

# Attention: Mutual Fund Operations

For Back Office Personnel Only – Not for Distribution to the Public

June 7, 2016

## IMPORTANT UPDATE FROM BLACKROCK FUNDS – LIQUIDATION DETAILS ADDED TO PAGE 2

MRO#: 5882, Alpha Code: PG

Effective 4:00 p.m. (Eastern time) on Thursday, June 30, 2016 BlackRock Multi-Asset Real Return Fund (the “Fund”), a series of BlackRock Funds, will no longer accept orders from new investors or existing shareholders to purchase Fund shares. On or about July 8, 2016 (the “Liquidation Date”), all of the assets of the Fund will be liquidated completely, and the shares of any shareholders holding shares on the Liquidation Date will be redeemed at the net asset value per share. Shareholders may redeem their shares or exchange their shares into an appropriate class of shares of another fund advised by BlackRock Advisors, LLC or its affiliates at any time prior to the Liquidation Date.

Share Class	Fund Name	Fund #	Cusip	Symbol
Investor A	BlackRock Multi-Asset Real Return Fund	1863	091936575	BRRAX
Investor C	BlackRock Multi-Asset Real Return Fund	1864	091936567	BRRCX
Institutional	BlackRock Multi-Asset Real Return Fund	1865	091936559	BRRIX

Beginning June 1, 2016, the following updates to trails/commissions/CDSCs will take place:

Investor A shares - no finder’s fees will be assessed on purchases over \$1 million and all applicable contingent deferred sales charges will be waived. The 25 bps trail will continue to be paid.

Investor C shares – 1% indirect and all contingent deferred sales charges will be waived. The 100 bps trail will decrease to 25 bps (as noted below) and beginning June 1, 2016 will be immediately eligible for all existing positions as well as any new purchases made after that date.

Institutional shares – no changes.

Share Class	Service Fee	Original Distribution Fee	New Distribution Fee
Investor A	25 BPS	0 BPS	0 BPS
Investor C	25 BPS	75 BPS	0 BPS

Additional details regarding the liquidation are on the following page.

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- The Fund will begin processing redemptions on a T+1 settlement cycle on Friday, July 1, 2016.
- Thursday, July 7, 2016 is the last day that redemption and exchange out activity can be placed.
- All NSCC activity will be rejected on Friday, July 8, 2016.
- After the close of business on Friday, July 8, 2016 BNY Mellon Investment Servicing (US), Inc. will process the liquidation.
- On Friday, July 8, 2016 BlackRock Funds will provide a 4-digit NAV for the Fund liquidation.
- Shareholders of the Fund, on Liquidation Date, will receive a distribution (in cash) equal to the net asset value of the shares calculated on the Liquidation Date.
- ACATS and maintenance requests will be accepted up to the close of business on Wednesday, July 6, 2016.
- A NSCC F55 file will be sent on the morning of Monday, July 11, 2016. Transaction type will be '29' (fund closing liquidation). Cash disbursement indicator will be '0' (cash to firm) for network level 3 accounts and '6' (cash to trust) for trust networked accounts.
  - The fund initiated transaction will result in N75 settlement records with a settlement type of 'DRD', and a settlement indicator of 'A' (activity settlement).
- Cash is expected to settle in dealer accounts on Tuesday, July 12, 2016.

***If you have any questions, DTCC participant firms may contact BNY Mellon Broker Dealer Services at 1-877-332-2371. Fund related inquiries can be directed to BlackRock Dealer Services at 1-800-882-3302.***