BlackRock

SEPTEMBER 30, 2019

2019 Annual Report

BlackRock Funds℠

- BlackRock All-Cap Energy & Resources Portfolio
- BlackRock Energy & Resources Portfolio

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of each Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from BlackRock or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

You may elect to receive all future reports in paper free of charge. If you hold accounts directly with BlackRock, you can call (800) 441-7762 to inform BlackRock that you wish to continue receiving paper copies of your shareholder reports. If you hold accounts through a financial intermediary, you can follow the instructions included with this disclosure, if applicable, or contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. Please note that not all financial intermediaries may offer this service. Your election to receive reports in paper will apply to all funds advised by BlackRock Advisors, LLC, BlackRock Fund Advisors or their affiliates, or all funds held with your financial intermediary, as applicable.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive electronic delivery of shareholder reports and other communications by: (i) accessing the BlackRock website at www.blackrock.com/edelivery and logging into your accounts, if you hold accounts directly with BlackRock, or (ii) contacting your financial intermediary, if you hold accounts through a financial intermediary. Please note that not all financial intermediaries may offer this service.

The Markets in Review

Dear Shareholder,

Investment performance in the 12 months ended September 30, 2019 was a tale of two markets. The first half of the reporting period was characterized by restrictive monetary policy, deteriorating economic growth, equity market volatility, and rising fear of an imminent recession. During the second half of the reporting period, stocks and bonds rebounded sharply, as influential central banks shifted toward accommodative monetary policy, which led to broad-based optimism that a near-term recession could be averted.

After the dust settled, equity and bond markets posted mixed returns while weathering significant volatility. Less volatile U.S. large cap equities and U.S. bonds advanced, while equities at the high end of the risk spectrum — emerging markets, international developed, and U.S. small cap — posted modest negative returns.

Fixed-income securities delivered strong returns with relatively low volatility, as interest rates declined (and bond prices rose). U.S. Treasuries, particularly long-term Treasuries, proved to be an effective ballast for diversified investors. Investment grade and high yield corporate bonds also posted positive returns, as the credit fundamentals in corporate markets remained relatively solid.

In the U.S. equity market, volatility spiked in late 2018, as a wide range of risks were brought to bear on markets, ranging from rising interest rates and slowing global growth to heightened trade tensions and political turmoil. Volatility also rose in emerging markets, as the appreciating U.S. dollar and higher interest rates in the U.S. disrupted economic growth abroad. An economic slowdown in Europe and ongoing uncertainty about Brexit led to negative performance for European equities.

As equity performance faltered and global economic growth slowed, the U.S. Federal Reserve (the “Fed”) shifted to a more patient perspective on the economy in January 2019. The Fed left interest rates unchanged for six months, then reduced interest rates twice thereafter. Following in the Fed’s footsteps, the European Central Bank announced aggressive economic stimulus measures, including lower interest rates and the return of its bond purchasing program. The Bank of Japan signaled a continuation of accommodative monetary policy, while China committed to looser credit conditions and an increase in fiscal spending.

The outpouring of global economic stimulus led to a sharp rally in risk assets throughout the world despite the headwind of rising geopolitical and trade tensions. Hopes continued to remain high as the current economic expansion became the longest in U.S. history. Looking ahead, markets are pricing in additional rate cuts by the Fed over the next year, as investors anticipate a steady shift toward more stimulative monetary policy.

We continue to expect a slowing expansion with additional room to run. Despite a sharp slowdown in trade and manufacturing across the globe, U.S. consumers continued to spend at a relatively healthy pace, benefitting from the lowest unemployment rate in 50 years and rising wages. However, escalating trade tensions and the resulting disruptions in global supply chains are becoming increasingly unpredictable, as are geopolitical tensions in the Middle East.

We believe U.S. equities remain relatively attractive, but we are shifting to a more cautious stance within emerging markets and Asia ex-Japan equities. For bonds, U.S. Treasuries are likely to continue to help buffer against volatility in risk assets, while income from other types of bonds can continue to offer steady returns.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today’s markets.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of September 30, 2019

	6-month	**12-month**
U.S. large cap equities (S&P 500® Index)	6.08%	4.25%
U.S. small cap equities (Russell 2000® Index)	(0.36)	(8.89)
International equities (MSCI Europe, Australasia, Far East Index)	2.57	(1.34)
Emerging market equities (MSCI Emerging Markets Index)	(3.66)	(2.02)
3-month Treasury bills (ICE BofAML 3-Month U.S. Treasury Bill Index)	1.20	2.39
U.S. Treasury securities (ICE BofAML 10-Year U.S. Treasury Index)	7.54	15.15
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	5.42	10.30
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.71	8.19
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	3.87	6.35

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Table of Contents

Investment Objective

BlackRock All-Cap Energy & Resources Portfolio's (the "Fund") investment objective is to provide long-term growth of capital.

At a meeting held on July 31, 2019, the Board of Trustees of BlackRock Funds[SM] approved the reorganization of the BlackRock Energy & Resources Portfolio (the "Target Fund") with and into the Fund. The reorganization is expected to occur during the first quarter of 2020 and is not subject to approval by each Fund's shareholders. Effective upon the closing of the reorganization, the Fund will change its name to BlackRock Energy Opportunities Fund.

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended September 30, 2019, the Fund underperformed its benchmark, the MSCI World Energy Index.

What factors influenced performance?

Energy stocks fell sharply during the annual period, as slowing global growth led to concerns about the demand outlook for crude oil.

The Fund's industry allocations detracted from relative performance, with the largest adverse effect coming from an underweight position in the energy distribution area.

An underweight position in Chevron Corp., which strongly outperformed the broader energy sector, was a substantial detractor at the individual stock level. The company exceeded earnings expectations for the second quarter of 2019, and it benefited from investors' preference for larger, more stable companies at a time of weak returns for the sector as a whole.

An overweight position in Concho Resources, Inc. was also among the largest detractors from relative performance. Concho reported stronger-than-expected earnings for the second quarter of 2019, and it announced the sale of one of its assets to fund part of a $1.5 billion stock buyback program. The company guided down on its production outlook, however, raising questions about its operational execution and contributing to a sharp decline in its stock price.

The Fund's security selection contributed to Fund performance, particularly in the integrated energy industry. Anadarko Petroleum Corp., which was taken over at a premium, was the leading contributor at the individual stock level. Overweight positions in the pipeline operators TransCanada Corp. and Williams Cos., Inc. also gained ground as efforts to relieve bottlenecks in the Permian Basin led to increased investment in infrastructure.

Describe recent portfolio activity.

The Fund reduced its weighting in the exploration and production ("E&P") and oilfield services industries, and it redeployed the proceeds into larger-cap, globally diversified integrated oil companies and international producers.

Describe portfolio positioning at period end.

The investment adviser emphasized companies that exhibited capital discipline and/or are taking advantage of the emerging upcycle in liquified natural gas.

The Fund was overweight in the E&P subsector at the close of the period and was underweight in the integrated, oil services, refining and marketing, and distribution industries.

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.

