

BLACKROCK®

August 7, 2011

Dear Shareholder,

Last week we reached out to you regarding steps BlackRock's cash management team had taken amid uncertainty over the increase of the debt ceiling and the possibility that the US government would be downgraded. Therefore, it was not entirely unexpected that on Friday evening, August 5, 2011, Standard and Poor's (S&P) announced a downgrade of the US government's sovereign rating one notch, from AAA to AA+. In order to help you understand how this affects your investment in BlackRock money market funds, we want to emphasize the following:

- The action by S&P affects long-term ratings only. Most important is that S&P has reaffirmed the short-term rating of A-1+, which is the relevant rating for money market funds. As a result, US government debt clearly still qualifies as First Tier, which is a regulatory requirement for all money market investments. We note that Moody's and Fitch have reaffirmed their AAA long-term rating of US sovereign debt.
- Since US government securities remain first tier investments, the AAA rating of applicable BlackRock money market funds is not in jeopardy. Therefore, we will not be forced sellers of US treasury or agency securities, nor will we be liquidating any positions other than for business as usual purposes. We will continue to purchase US government securities not only for our government only funds but also for prime funds when they represent better relative value than other sectors.
- Over the next week S&P is expected to announce rating changes of other securities impacted by the US Government downgrade, including certain municipal securities. However we expect only long-term ratings to be impacted. Similar to treasuries, any long-term action by S&P is not expected to impact short-term ratings and therefore the first tier status of these securities.
- Liquidity in BlackRock money market funds remains in excess of all regulatory requirements. Since headlines around the debt ceiling and possible downgrade surfaced months ago, BlackRock has taken on a more conservative portfolio management stance by shortening weighted average maturities of our money market funds and building liquidity.

We remain committed to a full and open dialog with our clients, especially during times of market uncertainty. BlackRock has prepared a firm-wide response to the US sovereign downgrade which we have included for your review. As a reminder, BlackRock will hold a global call with senior leaders tomorrow, August 8 at 11:00 am Eastern time. The invitation with dial-in instructions is attached.



Please do not hesitate to contact a BlackRock representative or your Financial Advisor with any questions or concerns.

Sincerely,

Simon Mendelson
Managing Director, BlackRock, Inc.

Richard Hoerner
Managing Director, BlackRock, Inc.

Co-Heads of Global Cash Management and Securities Lending

Opinions expressed are as of August 7, 2011 and are subject to change based on market and economic conditions and other factors. Past performance is no guarantee of future results; yields will fluctuate as market conditions change. Investments in money market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds. An investor should consider carefully the investment objectives, risks, and charges and expenses of the investment company, and prior to investing or sending money, obtain and carefully read the prospectus, which contains this and other information about the investment company. An investment in mutual fund shares involves certain risks, including the possible loss of principal. For more complete information regarding any of our money market funds, including charges and expenses, investors may obtain a prospectus from their BlackRock representative or Financial Advisor. BlackRock Funds are distributed by BlackRock Investments, LLC. Member FINRA, SIPC.

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