



July 2, 2015

BlackRock MRO: # 5882, Alpha Code: PG

Re: Share Class Redesignation

Dear Distribution Partner,

Effective at the opening of business on September 1, 2015 all of the issued and outstanding BlackRock Shares of each Fund listed in the chart below will be redesignated as Class K Shares. CUSIPs and tickers will not change as a result of this update.

Fund #	Fund Name	Current Share Class	New Share Class	CUSIP	Ticker
305	BlackRock Core Bond Portfolio	BlackRock	Class K	091928689	CCBBX
899	BlackRock Emerging Markets Flexible Dynamic Bond Portfolio	BlackRock	Class K	09256H252	BREDX
351	BlackRock GNMA Portfolio	BlackRock	Class K	091929240	BBGPX
340	BlackRock High Yield Bond Portfolio	BlackRock	Class K	091929687	BRHYX
361	BlackRock Inflation Protected Bond Portfolio	BlackRock	Class K	091937755	BPLBX
428	BlackRock Investment Grade Bond Portfolio	BlackRock	Class K	091937193	BLDRX
316	BlackRock Low Duration Bond Portfolio	BlackRock	Class K	091928234	CLDBX
1845	BlackRock Short Obligations Fund	BlackRock	Class K	091936658	BBSOX
411	BlackRock Short-Term Municipal Fund	BlackRock	Class K	09253C793	MPLMX
442	BlackRock Total Return Fund	BlackRock	Class K	09252M743	MPHQX
1846	BlackRock Ultra-Short Obligations Fund	BlackRock	Class K	091936641	BBUSX

Note - The BlackRock Capital Appreciation Fund (cusip; 09251R602) and BlackRock National Municipal Fund (cusip; 09253C744) will maintain their existing BlackRock share class.

Effective on September 1, 2015 Class K share will be available to:

- Employer sponsored retirement plans (not including SEP IRAs, SIMPLE IRAs and SARSEPs);
- Collective trust funds, investment companies and other pooled investment vehicles, each of which may purchase shares of the Fund through a Financial Intermediary that has entered into an agreement with the Fund's distributor to purchase such shares ;
- Institutional Investors which include but are not limited to, endowments, foundations, family offices, local, city, and state governmental institutions, corporations and insurance company separate accounts, each of which may purchase shares of the Fund through a Financial Intermediary that has entered into an agreement with the Fund's distributor to



- purchase such shares;
- Any other investors who met the eligibility criteria for Class K Shares prior to September 1, 2015 and have continually held Class K Shares of the Fund in the same account since that date. Current shareholders of BlackRock shares will not be able to open new Class K accounts unless they meet the updated eligibility requirements.

Minimum Investment:

- \$5 million minimum initial investment for institutional investors;
- There will be no minimum initial investment for any employer sponsored retirement plans or any other eligible investors other than institutional investors;
- There is no minimum investment amount for additional purchases.

Should you have any questions about this update, please contact BlackRock Dealer Services at 800-882-3302.