Portfolio Information

TEN LARGEST HOLDINGS

Security [(a)]	*Percent of Net Assets*
Royal Dutch Shell PLC, Class A	13%
Exxon Mobil Corp.	9
BP PLC	9
TOTAL SA	8
ConocoPhillips	5
TC Energy Corp.	4
Williams Cos., Inc.	4
Suncor Energy, Inc.	4
EOG Resources, Inc.	4
Chevron Corp.	4

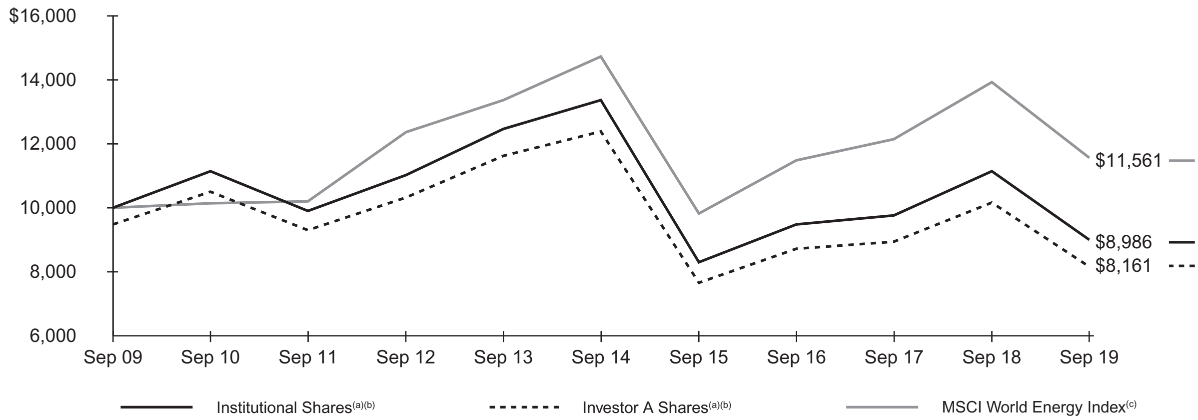
[(a)] Excludes short-term investments.

INDUSTRY ALLOCATION

Industry	*Percent of Net Assets*
Oil, Gas & Consumable Fuels	95%
Energy Equipment & Services	3
Short-Term Securities	2

For Fund compliance purposes, the Fund's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine sector sub-classifications for reporting ease.

TOTAL RETURN BASED ON A $10,000 INVESTMENT



[a] Assuming maximum sales charges, if any, transaction costs and other operating expenses, including investment advisory fees and administration fees, if any. Institutional Shares do not have a sales charge.

[b] Under normal market conditions, the Fund invests at least 80% of its total assets in equity securities of global energy and natural resources companies and companies in associated businesses, as well as utilities (such as gas, water, cable, electrical and telecommunications utilities).

[c] A free float-adjusted market capitalization index that represents the energy segment in global developed market equity performance.

Performance Summary for the Period Ended September 30, 2019

		Average Annual Total Returns[a]					
		1 Year		*5 Years*		*10 Years*	
	6-Month Total Returns	*w/o sales charge*	*w/sales charge*	*w/o sales charge*	*w/sales charge*	*w/o sales charge*	*w/sales charge*
Institutional	(6.85)%	(19.24)%	N/A	(7.61)%	N/A	(1.06)%	N/A
Service	(7.00)	(19.63)	N/A	(8.00)	N/A	(1.46)	N/A
Investor A	(7.03)	(19.61)	(23.83)%	(7.99)	(8.98)%	(1.48)	(2.01)%
Investor C	(7.39)	(20.21)	(21.00)	(8.65)	(8.65)	(2.18)	(2.18)
MSCI World Energy Index	(7.25)	(16.86)	N/A	(4.71)	N/A	1.46	N/A

[a] Assuming maximum sales charges, if any. Average annual total returns with and without sales charges reflect reductions for distribution and service fees. See "About Fund Performance" on page 8 for a detailed description of share classes, including any related sales charges and fees.

N/A - Not applicable as share class and index do not have a sales charge.

Past performance is not indicative of future results.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Expense Example

	Actual			Hypothetical[b]			
	Beginning Account Value (04/01/19)	*Ending Account Value (09/30/19)*	*Expenses Paid During the Period[a]*	*Beginning Account Value (04/01/19)*	*Ending Account Value (09/30/19)*	*Expenses Paid During the Period[a]*	*Annualized Expense Ratio*
Institutional	$1,000.00	$931.50	$4.45	$1,000.00	$1,020.73	$ 4.66	0.91%
Service	1,000.00	930.00	6.49	1,000.00	1,018.61	6.79	1.33
Investor A	1,000.00	929.70	6.49	1,000.00	1,018.62	6.79	1.33
Investor C	1,000.00	926.10	9.99	1,000.00	1,014.97	10.45	2.05

[a] For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period shown).

[b] Hypothetical 5% annual return before expenses is calculated by prorating the number of days in the most recent fiscal half year divided by 365.

See "Disclosure of Expenses" on page 8 for further information on how expenses were calculated.

Investment Objective

BlackRock Energy & Resources Portfolio's (the "Fund") investment objective is to provide long-term growth of capital.

At a meeting held on July 31, 2019, the Board of Trustees of BlackRock Funds^{SM} approved the reorganization of the Fund with and into BlackRock All-Cap Energy & Resources Portfolio (the "Acquiring Fund"). The reorganization is expected to occur during the first quarter of 2020 and is not subject to approval by each Fund's shareholders. Effective upon the closing of the reorganization, the Acquiring Fund will change its name to BlackRock Energy Opportunities Fund.

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended September 30, 2019, the Fund outperformed its benchmark, the MSCI World Small and Mid-Cap Energy Index.

What factors influenced performance?

Energy stocks fell sharply during the annual period, as slowing global growth led to concerns about the demand outlook for crude oil.

The Fund's security selection contributed to relative performance, particularly in the distribution and oil services industries. Anadarko Petroleum Corp., which was taken over at a premium, was the leading contributor at the individual stock level. Overweight positions in the pipeline operators TransCanada Corp. and Williams Cos., Inc. also gained ground, as efforts to relieve bottlenecks in the Permian Basin led to increased investment in infrastructure.

An overweight position in Concho Resources, Inc. was among the largest detractors from relative performance. Concho reported stronger-than-expected earnings for the second quarter of 2019, and it announced the sale of one of its assets to fund part of a $1.5 billion stock buyback program. The company guided down on its production outlook, however, raising questions about its operational execution and contributing to a sharp decline in its stock price.

An overweight position in Encana Corp. was another key detractor from Fund performance, as the market penalized the company for the acquisition of Newfield Exploration Corp.

Describe recent portfolio activity.

The Fund reduced its weighting in the exploration and production ("E&P") industry, and it redeployed the proceeds into the oil services and distribution subsectors. E&P stocks still made up over half of the total portfolio at the end of September.

Describe portfolio positioning at period end.

The investment adviser emphasized companies that exhibited capital discipline and/or are taking advantage of the emerging upcycle in liquified natural gas.

The Fund was overweight in the E&P and refining & marketing sub-sectors at the close of the period and was underweight in the integrated, oil services, and distribution industries.

