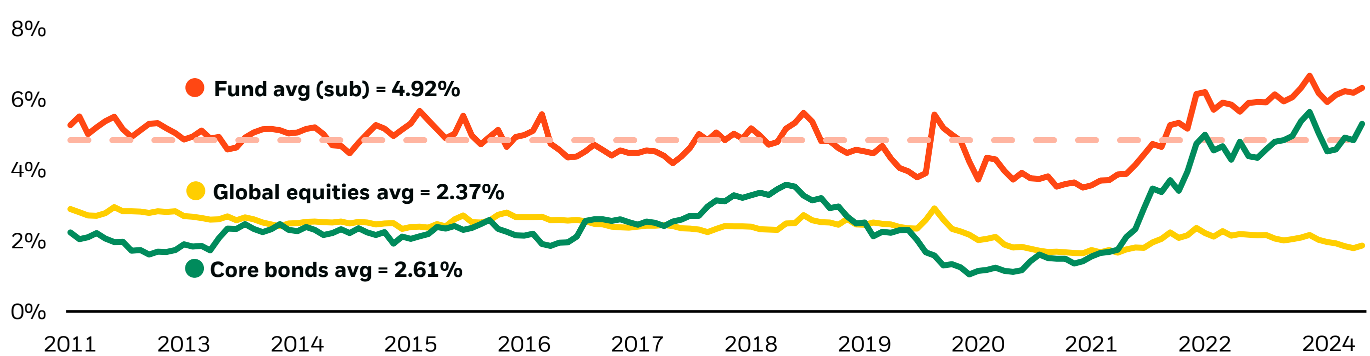
The fund pursues a lower level of risk than a portfolio comprised of 50% stocks and 50% bonds.



Source: Morningstar. Estimated 30-day standard deviation based on daily returns. 50% stock/50% bond portfolio represented by 50% MSCI World Index/50% Bloomberg U.S. Aggregate Bond Index. Standard deviation measures the volatility of returns. Higher deviation represents higher volatility.

Consistent monthly yield

Since inception of the strategy, the fund has provided a consistent and compelling level of monthly income.

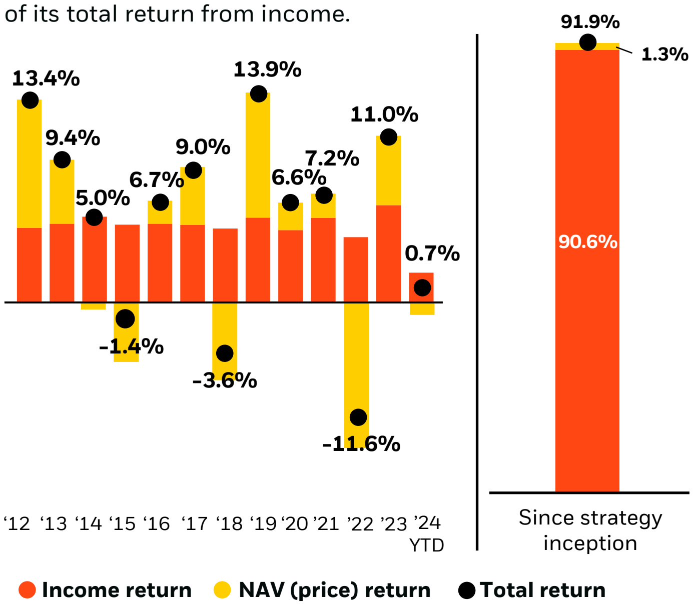


Source: Morningstar and Bloomberg. Fund yield is 30-day SEC yield (subsidized), Institutional share class. Core bonds: Bloomberg U.S. Aggregate Bond Index. Global equities: MSCI World Index.

All data as of 04/30/24.

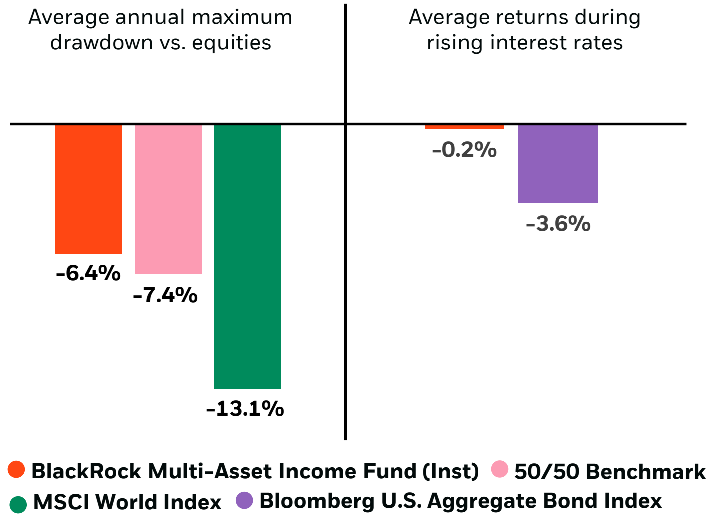
Historical return composition

The fund has consistently generated a significant portion of its total return from income.



Source: Bloomberg. Since strategy inception (11/28/11) through 04/30/24.

Performance during market downturns



Source: Morningstar and Bloomberg. Since strategy inception (11/28/11) through 04/30/24. Average annual drawdown is the average of the largest declines in value from peak to trough during each of the calendar years 2012–2023. Rising rate periods include the average of returns during periods with at least a 40-basis point (0.40%) increase in 10-year Treasury from start date to end date within a 90-day rolling window (not including March 2020 which is represented in equity-sell off).

