

## Inflation Protected Bond Fund

BlackRock Class: BPLBX

www.blackrock.com

### Fund Highlights

- **High-Quality Inflation Protection:** Treasury Inflation-Protected Securities (TIPS) can offer a hedge against inflation through high-quality, government-issued securities
- **A Distinct Portfolio Diversifier:** TIPS demonstrate low correlation to other fixed income asset classes, making them ideal diversifiers for most portfolios
- **Active Management Expertise:** The team creates a portfolio of TIPS across varying maturities, carefully determining proper maturity weightings and yield-curve positioning

### Portfolio Management

Brian Weinstein      Martin Hegarty

### Size of Fund

\$4.8 B

### Minimum Initial Investment

\$5 Million

### BlackRock Share Class Highlights

- Investment philosophy and discipline identical to that of separately managed accounts at BlackRock
- Substantially more diversification than is possible in a separate account of equivalent size
- Daily Liquidity: subscriptions and redemptions received by 4:00 p.m. EST processed at that day's NAV

### % Average Annual Total Returns (3/31/13)<sup>1</sup>

Without Sales Charge	1 Year	3 Years	5 Years	10 Years	Inception
BlackRock Class	5.33	8.02	5.94	—	6.91
Lipper Avg.	4.74	7.38	4.89	—	—
Morningstar Avg.	4.78	7.27	4.91	—	—
Barclays US TIPS Index <sup>2</sup>	5.68	8.56	5.89	—	—

### % Calendar Year Returns<sup>1</sup>

	2008	2009	2010	2011	2012	YTD	1Q13
BlackRock Class	0.58	10.66	6.33	11.95	7.08	-0.42	-0.42
Lipper Avg.	-3.66	10.55	5.87	11.01	6.43	-0.35	-0.35
Morningstar Avg.	-4.08	10.88	5.94	10.93	6.45	-0.32	-0.32
Barclays US TIPS Index <sup>2</sup>	-2.35	11.41	6.31	13.56	6.98	-0.36	-0.36

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. Current performance may be lower or higher than that shown. All returns assume reinvestment of all dividend and capital gain distributions. Refer to [www.blackrock.com](http://www.blackrock.com) for current month-end performance. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

### Distributions (Dollar/Share)

	2010	2011	2012	Jan 13	Feb 13	Mar 13	NAV (3/31)
BlackRock Class	0.21	0.43	0.22	0.00	0.00	0.00	11.79

### Sector Allocation

	(% of Net Assets)		(% of Net Assets)
2013-2015 TIPS	23.8	Sovereign	1.1
2016-2020 TIPS	23.5	Non-Agency Mortgages	0.5
2021-2025 TIPS	20.4	Commercial Mortgages	0.3
2026-2032 TIPS	19.5	Investment-Grade Credit	0.1
2040-2042 TIPS	9.5	Cash/Cash Equivalents	-3.3
Treasuries	4.6	—	—

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.

### Lipper Classification

Inflation Protected Bond Funds

### Morningstar Category

Inflation-Protected Bond

### Overall Morningstar Rating™ — BlackRock Class



Rated against 179 Inflation-Protected Bond Funds, as of 3/31/13, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.<sup>††</sup>

### Objective

Seeks to maximize real return, consistent with preservation of real capital and prudent investment management.

### Portfolio Statistics

	Fund	Benchmark <sup>2</sup>
Inception Date	6/28/04	3/1/97
Number of Holdings	135	28
Weighted Avg. Life	9.55 yrs	9.13 yrs
Effective Duration	7.49 yrs	8.17 yrs
Dividend Frequency	Monthly	—

Holdings include all equity and fixed income positions including derivatives but excluding cash.

### Annual Operating Expenses (% of Assets)

	Total	Net
BlackRock Class	0.48	0.32

Expenses stated as of the fund's most recent prospectus. Net operating expenses exclude investment interest expenses, acquired fund fees and certain other fund expenses net of all waivers. BlackRock Class shares have a contractual waiver with an end date of 2/1/14 terminable upon 90 days notice.