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.

Portfolio Information

TEN LARGEST HOLDINGS

Security [(a)]	*Percent of Net Assets*
Marathon Oil Corp.	6%
Noble Energy, Inc.	6
Galp Energia SGPS SA	5
Cheniere Energy, Inc.	5
Marathon Petroleum Corp.	5
TC Energy Corp.	4
HollyFrontier Corp.	4
Williams Cos., Inc.	4
Kosmos Energy Ltd.	4
Cabot Oil & Gas Corp.	4

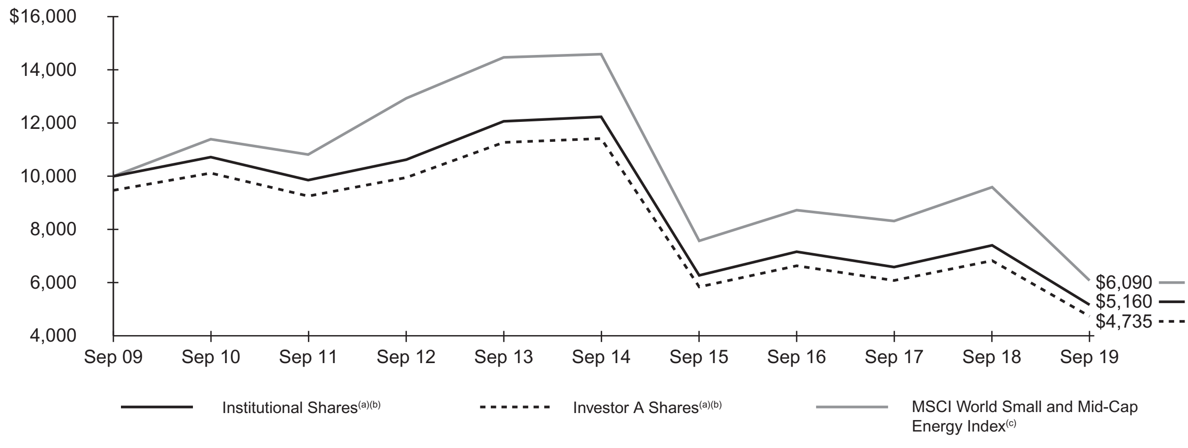
[(a)] Excludes short-term investments.

INDUSTRY ALLOCATION

Industry	*Percent of Net Assets*
Oil, Gas & Consumable Fuels	84%
Energy Equipment & Services	14
Short-Term Securities	2

For Fund compliance purposes, the Fund's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine sector sub-classifications for reporting ease.

TOTAL RETURN BASED ON A $10,000 INVESTMENT



(a) Assuming maximum sales charges, if any, transaction costs and other operating expenses, including investment advisory fees and administration fees, if any. Institutional Shares do not have a sales charge.

(b) Under normal market conditions, the Fund invests at least 80% of its total assets in equity securities of global energy and natural resources companies and companies in associated businesses, as well as utilities (such as gas, water, cable, electrical and telecommunications utilities).

(c) An index comprised of the energy sector constituents of the MSCI World SMID Index, a free float-adjusted market capitalization weighted index designed to measure the equity market performance of the mid and small cap developed market.

Performance Summary for the Period Ended September 30, 2019

		Average Annual Total Returns[a]					
		1 Year		5 Years		10 Years	
	6-Month Total Returns	*w/o sales charge*	*w/sales charge*	*w/o sales charge*	*w/sales charge*	*w/o sales charge*	*w/sales charge*
Institutional	(13.70)%	(30.36)%	N/A	(15.86)%	N/A	(6.40)%	N/A
Investor A	(13.82)	(30.55)	(34.20)%	(16.11)	(17.01)%	(6.70)	(7.20)%
Investor C	(14.14)	(31.05)	(31.74)	(16.71)	(16.71)	(7.38)	(7.38)
MSCI World Small and Mid-Cap Energy Index	(18.63)	(36.52)	N/A	(16.02)	N/A	(4.84)	N/A

(a) Assuming maximum sales charges, if any. Average annual total returns with and without sales charges reflect reductions for distribution and service fees. See "About Fund Performance" on page 8 for a detailed description of share classes, including any related sales charges and fees.

N/A - Not applicable as share class and index do not have a sales charge.

Past performance is not indicative of future results.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Expense Example

	Actual			Hypothetical[b]			
	Beginning Account Value (04/01/19)	*Ending Account Value (09/30/19)*	*Expenses Paid During the Period[a]*	*Beginning Account Value (04/01/19)*	*Ending Account Value (09/30/19)*	*Expenses Paid During the Period[a]*	*Annualized Expense Ratio*
Institutional	$1,000.00	$863.00	$4.77	$1,000.00	$1,020.22	$ 5.17	1.01%
Investor A	1,000.00	861.80	6.23	1,000.00	1,018.65	6.75	1.32
Investor C	1,000.00	858.60	9.61	1,000.00	1,015.00	10.42	2.04

(a) For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period shown).

(b) Hypothetical 5% annual return before expenses is calculated by prorating the number of days in the most recent fiscal half year divided by 365.

See "Disclosure of Expenses" on page 8 for further information on how expenses were calculated.

About Fund Performance

Institutional Shares are not subject to any sales charge. These shares bear no ongoing distribution or service fees and are available only to certain eligible investors.

Service Shares (available only in BlackRock All-Cap Energy & Resources Portfolio) are not subject to any sales charge. These shares are subject to a service fee of 0.25% per year (but no distribution fee) and are only available to certain eligible investors.

Investor A Shares are subject to a maximum initial sales charge (front-end load) of 5.25% and a service fee of 0.25% per year (but no distribution fee). Certain redemptions of these shares may be subject to a contingent deferred sales charge ("CDSC") where no initial sales charge was paid at the time of purchase. These shares are generally available through financial intermediaries.

Investor C Shares are subject to a 1.00% CDSC if redeemed within one year of purchase. In addition, these shares are subject to a distribution fee of 0.75% per year and a service fee of 0.25% per year. These shares are generally available through financial intermediaries. Effective November 8, 2018, the Funds adopted an automatic conversion feature whereby Investor C Shares held for approximately ten years will be automatically converted into Investor A Shares.

Performance information reflects past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Refer to **www.blackrock.com** to obtain performance data current to the most recent month-end. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Figures shown in the performance tables on the previous pages assume reinvestment of all distributions, if any, at net asset value ("NAV") on the ex-dividend date. Investment return and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Distributions paid to each class of shares will vary because of the different levels of service, distribution and transfer agency fees applicable to each class, which are deducted from the income available to be paid to shareholders.

BlackRock Advisors, LLC (the "Manager"), each Fund's investment adviser, has contractually and/or voluntarily agreed to waive and/or reimburse a portion of each Fund's expenses. Without such waiver and/or reimbursement, each Fund's performance would have been lower. With respect to each Fund's voluntary waiver, the Manager is under no obligation to waive and/or reimburse or to continue waiving and/or reimbursing its fees and such voluntary waivers may be reduced or discontinued at any time. With respect to each Fund's contractual waiver, the Manager is under no obligation to continue waiving and/or reimbursing its fees after the applicable termination date of such agreement. See Note 6 of the Notes to Financial Statements for additional information on waivers and/or reimbursements.

