

**iShares Russell Small/Mid-Cap Index Fund**  
**Investor A Shares | BSMAX**  
**Annual Shareholder Report — July 31, 2025**

**BlackRock**

This annual shareholder report contains important information about iShares Russell Small/Mid-Cap Index Fund (the "Fund") for the period of August 1, 2024 to July 31, 2025. You can find additional information about the Fund at [blackrock.com/fundreports](http://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 |
|-------------------|--------------------------------|---|
| Investor A Shares | \$38                           | 0.37%   |

**How did the Fund perform last year?**

- For the reporting period ended July 31, 2025, the Fund's Investor A Shares returned 3.99%.
- For the same period, the Russell 3000® Index returned 15.68% and the Russell 2500™ Index returned 4.28%.

In the third quarter of 2024, a mix of optimism and caution characterized the U.S. equity markets. A weaker than expected Consumer Price Index ("CPI") print in July 2024 led to a confident first month of the quarter, extending the bull market of the first two quarters. However, a lower-than-expected jobs report in August increased concerns about an economic slowdown in the United States. This led to a temporary sell-off in the second month of the quarter, as anxiety emerged that The Federal Reserve's ("the Fed") rate hiking cycle was weighing on the economy more than intended. In their September 2024 meeting, the Federal Reserve Open Market Committee ("FOMC") lowered the Federal Funds rate by 50 basis-points, emphasizing their commitment to their dual mandate, which led to a rebound in U.S. equity markets, leading several indices to new all-time highs.

Domestic U.S. equities finished the fourth quarter 2024 in positive territory, despite a slight sell off in October and December. A strong November rally following Donald Trump's decisive reelection sent equity prices higher, especially presumed 'Trump Trades,' or sectors/companies that would benefit from the President's domestic economic agenda. The Fed cut rates by a combined 50 basis points across its November and December meetings, signaling continued progress in bringing inflation down to the 2% target. The FOMC revised its anticipated rate cut projections for 2025, from four to only two cuts, prompting a sell-off in December 2024 as investors processed expectations for stickier inflation. Chairman Powell highlighted that labor market conditions had generally eased, with the unemployment rate moving up but still low at 4.2% in November.

In the first quarter of 2025, domestic U.S. equities finished in negative territory as the U.S. administration pursued significant changes in global trade dynamics. A series of tariffs were announced and partially implemented, including reciprocal tariffs that mirrored those imposed on U.S. products by other countries. The economic uncertainty stemming from these tariffs led to a significant sell-off, causing the S&P 500 to briefly fall into correction territory in mid-March 2025. In January, the FOMC decided to maintain the interest rates within the target range of 4.25% to 4.5%. However, policymakers signaled that they still anticipated two rate cuts in 2025.

