

# Capital Appreciation Fund

# BlackRock®

Inst: **MAFGX** A: **MDFGX** C: **MCFGX** R: **MFRGX**<sup>1</sup> K: **BFGBX**

## Commentary as of 03/31/24

- The fund posted returns of 13.79% (Institutional shares) and 13.70% (Investor A shares, without sales charge) for the first quarter of 2024.
- The largest contributor to relative performance was security selection in the information technology (IT), consumer discretionary, and industrials sectors. The largest detractor from relative returns was stock selection in the financials, communication services, and energy sectors.
- The largest exposures were in the IT, consumer discretionary, and health care sectors. During the quarter, the fund increased its allocations to the communication services and IT sectors, and reduced its positions in the health care and financials sectors.

Contributors	Detractors
The largest contributor was stock selection in the IT sector. Notably, an overweight exposure to the semiconductors & semiconductor equipment industry, and an underweight allocation to the technology hardware, storage & peripherals industry proved beneficial. In the consumer discretionary sector, an overweight exposure to the broadline retail industry boosted relative results. Lastly, in the industrials sector, stock selection in the aerospace & defense industry added value.	The largest detractor was stock selection in the financials sector. Notably, an overweight exposure to the capital markets industry dampened relative results, as did stock selection in the financial services industry. In the communication services sector, stock selection in the interactive media & services industry hindered performance. Investment decisions in the oil, gas & consumable fuels industry in the energy sector also detracted meaningfully.

## Further insight

U.S. equities continued their upward ascent during the quarter. A resilient domestic economy, underpinned by labor strength and consumer spending tailwinds, helped markets to shrug off “sticky” inflation, rises in U.S. Treasury yields, and scaled-back expectations for interest rate cuts. The gains have added to 2023’s lofty returns and it is important to note that the building blocks of long-term wealth creation remain constant. Whether in rising or falling markets, our focus is on understanding company business models, the durability of their competitive advantages, how effectively they translate revenues into cash flows/earnings, and the magnitude and duration of their potential growth. We believe this approach best positions us to assess the risks and rewards relative to the market’s expectations, while investing with a view that is rooted in fundamental conviction and focused on seeking long-term capital growth.

## Portfolio management

Lawrence Kemp

## Top 10 holdings (%)

Nvidia Corporation	10.72
Microsoft	10.00
Amazon.com	9.55
Apple	6.24
Intuit	4.01
Broadcom Inc	3.82
Visa	3.78
Meta Platforms Inc	3.60
Alphabet	3.55
ASML Holding	3.41

## Investment approach

Invests in a portfolio of equity securities that fund management believes have shown above-average growth rates in earnings over the long term.

## Average annual total returns (%) as of 3/31/24

	1Q24 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
<b>Institutional</b>	13.79	13.79	45.31	8.42	15.23	14.40
<b>Investor A (Without Sales Charge)</b>	13.70	13.70	44.95	8.14	14.94	14.10
<b>Investor A (With Sales Charge)</b>	7.74	7.74	37.34	6.21	13.71	13.48
<b>Russell 1000 Growth<sup>2</sup></b>	11.41	11.41	39.00	12.50	18.52	15.98

Expenses for Institutional shares: Total **0.73%**. For Investor A shares: Total **1.00%**. Data 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 dividends and capital gains. Refer to [www.blackrock.com](http://www.blackrock.com) for current month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 5.25% for Investor A shares. Institutional shares have no front- or back-end load. Institutional shares have limited availability and may be purchased at various minimums. See prospectus for details.

**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. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. Investing in mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. 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.

The opinions expressed are those of the fund's portfolio management team as of March 31, 2024, and may change as subsequent conditions vary. Information and opinions are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

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**1** Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details. **2** The Russell 1000 Growth Index comprises large- and mid-capitalization U.S. equities that exhibit growth characteristics.

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.

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