Disclosure of Expenses

Shareholders of the Funds may incur the following charges: (a) transactional expenses, such as sales charges; and (b) operating expenses, including investment advisory fees, administration fees, service and distribution fees, including 12b-1 fees, acquired fund fees and expenses, and other fund expenses. The expense examples shown on the previous pages (which are based on a hypothetical investment of $1,000 invested on April 1, 2019 and held through September 30, 2019), are intended to assist shareholders both in calculating expenses based on an investment in each Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The expense examples provide information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by $1,000 and then multiply the result by the number corresponding to their Fund and share class under the heading entitled "Expenses Paid During the Period."

The expense examples also provide information about hypothetical account values and hypothetical expenses based on a Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in these Funds and other funds, compare the 5% hypothetical examples with the 5% hypothetical examples that appear in shareholder reports of other funds.

The expenses shown in the expense examples are intended to highlight shareholders' ongoing costs only and do not reflect transactional expenses, such as sales charges, if any. Therefore, the hypothetical examples are useful in comparing ongoing expenses only, and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the instrument. The Funds' successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Funds' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Security	Shares	Value
Common Stocks — 97.9%		
Energy Equipment & Services — 2.8%		
Baker Hughes a GE Co.	62,006	$ 1,438,539
Schlumberger Ltd.	11,460	391,588
		1,830,127
Oil, Gas & Consumable Fuels — 95.1%		
BP PLC	909,062	5,755,027
Cairn Energy PLC [(a)]	293,412	691,053
Canadian Natural Resources Ltd.	62,258	1,656,485
Chevron Corp.	21,167	2,510,406
CNOOC Ltd.	829,000	1,269,307
Concho Resources, Inc.	17,908	1,215,953
ConocoPhillips	62,990	3,589,170
Enbridge, Inc.	29,000	1,017,851
Eni SpA	122,410	1,871,015
EOG Resources, Inc.	34,008	2,524,074
EQUINOR ASA	69,640	1,319,134
Exxon Mobil Corp.	87,152	6,153,803
Galp Energia SGPS SA	47,683	717,114
Hess Corp.	11,250	680,400
Kosmos Energy Ltd.	166,802	1,040,844
Lundin Petroleum AB	17,150	514,133
Marathon Petroleum Corp.	39,402	2,393,672
Noble Energy, Inc.	44,991	1,010,498
Oil Search Ltd.	175,287	865,348
Petroleo Brasileiro SA - ADR	26,150	378,391
Oil, Gas & Consumable Fuels (continued)		
Pioneer Natural Resources Co.	10,968	$ 1,379,445
Royal Dutch Shell PLC, Class A	296,358	8,691,530
Suncor Energy, Inc.	84,040	2,650,890
TC Energy Corp.	53,999	2,796,038
TOTAL SA	105,836	5,510,555
Valero Energy Corp.	23,414	1,995,809
Williams Cos., Inc.	112,549	2,707,929
		62,905,874
Total Common Stocks — 97.9% (Cost: $61,522,502)		64,736,001
Total Long-Term Investments — 97.9% (Cost: $61,522,502)		64,736,001
Short-Term Securities — 2.1%		
BlackRock Liquidity Funds, T-Fund, Institutional Class, 1.87% [(b)(c)]	1,409,004	1,409,004
Total Short-Term Securities — 2.1% (Cost: $1,409,004)		1,409,004
Total Investments — 100.0% (Cost: $62,931,506)		66,145,005
Other Assets Less Liabilities—0.0%		12,705
Net Assets — 100.0%		$ 66,157,710

(a) Non-income producing security.
(b) Annualized 7-day yield as of period end.
(c) During the year ended September 30, 2019, investments in issuers considered to be an affiliate/affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	*Shares Held at 09/30/18*	*Net Activity*	*Shares Held at 09/30/19*	*Value at 09/30/19*	*Income*	*Net Realized Gain (Loss)[(a)]*	*Change in Unrealized Appreciation (Depreciation)*
BlackRock Liquidity Funds, T-Fund, Institutional Class	1,325,434	83,570	1,409,004	$1,409,004	$27,401	$ —	$ —
SL Liquidity Series, LLC, Money Market Series	—	—	—	—	192[(b)]	5	—
				$1,409,004	$27,593	$ 5	$ —

(a) Includes net capital gain distributions, if applicable.
(b) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

For Fund compliance purposes, the Fund's industry classifications refer to one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Derivative Financial Instruments Categorized by Risk Exposure

For the year ended September 30, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

Net Realized Gain (Loss) from:	*Commodity Contracts*	*Credit Contracts*	*Equity Contracts*	*Foreign Currency Exchange Contracts*	*Interest Rate Contracts*	*Other Contracts*	*Total*
Forward foreign currency exchange contracts	$—	$—	$—	$327	$—	$—	$327

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Forward foreign currency exchange contracts:	
Average amounts purchased — in USD	$—[(a)]

(a) Derivative not held at quarter-end. The amount shown in the Statements of Operations reflects the results of activity during the period.

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the Fund's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy:

	Level 1	*Level 2*	*Level 3*	*Total*
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks:				
Energy Equipment & Services	$ 1,830,127	$ —	$ —	$ 1,830,127
Oil, Gas & Consumable Fuels	35,701,658	27,204,216	—	62,905,874
Short-Term Securities	1,409,004	—	—	1,409,004
	$ 38,940,789	$ 27,204,216	$ —	$ 66,145,005

See notes to financial statements.

Security	Shares	Value
Common Stocks — 98.3%		
Energy Equipment & Services — 14.5%		
Baker Hughes a GE Co.	117,045	$ 2,715,444
Halliburton Co.	79,648	1,501,365
Patterson-UTI Energy, Inc.	227,962	1,949,075
Poseidon Concepts Corp. [(a)]	35,081	4
Precision Drilling Corp. [(a)]	329,121	377,600
TechnipFMC PLC	132,337	3,194,615
Tenaris SA	229,128	2,430,233
		12,168,336
Oil, Gas & Consumable Fuels — 83.8%		
Cabot Oil & Gas Corp.	190,197	3,341,761
Cairn Energy PLC [(a)]	1,245,015	2,932,298
Cheniere Energy, Inc. [(a)]	67,360	4,247,722
Cimarex Energy Co.	55,235	2,647,966
Concho Resources, Inc.	36,098	2,451,054
Devon Energy Corp.	59,563	1,433,086
Diamondback Energy, Inc.	18,116	1,628,810
Encana Corp.	286,072	1,310,682
EOG Resources, Inc.	38,262	2,839,806
EQT Corp.	125,393	1,334,182
Equitrans Midstream Corp.	84,369	1,227,569
Galp Energia SGPS SA	284,879	4,284,352
Hess Corp.	33,184	2,006,968
HollyFrontier Corp.	64,909	3,481,719
Kosmos Energy Ltd.	540,880	3,375,091
Longview Energy Co. (Acquired 8/13/04, cost $1,281,000) [(b)(c)]	85,400	125,538
Oil, Gas & Consumable Fuels (continued)		
Lundin Petroleum AB	98,240	$ 2,945,100
Marathon Oil Corp.	381,188	4,677,177
Marathon Petroleum Corp.	63,429	3,853,312
Noble Energy, Inc.	206,700	4,642,482
Oil Search Ltd.	520,468	2,569,418
Pioneer Natural Resources Co.	23,146	2,911,072
TC Energy Corp.	69,874	3,618,037
Valero Energy Corp.	38,436	3,276,285
Williams Cos., Inc.	143,340	3,448,760
		70,610,247
Total Long-Term Investments — 98.3% (Cost: $91,761,642)		82,778,583
Short-Term Securities — 2.0%		
BlackRock Liquidity Funds, T-Fund, Institutional Class, 1.87% [(d)(e)]	1,726,601	1,726,601
Total Short-Term Securities — 2.0% (Cost: $1,726,601)		1,726,601
Total Investments — 100.3% (Cost: $93,488,243)		84,505,184
Liabilities in Excess of Other Assets—(0.3)%		(258,572)
Net Assets — 100.0%		$ 84,246,612

