

Attention: Mutual Fund Operations

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

July 12, 2016

IMPORTANT UPDATE FROM BLACKROCK FUNDS

MRO#: 5882, Alpha Code: PG

Effective at the opening of business on August 15, 2016 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.

Current Fund Name	Fund #	Current Share Class	New Share Class	Cusip	Symbol
BlackRock Capital Appreciation Fund	794	BlackRock	Class K	09251R602	BFGBX
BlackRock National Municipal Fund	1829	BlackRock	Class K	09253C744	BNMLX

Class K shares are 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 BlackRock Shares or Class K Shares prior to August 15, 2016 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.

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Minimum Investment:

- \$5 million minimum initial investment for institutional investors;
- There is 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.