Our views on the market and portfolio positioning

Alex Shingler, *Portfolio Manager*
Co-Head Income Team, Multi-Asset Strategies & Solutions

Justin Christofel, *Portfolio Manager*
Co-Head Income Team, Multi-Asset Strategies & Solutions

Concerns about persistent inflation, strong growth data and an increased likelihood of a higher-for-longer interest rate environment led to a pullback in global stock and bond markets in April. The selloff broke a 5-month run of consecutive positive returns for the S&P 500, though the index has rebounded from the April lows to start off May. Meanwhile, the 10-year U.S. Treasury rose from 4.2% at the end of March to 4.7% at the end of April and the 2-year U.S. Treasury yield closed above 5%, resulting in the worst monthly returns for government bonds of 2024 thus far. High yield bonds held in relatively well given their lower duration profile but were not immune to downside either while floating rate assets like bank loans and CLOS proved an effective diversifier and delivered modestly positive results.

From a macro perspective, the ISM manufacturing survey, which was released at the beginning of the month, surprised many by entering expansionary territory for the first time since October 2022. Shortly thereafter, the US jobs report showed nonfarm payrolls increasing by over 300,000 in March, well above many street estimates. To add fuel to the fire, a few days later U.S. CPI also came in hot. Taken in combination, this string of strong data led to investor concerns not just about the Fed's ability to cut rates but the potential risk of an interest rate hike this year. However, Chair Powell quelled these fears at his early May press conference by underscoring the Fed's view that rate hikes are likely off the table, though cuts may not come as soon as initially anticipated. All of this rate uncertainty supports our preference for being judicious with portfolio interest rate risk and adding to floating rate assets this year.

Geopolitical tensions also climbed during the month amidst Iran and Israel trading drone and missile attacks. Oil prices were most impacted by this news with Brent crude prices peaking at $92, though they have since come down in May. This instability resulted in the VIX reaching its highest level of the year, making it an increasingly attractive environment for covered call writing as option premiums generally rise alongside rising volatility.

Meanwhile, we saw strong corporate earnings help offset some of the pressure from higher rates and geopolitical uncertainty. Q1 earnings have thus far showed tech and Artificial Intelligence ("AI") beneficiaries keeping up their robust growth, while other sectors are also seeing recoveries. Therefore, we retain our more positive outlook on risk assets. Specifically, we maintain our preference for dividend stocks over corporate credit to generate further price return. Dividend stock valuations remain depressed relative to broader markets, whereas credit spreads are at multi-year tights making these markets less attractive from a price upside standpoint. That said, when it comes to generating income, we continue to think that corporate credit with all-in yields ranging from 5.5-8% continues to be a powerful return driver for investors.

Average annual total returns (%) as of 04/30/24

	1 Month (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Year	10 Year	Strategy 11/28/11
Institutional	-1.88	0.67	6.69	0.61	3.53	3.75	5.49
Investor A (Without Sales Charge)	-1.91	0.59	6.53	0.36	3.28	3.49	5.22
Investor A (With Sales Charge)	-7.06	-4.69	0.94	-1.43	2.17	2.93	4.77
Investor C (Without Sales Charge)	-1.87	0.44	5.74	-0.37	2.50	2.88	4.72
Investor C (With Sales Charge)	-2.85	-0.55	4.74	-0.37	2.50	2.88	4.72
50% MSCI World/50% Bloomberg U.S. Aggregate Bond[3]	-3.12	0.75	8.17	1.15	5.36	5.22	6.49

Annualized total returns as of 03/31/24 for Inst. shares: 1 year, 10.40%; 5 years, 4.16%; 10 years, 4.08%; for Inv A shares without/with maximum sales charge: 1 year, 10.13%/4.35%; 5 years, 3.90%/2.78%; 10 years, 3.82%/3.26%; for Inv C shares without/with maximum sales charge: 1 year, 9.21%/8.21%; 5 years, 3.12%/3.12%; 10 years, 3.20%/3.20%.

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. Returns with sales charge reflect the deduction of applicable contingent deferred sales charge (CDSC) for Investor C shares. The maximum CDSC of 1% for Investor C shares is reduced to 0% after 1 year. See prospectus for details. *Investment returns reflect total fund operating expenses, net of all fees, waivers and/or reimbursements. Expenses, as stated in the fund's most recent prospectus, for Institutional/Inv A shares/Inv C shares of* ***Multi-Asset Income Fund****: Total,* ***0.68%/0.91%/1.69%;*** *Net, Including Investment-Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses):* ***0.57%/0.82%/1.57%****. All share classes have contractual waivers with an end date of 06/30/25 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/Inv A shares/Inv C shares: 0.55%/0.80%/1.55%.*

Important risks: *The fund is actively managed and its characteristics will vary. The fund may invest significantly in BlackRock equity and/or fixed income mutual funds ("underlying funds") and affiliated and unaffiliated ETFs. 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 political risks, 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. Non-diversification of investments means that more assets are potentially invested in fewer securities than if investments were diversified, so risk is increased because each investment has a greater effect on performance. 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. Negative weightings may result from the use of leverage. Leverage involves the use of various financial instruments or borrowed capital in an attempt to increase investment return. Leverage risks include potential for higher volatility, greater decline of the fund's net asset value and fluctuations of dividends and distributions paid by the fund.*

The opinions expressed are those of the fund's portfolio management team as of April 30, 2024, 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 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 the Medalist Ratings, including their methodology, please go to http://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 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. **2** 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. **3 MSCI World Index** is a market capitalization-weighted index that represents the performance of developed market equities; **Bloomberg U.S. Aggregate Bond Index** represents the performance of the total U.S. investment grade bond market**.**

Must be preceded or accompanied by a prospectus.

Prepared by BlackRock Investments, LLC, member FINRA.

Not FDIC Insured • May Lose Value • No Bank Guarantee

Lit No. MAI-COM-0424