(a) Non-income producing security.
(b) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
(c) Restricted security as to resale, excluding 144A securities. The Fund held restricted securities with a current value of $125,538, representing 0.1% of its net assets as of period end, and an original cost of $1,281,000.
(d) Annualized 7-day yield as of period end.
(e) During the year ended September 30, 2019, investments in issuers considered to be an affiliate/affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	*Shares Held at 09/30/18*	*Net Activity*	*Shares Held at 09/30/19*	*Value at 09/30/19*	*Income*	*Net Realized Gain (Loss)[(a)]*	*Change in Unrealized Appreciation (Depreciation)*
BlackRock Liquidity Funds, T-Fund, Institutional Class	1,009,593	717,008	1,726,601	$1,726,601	$42,372	$ —	$ —
SL Liquidity Series, LLC, Money Market Series	6,567,316	(6,567,316)	—	—	572[(b)]	211	(101)
				$1,726,601	$42,944	$ 211	$ (101)

(a) Includes net capital gain distributions, if applicable.
(b) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

For Fund compliance purposes, the Fund's industry classifications refer to one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Derivative Financial Instruments Categorized by Risk Exposure

For the year ended September 30, 2019, the effect of derivative financial instruments in the Statements of Operations was as follows:

Net Realized Gain (Loss) from:	*Commodity Contracts*	*Credit Contracts*	*Equity Contracts*	*Foreign Currency Exchange Contracts*	*Interest Rate Contracts*	*Other Contracts*	*Total*
Forward foreign currency exchange contracts	$—	$—	$—	$(295)	$—	$—	$(295)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Forward foreign currency exchange contracts:	
Average amounts purchased — in USD	$—[(a)]

[(a)] Derivative not held at quarter-end. The amount shown in the Statements of Operations reflects the results of activity during the period.

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments. For information about the Fund's policy regarding valuation of investments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy:

	Level 1	*Level 2*	*Level 3*	*Total*
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks:				
Energy Equipment & Services	$ 9,738,099	$ 2,430,237	$ —	$ 12,168,336
Oil, Gas & Consumable Fuels	57,753,541	12,731,168	125,538	70,610,247
Short-Term Securities	1,726,601	—	—	1,726,601
	$ 69,218,241	$ 15,161,405	$ 125,538	$ 84,505,184

See notes to financial statements.

Statements of Assets and Liabilities

September 30, 2019

		BlackRock All-Cap Energy & Resources Portfolio		BlackRock Energy & Resources Portfolio
ASSETS				
Investments at value — unaffiliated[(a)]	$	64,736,001	$	82,778,583
Investments at value — affiliated[(b)]		1,409,004		1,726,601
Cash		—		25
Foreign currency at value[(c)]		—		5,654
Receivables:				
Capital shares sold		169,748		11,707
Dividends — affiliated		3,521		4,135
Dividends — unaffiliated		142,367		65,926
Securities lending income — affiliated		—		2
From the Manager		2,074		8,525
Prepaid expenses		19,306		19,592
Total assets		66,482,021		84,620,750
LIABILITIES				
Payables:				
Investments purchased		15,207		—
Administration fees		2,545		2,988
Capital shares redeemed		122,461		104,177
Investment advisory fees		22,997		53,705
Trustees' and Officer's fees		2,496		2,873
Other accrued expenses		19,007		18,442
Other affiliates		3,264		7,124
Printing fees		11,156		16,943
Professional fees		69,184		79,259
Reorganization expenses		3,067		3,067
Service and distribution fees		14,519		22,436
Transfer agent fees		38,408		63,124
Total liabilities		324,311		374,138
NET ASSETS	$	66,157,710	$	84,246,612
NET ASSETS CONSIST OF				
Paid-in capital	$	100,383,665	$	347,752,025
Accumulated loss		(34,225,955)		(263,505,413)
NET ASSETS	$	66,157,710	$	84,246,612
[(a)] Investments at cost — unaffiliated	$	61,522,502	$	91,761,642
[(b)] Investments at cost — affiliated	$	1,409,004	$	1,726,601
[(c)] Foreign currency at cost		—	$	5,660

Statements of Assets and Liabilities (concluded)

September 30, 2019

		BlackRock All-Cap Energy & Resources Portfolio		BlackRock Energy & Resources Portfolio
NET ASSET VALUE				
Institutional				
Net assets	$	23,579,134	$	9,538,363
Shares outstanding[(a)]		2,441,096		608,171
Net asset value	$	9.66	$	15.68
Service				
Net assets	$	450,716		—
Shares outstanding[(a)]		47,731		—
Net asset value	$	9.44		—
Investor A				
Net assets	$	34,573,539	$	66,476,669
Shares outstanding[(a)]		3,681,332		4,958,102
Net asset value	$	9.39	$	13.41
Investor C				
Net assets	$	7,554,321	$	8,231,580
Shares outstanding[(a)]		836,494		880,665
Net asset value	$	9.03	$	9.35

[(a)] Unlimited number of shares authorized, $0.001 par value.

See notes to financial statements.