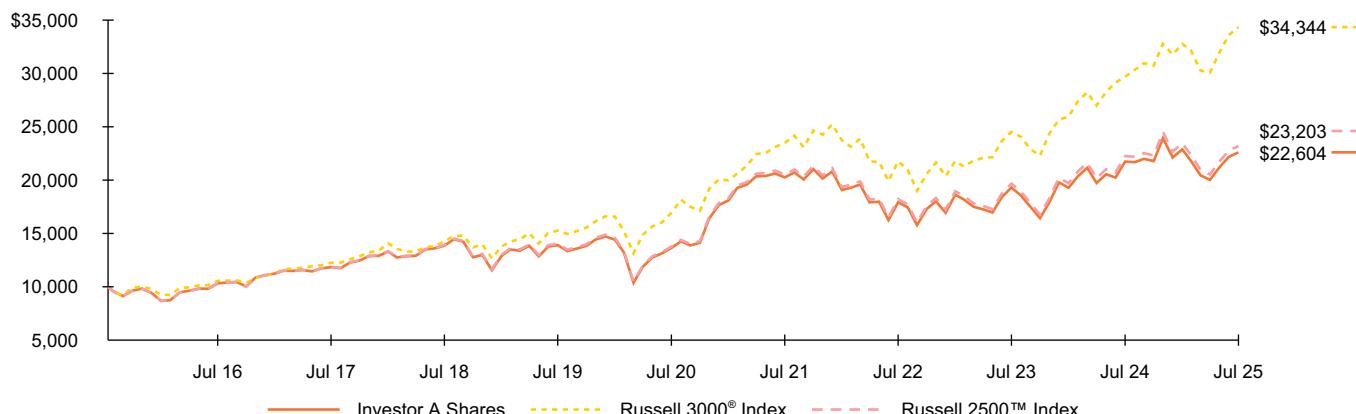
Domestic U.S. equities finished the second quarter 2025 in positive territory as the U.S. administration pursued significant changes in global trade dynamics. Market volatility peaked in April 2025, with the CBOE Volatility Index ("VIX") reaching multi-year highs amid tariff uncertainty. This volatility receded as the quarter progressed, and many risks appeared to be contained. Also in April, the U.S. administration announced a 90-day pause on most of the previously proposed tariffs that were set to take place later in April, eventually suspending additional tariffs above a 10% base rate for most countries, with this pause set to expire in early July. In May and June 2025, the FOMC decided to maintain the interest rates within the target range of 4.25% to 4.5%, each signaling a cautious stance as inflation fought towards 2%. However, the market was still signaling an anticipated two rate cuts in the second half of 2025.

*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: August 13, 2015 through July 31, 2025

Initial investment of \$10,000



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

## Average annual total returns

|                           | 1 Year | 5 Years | Since Fund Inception |
|---------------------------|--------|---------|----------------------|
| Investor A Shares .....   | 3.99%  | 10.63%  | 8.53%                |
| Russell 3000® Index ..... | 15.68  | 15.19   | 13.18                |
| Russell 2500™ Index ..... | 4.28   | 11.00   | 8.81                 |

Average annual total returns reflect reductions for service fees.

The Fund commenced operations on August 13, 2015.

**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](http://blackrock.com) for more recent performance information.

## What did the Fund invest in?

(as of July 31, 2025)

### Sector allocation

| Sector <sup>(a)</sup>                       | Percent of Net Assets |
|---|-----------------------|
| Industrials .....                           | 20.3%                 |
| Financials .....                            | 17.4                  |
| Information Technology .....                | 13.3                  |
| Consumer Discretionary .....                | 11.9                  |
| Health Care .....                           | 10.9                  |
| Real Estate .....                           | 6.5                   |
| Materials .....                             | 5.0                   |
| Consumer Staples .....                      | 3.7                   |
| Energy .....                                | 3.7                   |
| Utilities .....                             | 3.0                   |
| Other* .....                                | 3.8                   |
| Short-Term Securities .....                 | 8.8                   |
| Liabilities in Excess of Other Assets ..... | (8.3)                 |

### Ten largest holdings

| Security <sup>(b)</sup>            | Percent of Net Assets |
|------------------------------------|-----------------------|
| EMCOR Group, Inc. .....            | 0.4%                  |
| iShares Russell 2000 ETF .....     | 0.4                   |
| Comfort Systems USA, Inc. .....    | 0.4                   |
| SoFi Technologies, Inc. .....      | 0.4                   |
| Jabil, Inc. .....                  | 0.4                   |
| Tapestry, Inc. .....               | 0.3                   |
| NiSource, Inc. .....               | 0.3                   |
| Astera Labs, Inc. .....            | 0.3                   |
| Casey's General Stores, Inc. ..... | 0.3                   |
| Nutanix, Inc., Class A .....       | 0.3                   |

(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.

\* Ten largest sectors are presented. Additional sectors are found in Other.

## 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](http://blackrock.com/fundreports). For proxy voting records, visit [blackrock.com/proxyrecords](http://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 householded 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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