## Lipper and Morningstar Rankings (3/31/13)

Lipper Rankings					Quartile Rankings			
	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
BlackRock Class	58	55	14	—	2	2	1	—
	Out of 180	Out of 153	Out of 124	—				
Morningstar Rankings					Quartile Rankings			
BlackRock Class	56	60	18	—	2	2	1	—
	Out of 197	Out of 179	Out of 147	—				

Lipper Category: Inflation Protected Bond Funds. As of 3/31/13 and may not accurately represent the current composition of the portfolio. All share classes of the fund are invested in a common portfolio. Lipper rankings are based on total return excluding sales charges. Morningstar Category: Inflation-Protected Bond.

## Credit Quality (% of Net Assets)

A	BBB	BB & Below	Government
0.3	1.1	0.5	98.1

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.

## Risk Measures (3-year)<sup>3</sup>

	Fund	Benchmark <sup>2</sup>
Standard Deviation	3.92%	4.32%
Beta	0.90	1.00
R-Squared	97.79%	—
Sharpe Ratio	1.97	1.90

## Yield (%)

Standardized 30-day SEC yield as of 3/31/13

	SEC Yield
BlackRock Class	0.73

The fund's 30-Day SEC Yield is adjusted daily based on changes in the rate of inflation, as provided by the Department of Labor schedule that reflects how the monthly Consumer Price Index (CPI) is accrued daily. An exceptionally high 30-Day SEC yield may be attributable to a rise in the inflation rate, which might not be repeated. A low yield or negative yield may be reflected as inflations falls.

**Important Risks:** The fund is actively managed and its characteristics will vary. Holdings shown should not be deemed as a recommendation to buy or sell securities. 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. Principal of mortgage- or asset-backed securities normally may be prepaid at any time, reducing the yield and market value of those securities. Obligations of US gov't agencies are supported by varying degrees of credit but generally are not backed by the full faith and credit of the US gov't. 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. 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. If the index measuring inflation falls, the principal value of inflation-indexed bonds will go down and the interest payable will be reduced. Any increase in the principal amount will be considered taxable ordinary income. Repayment of the original bond principal upon maturity (adjusted for inflation) is guaranteed for US Treasury inflation-indexed bonds. For bonds that do not provide a guarantee, the adjusted principal value repaid at maturity may be less than the original principal. 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.

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.

<sup>1</sup> BlackRock shares are offered to institutional investors, registered investment advisors, certain fee-based programs and qualified employee benefit plans. The minimum investment for the initial purchase is generally \$5,000,000. The minimum initial investment for registered investment advisors is \$250,000. There is no minimum initial requirement for certain fee-based programs. <sup>2</sup> The unmanaged Barclays US Treasury Inflation Protected Securities (TIPS) Index comprises US Treasury Inflation Linked Indexed securities. <sup>3</sup> Risk statistics are based on BlackRock class monthly returns for the 3-year period. Benchmark risk measures are calculated in relation to the Barclays US Treasury Inflation Protected Securities (TIPS) Index. **Standard Deviation** measures the volatility of the fund's returns. Higher deviation represents higher volatility. **Sharpe Ratio** uses a fund's standard deviation and its 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. **Beta** measures the fund's sensitivity to market movements; beta greater than 1 is more volatile than the market; beta less than 1 is less volatile than the market. **R-Squared** reflects the percentage of a fund's movements that are explained by movements in its benchmark, showing the degree of correlation between the fund and benchmark. This figure is helpful in assessing how likely it is that beta is statistically significant. **††** For each fund with a 3-year history, a Morningstar Rating™ is calculated based on risk-adjusted returns that account for variations in a fund's monthly performance (including sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds 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. [Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.] The fund was rated against the following numbers of US-domiciled Inflation-Protected Bond funds over the following time periods: 179 in the last 3 years and 147 in the last 5 years. With respect to these Inflation-Protected Bond funds, the fund received a Morningstar Rating of 3 and 4 stars for the 3- and 5-year periods, respectively. Other classes may have different performance characteristics.

FOR MORE INFORMATION: [www.blackrock.com](http://www.blackrock.com)

©2013 BlackRock, Inc. All Rights Reserved. BLACKROCK is a registered trademark of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

Prepared by BlackRock Investments, LLC, member FINRA.

**Not FDIC Insured • May Lose Value • No Bank Guarantee**