Statements of Operations

Year Ended September 30, 2019

	BlackRock All-Cap Energy & Resources Portfolio	BlackRock Energy & Resources Portfolio
INVESTMENT INCOME		
Dividends — unaffiliated	$ 2,751,264	$ 2,250,837
Dividends — affiliated	27,401	42,372
Interest — Unaffiliated	2	50
Securities lending income — affiliated — net	192	572
Foreign taxes withheld	(199,626)	(75,958)
Total investment income	2,579,233	2,217,873
EXPENSES		
Investment advisory	516,031	787,244
Service and distribution — class specific	202,196	312,560
Transfer agent — class specific	137,924	267,115
Professional	70,475	95,205
Registration	65,025	65,762
Accounting services	40,058	42,083
Printing	29,681	35,841
Administration	29,241	44,610
Custodian	15,536	4,496
Administration — class specific	13,766	21,027
Trustees and Officer	11,396	12,221
Board realignment and consolidation	5,474	7,576
Reorganization	3,067	3,067
Recoupment of past waived and/or reimbursed fees — class specific	156	—
Miscellaneous	5,688	10,063
Total expenses	1,145,714	1,708,870
Less:		
Administration fees waived — class specific	(13,384)	(21,027)
Transfer agent fees waived and/or reimbursed — class specific	(58,425)	(208,603)
Fees waived and/or reimbursed by the Manager	(162,379)	(48,525)
Total expenses after fees waived and/or reimbursed	911,526	1,430,715
Net investment income	1,667,707	787,158
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from:		
Investments — unaffiliated	(2,067,030)	(5,078,815)
Investments — affiliated	5	211
Forward foreign currency exchange contracts	327	(295)
Foreign currency transactions	(165)	(4,549)
	(2,066,863)	(5,083,448)
Net change in unrealized appreciation (depreciation) on:		
Investments — unaffiliated	(15,752,600)	(38,592,351)
Investments — affiliated	—	(101)
Foreign currency translations	(1,278)	(957)
	(15,753,878)	(38,593,409)
Realized and unrealized loss	(17,820,741)	(43,676,857)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (16,153,034)	$ (42,889,699)

See notes to financial statements.

Statements of Changes in Net Assets

	BlackRock All-Cap Energy & Resources Portfolio		BlackRock Energy & Resources Portfolio	
	Year Ended September 30,		Year Ended September 30,	
	2019	2018	2019	2018
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income (loss)	$ 1,667,707	$ 1,240,184	$ 787,158	$ (96,036)
Net realized gain (loss)	(2,066,863)	4,631,867	(5,083,448)	(9,128,654)
Net change in unrealized appreciation (depreciation)	(15,753,878)	4,804,889	(38,593,409)	27,889,742
Net increase (decrease) in net assets resulting from operations	(16,153,034)	10,676,940	(42,889,699)	18,665,052
DISTRIBUTIONS TO SHAREHOLDERS[a][b]				
Institutional	(495,974)	(495,032)	(68,700)	(576,362)
Service	(12,604)	(15,288)	—	—
Investor A	(998,577)	(1,116,732)	(253,877)	(1,490,046)
Investor C	(71,490)	(477,396)	—	(234,733)
Decrease in net assets resulting from distributions to shareholders	(1,578,645)	(2,104,448)	(322,577)	(2,301,141)
CAPITAL SHARE TRANSACTIONS				
Net decrease in net assets derived from capital share transactions	(2,487,880)	(9,313,635)	(29,011,179)	(51,254,631)
NET ASSETS[b]				
Total decrease in net assets	(20,219,559)	(741,143)	(72,223,455)	(34,890,720)
Beginning of year	86,377,269	87,118,412	156,470,067	191,360,787
End of year	$ 66,157,710	$ 86,377,269	$ 84,246,612	$ 156,470,067

(a) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

(b) Prior year distribution character information and undistributed (distributions in excess of) net investment income has been modified or removed to conform with current year Regulation S-X presentation changes. Refer to Note 12 for this prior year information.

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

	BlackRock All-Cap Energy & Resources Portfolio				
	Institutional				
	Year Ended September 30,				
	2019	2018	2017	2016	2015
Net asset value, beginning of year	$ 12.34	$ 11.13	$ 11.06	$ 9.91	$ 16.26
Net investment income[(a)]	0.29	0.23	0.31[(b)]	0.22	0.23
Net realized and unrealized gain (loss)	(2.66)	1.30	0.04	1.17	(6.34)
Net increase (decrease) from investment operations	(2.37)	1.53	0.35	1.39	(6.11)
Distributions from net investment income[(c)]	(0.31)	(0.32)	(0.28)	(0.24)	(0.24)
Net asset value, end of year	$ 9.66	$ 12.34	$ 11.13	$ 11.06	$ 9.91
Total Return[(d)]					
Based on net asset value	(19.24)%	14.08%	2.98%	14.33%	(37.94)%
Ratios to Average Net Assets					
Total expenses	1.30%	1.29%	1.25%	1.18%	1.11%[(e)]
Total expenses after fees waived and/or reimbursed and paid indirectly	0.91%	0.92%	0.91%	0.95%	0.96%
Net investment income	2.91%	1.97%	2.89%[(b)]	2.16%	1.75%
Supplemental Data					
Net assets, end of year (000)	$ 23,579	$ 22,255	$ 18,703	$ 25,123	$ 20,753
Portfolio turnover rate	37%	37%	14%	66%	51%

(a) Based on average shares outstanding.
(b) Net investment income per share and the ratio of net investment income to average net assets includes $0.10 per share and 0.92%, respectively, resulting from a special dividend.
(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(d) Where applicable, assumes the reinvestment of distributions.
(e) Includes recoupment of past waived and/or reimbursed fees with no financial impact to the expense ratios.

See notes to financial statements.

(For a share outstanding throughout each period)

	BlackRock All-Cap Energy & Resources Portfolio (continued)				
	Service				
	Year Ended September 30,				
	2019	2018	2017	2016	2015
Net asset value, beginning of year	$ 12.05	$ 10.88	$ 10.81	$ 9.65	$ 15.81
Net investment income[a]	0.23	0.17	0.25[b]	0.17	0.17
Net realized and unrealized gain (loss)	(2.59)	1.28	0.04	1.14	(6.16)
Net increase (decrease) from investment operations	(2.36)	1.45	0.29	1.31	(5.99)
Distributions from net investment income[c]	(0.25)	(0.28)	(0.22)	(0.15)	(0.17)
Net asset value, end of year	$ 9.44	$ 12.05	$ 10.88	$ 10.81	$ 9.65
Total Return[d]					
Based on net asset value	(19.63)%	13.63%	2.58%	13.77%	(38.17)%
Ratios to Average Net Assets					
Total expenses	1.57%[e]	1.55%	1.50%	1.51%	1.41%
Total expenses after fees waived and/or reimbursed and paid indirectly	1.33%	1.34%	1.33%	1.36%	1.38%
Net investment income	2.34%	1.51%	2.35%[b]	1.67%	1.33%
Supplemental Data					
Net assets, end of year (000)	$ 451	$ 599	$ 628	$ 787	$ 1,025
Portfolio turnover rate	37%	37%	14%	66%	51%

[a] Based on average shares outstanding.
[b] Net investment income per share and the ratio of net investment income to average net assets includes $0.10 per share and 0.92%, respectively, resulting from a special dividend.
[c] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
[d] Where applicable, assumes the reinvestment of distributions.
[e] Includes recoupment of past waived and/or reimbursed fees. Excluding the recoupment of past waived and/or reimbursed fees, the ratios were as follows:

	Year Ended September 30,				
	2019	2018	2017	2016	2015
Expense ratios	1.55%	N/A	N/A	N/A	N/A

