

iShares Municipal Bond Index Fund
Class K Shares | BIDKX
Annual Shareholder Report — December 31, 2024



This annual shareholder report contains important information about iShares Municipal Bond Index Fund (the “Fund”) for the period of January 1, 2024 to December 31, 2024. You can find additional information about the Fund at blackrock.com/fundreports. You can also request this information by contacting us at (800) 441-7762.

What were the Fund costs for the last year?
(based on a hypothetical \$10,000 investment)

Class name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Class K Shares	\$20	0.20%

How did the Fund perform last year?

- For the reporting period ended December 31, 2024, the Fund’s Class K Shares returned 1.25%.
- For the same period, the ICE BofA US Municipal Securities Index returned 1.58%.

What contributed to performance?

Municipal bonds posted a narrow gain in 2024, with the benefit of income outweighing weakness in prices. For most of the year, municipal bonds performed reasonably well on expectations for interest-rate cuts by the U.S. Federal Reserve (“Fed”). The central bank indeed began its long-awaited interest rate cuts in the autumn, with a half-point reduction in September 2024 and subsequent quarter-point cuts in November and December. However, continued strength in U.S. economic growth, together with concerns about stubborn inflation and hawkish commentary from Fed Chair Jerome Powell following the December meeting, fueled a late sell-off that erased much of the gains achieved in the first 11 months of the year. Municipals outperformed U.S. Treasuries, as strong investor demand and the continued health of state and local government finances caused yield spreads to tighten.

The transportation, tax-backed, and utility sectors delivered the strongest absolute returns in the annual period. In terms of credit tiers, AA rated securities produced the best performance, followed by those rated A and AAA.

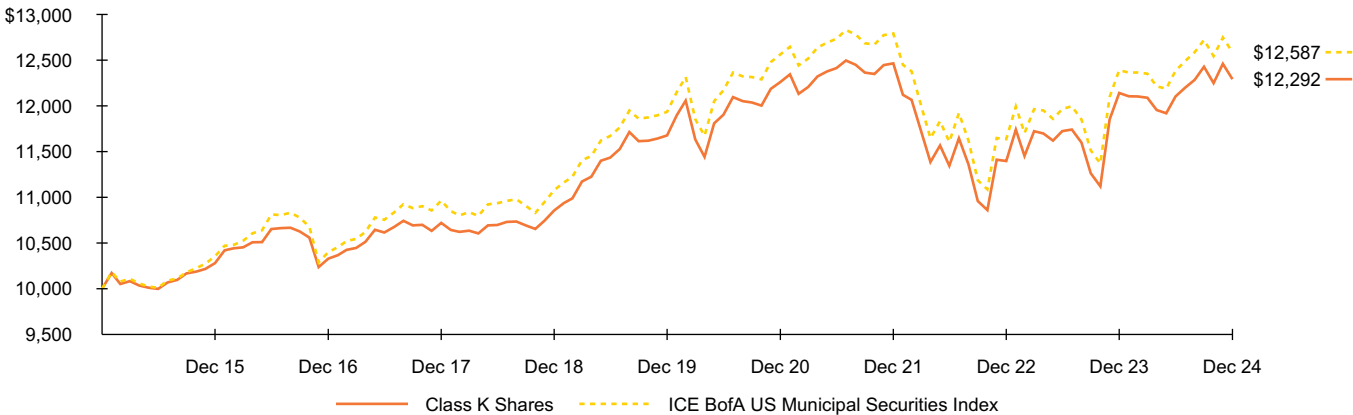
What detracted from performance?

Corporate-backed and housing bonds finished with negative absolute returns, as did those in the 8- to 12-year maturity range. No rating class detracted from performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund performance

Cumulative performance: January 1, 2015 through December 31, 2024
Initial investment of \$10,000



See “Average annual total returns” for additional information on fund performance.

Average annual total returns			
	1 Year	5 Years	10 Years
Class K Shares	1.25%	1.03%	2.09%
ICE BofA US Municipal Securities Index	1.58	1.07	2.33

Key Fund statistics	
Net Assets	\$233,615,251
Number of Portfolio Holdings	298
Net Investment Advisory Fees	\$158,610
Portfolio Turnover Rate	37%

On November 19, 2018, the Fund acquired all of the assets and assumed certain stated liabilities of the State Farm Tax Advantaged Bond Fund (the "Predecessor Fund"), a series of State Farm Mutual Fund Trust, through a tax-free reorganization (the "Reorganization"). The Predecessor Fund is the performance and accounting survivor of the Reorganization; accordingly the Fund assumed the performance and financial history of the Predecessor Fund upon completion of the Reorganization.

Performance shown prior to the Class K Shares inception date of November 19, 2018 is that of Investor A Shares, which reflect the performance of Premier Shares of the Predecessor Fund. The performance of Class K Shares would be substantially similar to Investor A Shares because Class K Shares and Investor A Shares invest in the same portfolio of securities and performance would only differ to the extent that Class K Shares and Investor A Shares have different expenses. The actual returns of Class K Shares would have been higher than those of the Investor A Shares because Class K Shares have lower expenses than the Investor A Shares.

Past performance is not an indication of future results. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. Visit [blackrock.com](https://www.blackrock.com) for more recent performance information.

What did the Fund invest in?

(as of December 31, 2024)

Sector allocation		Credit quality allocation	
Sector ^(a)	Percent of Total Investments ^(b)	Credit Rating ^(c)	Percent of Total Investments ^(b)
Transportation	33.3%	AAA/Aaa	10.2%
State	18.4	AA/Aa	57.3
County/City/Special District/School District	14.7	A	25.4
Utilities	10.8	BBB/Baa	6.8
Corporate	7.4	N/R	0.3
Health	6.6		
Housing	4.9		
Education	3.9		

^(a) For purposes of this report, sector sub-classifications may differ from those utilized by the Fund for compliance purposes.

^(b) Excludes short-term securities.

^(c) For purposes of this report, credit quality ratings shown above reflect the highest rating assigned by either S&P Global Ratings or Moody's Investors Service, Inc. if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

Additional information

If you wish to view additional information about the Fund, including but not limited to financial statements, the Fund's prospectus, and proxy voting policies and procedures, please visit [blackrock.com/fundreports](https://www.blackrock.com/fundreports). For proxy voting records, visit [blackrock.com/proxyrecords](https://www.blackrock.com/proxyrecords).

Householding

The Fund will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Fund at (800) 441-7762.

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