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock All-Cap Energy & Resources Portfolio (continued)				
	Investor A				
	Year Ended September 30,				
	2019	2018	2017	2016	2015
Net asset value, beginning of year	$ 11.99	$ 10.83	$ 10.76	$ 9.63	$ 15.77
Net investment income[(a)]	0.24	0.17	0.26[(b)]	0.17	0.17
Net realized and unrealized gain (loss)	(2.59)	1.27	0.03	1.14	(6.15)
Net increase (decrease) from investment operations	(2.35)	1.44	0.29	1.31	(5.98)
Distributions from net investment income[(c)]	(0.25)	(0.28)	(0.22)	(0.18)	(0.16)
Net asset value, end of year	$ 9.39	$ 11.99	$ 10.83	$ 10.76	$ 9.63
Total Return[(d)]					
Based on net asset value	(19.61)%	13.59%	2.57%	13.88%	(38.17)%
Ratios to Average Net Assets					
Total expenses	1.66%	1.65%	1.60%	1.55%	1.48%[(e)]
Total expenses after fees waived and/or reimbursed and paid indirectly	1.33%	1.34%	1.33%	1.36%	1.38%
Net investment income	2.44%	1.52%	2.42%[(b)]	1.72%	1.33%
Supplemental Data					
Net assets, end of year (000)	$ 34,574	$ 41,644	$ 43,765	$ 59,065	$ 51,005
Portfolio turnover rate	37%	37%	14%	66%	51%

(a) Based on average shares outstanding.
(b) Net investment income per share and the ratio of net investment income to average net assets includes $0.10 per share and 0.92%, respectively, resulting from a special dividend.
(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
(e) Includes recoupment of past waived and/or reimbursed fees with no financial impact to the expense ratios.

See notes to financial statements.

(For a share outstanding throughout each period)

	BlackRock All-Cap Energy & Resources Portfolio (continued)				
	Investor C				
	Year Ended September 30,				
	2019	2018	2017	2016	2015
Net asset value, beginning of year	$ 11.39	$ 10.30	$ 10.23	$ 9.14	$ 14.94
Net investment income[(a)]	0.14	0.09	0.17[(b)]	0.09	0.07
Net realized and unrealized gain (loss)	(2.44)	1.22	0.03	1.08	(5.82)
Net increase (decrease) from investment operations	(2.30)	1.31	0.20	1.17	(5.75)
Distributions from net investment income[(c)]	(0.06)	(0.22)	(0.13)	(0.08)	(0.05)
Net asset value, end of year	$ 9.03	$ 11.39	$ 10.30	$ 10.23	$ 9.14
Total Return[(d)]					
Based on net asset value	(20.21)%	12.90%	1.84%	12.91%	(38.60)%
Ratios to Average Net Assets					
Total expenses	2.35%[(e)]	2.36%	2.32%	2.28%[(e)]	2.18%
Total expenses after fees waived and/or reimbursed and paid indirectly	2.05%	2.06%	2.05%	2.09%	2.10%
Net investment income	1.48%	0.80%	1.66%[(b)]	1.00%	0.61%
Supplemental Data					
Net assets, end of year (000)	$ 7,554	$ 21,878	$ 23,996	$ 31,847	$ 32,693
Portfolio turnover rate	37%	37%	14%	66%	51%

(a) Based on average shares outstanding.
(b) Net investment income per share and the ratio of net investment income to average net assets includes $0.10 per share and 0.92%, respectively, resulting from a special dividend.
(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
(e) Includes recoupment of past waived and/or reimbursed fees. Excluding the recoupment of past waived and/or reimbursed fees, the ratios were as follows:

	Year Ended September 30,				
	2019	2018	2017	2016	2015
Expense ratios	2.35%	N/A	N/A	2.27%	N/A

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock Energy & Resources Portfolio				
	Institutional				
	Year Ended September 30,				
	2019	2018	2017	2016	2015
Net asset value, beginning of year	$ 22.63	$ 20.42	$ 22.15	$ 19.44	$ 37.89
Net investment income[(a)]	0.19	0.06	0.23[(b)]	0.07	0.03
Net realized and unrealized gain (loss)	(7.05)	2.44	(1.96)	2.64	(18.48)
Net increase (decrease) from investment operations	(6.86)	2.50	(1.73)	2.71	(18.45)
Distributions from net investment income[(c)]	(0.09)	(0.29)	—	—	—
Net asset value, end of year	$ 15.68	$ 22.63	$ 20.42	$ 22.15	$ 19.44
Total Return[(d)]					
Based on net asset value	(30.36)%	12.40%	(7.81)%	13.94%	(48.69)%
Ratios to Average Net Assets					
Total expenses	1.24%	1.08%	1.04%[(e)]	1.10%[(e)]	1.11%[(e)]
Total expenses after fees waived and/or reimbursed and paid indirectly	1.01%	1.02%	1.02%	1.05%	1.07%
Net investment income	1.09%	0.28%	1.14%[(b)]	0.35%	0.12%
Supplemental Data					
Net assets, end of year (000)	$ 9,538	$ 24,508	$ 45,734	$ 74,778	$ 65,091
Portfolio turnover rate	29%	26%	12%	44%	55%

(a) Based on average shares outstanding.
(b) Net investment income per share and the ratio of net investment income to average net assets includes \$0.16 per share and 0.90%, respectively, resulting from a special dividend.
(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(d) Where applicable, assumes the reinvestment of distributions.
(e) Includes recoupment of past waived and/or reimbursed fees. Excluding the recoupment of past waived and/or reimbursed fees, the ratios were as follows:

	Year Ended September 30,				
	2019	2018	2017	2016	2015
Expense ratios	N/A	N/A	1.01%	1.06%	1.10%

See notes to financial statements.

(For a share outstanding throughout each period)

	BlackRock Energy & Resources Portfolio (continued)				
	Investor A				
	Year Ended September 30,				
	2019	2018	2017	2016	2015
Net asset value, beginning of year	$ 19.37	$ 17.51	$ 19.05	$ 16.77	$ 32.79
Net investment income (loss)[(a)]	0.12	(0.00)[(b)]	0.15[(c)]	0.01	(0.04)
Net realized and unrealized gain (loss)	(6.03)	2.09	(1.69)	2.27	(15.98)
Net increase (decrease) from investment operations	(5.91)	2.09	(1.54)	2.28	(16.02)
Distributions from net investment income[(d)]	(0.05)	(0.23)	—	—	—
Net asset value, end of year	$ 13.41	$ 19.37	$ 17.51	$ 19.05	$ 16.77
Total Return[(e)]					
Based on net asset value	(30.55)%	12.05%	(8.09)%	13.60%	(48.86)%
Ratios to Average Net Assets					
Total expenses	1.59%	1.48%	1.45%	1.43%[(f)]	1.39%[(f)]
Total expenses after fees waived and/or reimbursed and paid indirectly	1.32%	1.33%	1.33%	1.36%	1.37%
Net investment income (loss)	0.81%	(0.01)%	0.84%[(c)]	0.04%	(0.16)%
Supplemental Data					
Net assets, end of year (000)	$ 66,477	$ 111,263	$ 120,881	$ 165,504	$ 150,863
Portfolio turnover rate	29%	26%	12%	44%	55%

[(a)] Based on average shares outstanding.
[(b)] Amount is greater than $(0.005) per share.
[(c)] Net investment income per share and the ratio of net investment income to average net assets includes $0.16 per share and 0.90%, respectively, resulting from a special dividend.
[(d)] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
[(e)] Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
[(f)] Includes recoupment of past waived and/or reimbursed fees with no financial impact to the expense ratios.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock Energy & Resources Portfolio (continued)				
	Investor C				
	Year Ended September 30,				
	2019	2018	2017	2016	2015
Net asset value, beginning of year	$ 13.56	$ 12.31	$ 13.49	$ 11.96	$ 23.56
Net investment income (loss)[a]	—	(0.09)	0.01[b]	(0.08)	(0.15)
Net realized and unrealized gain (loss)	(4.21)	1.46	(1.19)	1.61	(11.45)
Net increase (decrease) from investment operations	(4.21)	1.37	(1.18)	1.53	(11.60)
Distributions from net investment income[c]	—	(0.12)	—	—	—
Net asset value, end of year	$ 9.35	$ 13.56	$ 12.31	$ 13.49	$ 11.96
Total Return[d]					
Based on net asset value	(31.05)%	11.26%	(8.75)%	12.79%	(49.24)%
Ratios to Average Net Assets					
Total expenses	2.33%	2.25%	2.22%[e]	2.22%[e]	2.13%[e]
Total expenses after fees waived and/or reimbursed and paid indirectly	2.04%	2.05%	2.05%	2.08%	2.09%
Net investment income (loss)	(0.03)%	(0.74)%	0.08%[b]	(0.68)%	(0.88)%
Supplemental Data					
Net assets, end of year (000)	$ 8,232	$ 20,698	$ 24,727	$ 38,086	$ 37,967
Portfolio turnover rate	29%	26%	12%	44%	55%

[a] Based on average shares outstanding.
[b] Net investment income per share and the ratio of net investment income to average net assets includes $0.16 per share and 0.90%, respectively, resulting from a special dividend.
[c] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
[d] Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
[e] Includes recoupment of past waived and/or reimbursed fees with no financial impact to the expense ratios.

See notes to financial statements.

1. ORGANIZATION

BlackRock Funds[SM] (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Trust is organized as a Massachusetts business trust. The following, each of which is a series of the Trust, are referred to herein collectively as the "Funds" or individually as a "Fund":

Fund Name	*Herein Referred To As*	*Diversification Classification*
BlackRock All-Cap Energy & Resources Portfolio	All-Cap Energy & Resources	Non-diversified
BlackRock Energy & Resources Portfolio	Energy & Resources	Non-diversified

Each Fund offers multiple classes of shares. All classes of shares have identical voting, dividend, liquidation and other rights and are subject to the same terms and conditions, except that certain classes bear expenses related to the shareholder servicing and distribution of such shares. Institutional and Service Shares are sold without a sales charge and only to certain eligible investors. Investor A Shares are generally sold with an initial sales charge, and may be subject to a contingent deferred sales charge ("CDSC") for certain redemptions where no initial sales charge was paid at the time of purchase. Investor C Shares may be subject to a 1.00% CDSC if redeemed within one year of purchase. Service, Investor A and Investor C Shares bear certain expenses related to shareholder servicing of such shares, and Investor C Shares also bear certain expenses related to the distribution of such shares. Investor A and Investor C Shares are generally available through financial intermediaries. Effective November 8, 2018, the Funds adopted an automatic conversion feature whereby Investor C Shares held for approximately ten years will be automatically converted into Investor A Shares. Each class has exclusive voting rights with respect to matters relating to its shareholder servicing and distribution expenditures (except that Investor C shareholders may vote on material changes to the Investor A Shares distribution and service plan).

Share Class	*Initial Sales Charge*	*CDSC*	*Conversion Privilege*
Institutional and Service Shares	No	No	None
Investor A Shares	Yes	No[(a)]	None
Investor C Shares	No	Yes	To Investor A Shares after approximately 10 years

[(a)] Investor A Shares may be subject to a CDSC for certain redemptions where no initial sales charge was paid at the time of purchase.

The Funds, together with certain other registered investment companies advised by the BlackRock Advisors, LLC (the "Manager") or its affiliates, are included in a complex of equity, multi-asset, index and money market funds referred to as the BlackRock Multi-Asset Complex.

Reorganization: At a meeting held on July 31, 2019, the Board of Trustees of the Trust approved the reorganization of Energy & Resources with and into All-Cap Energy & Resources (the "Acquiring Fund"). The reorganization is expected to occur during the first quarter of 2020 and is not subject to approval by each Fund's shareholders. Effective upon the closing of the reorganization, the Acquiring Fund will change its name to BlackRock Energy Opportunities Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Funds are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Interest income, including amortization and accretion of premiums and discounts on debt securities, are recognized on an accrual basis. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Foreign Currency Translation: Each Fund's books and records are maintained in U.S. dollars. Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates determined as of the close of trading on the New York Stock Exchange ("NYSE"). Purchases and sales of investments are recorded at the rates of exchange prevailing on the respective dates of such transactions. Generally, when the U.S. dollar rises in value against a foreign currency, the investments denominated in that currency will lose value; the opposite effect occurs if the U.S. dollar falls in relative value.

Each Fund does not isolate the portion of the results of operations arising as a result of changes in the exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in exchange rates on investments are not segregated in the Statements of Operations from the effects of changes in market prices of those investments, but are included as a component of net realized and unrealized gain (loss) from investments. Each Fund reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for U.S. federal income tax purposes.

Segregation and Collateralization: In cases where a Fund enters into certain investments (e.g., forward foreign currency exchange contracts) that would be treated as "senior securities" for 1940 Act purposes, a Fund may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of its future obligations under such investments. Doing so allows the investment to be excluded from treatment as a "senior security." Furthermore, if required by an exchange or counterparty agreement, the Funds may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

Distributions: Distributions paid by the Funds are recorded on the ex-dividend date. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

Indemnifications: In the normal course of business, a Fund enters into contracts that contain a variety of representations that provide general indemnification. A Fund's maximum exposure under these arrangements is unknown because it involves future potential claims against a Fund, which cannot be predicted with any certainty.

Other: Expenses directly related to a Fund or its classes are charged to that Fund or the applicable class. Other operating expenses shared by several funds, including other funds managed by the Manager, are prorated among those funds on the basis of relative net assets or other appropriate methods. Expenses directly related to the Funds and other shared expenses prorated to the Funds are allocated daily to each class based on its relative net assets or other appropriate methods.

The Funds have an arrangement with their custodian whereby credits are earned on uninvested cash balances, which could be used to reduce custody fees and/or overdraft charges. The Funds may incur charges on certain uninvested cash balances and overdrafts, subject to certain conditions.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investment Valuation Policies: The Funds' investments are valued at fair value (also referred to as "market value" within the financial statements) as of the close of trading on the NYSE (generally 4:00 p.m., Eastern time) U.S. GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds determine the fair values of their financial instruments using various independent dealers or pricing services under policies approved by the Board of Trustees of the Trust (the "Board"). The BlackRock Global Valuation Methodologies Committee (the "Global Valuation Committee") is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments.

Fair Value Inputs and Methodologies: The following methods and inputs are used to establish the fair value of each Fund's assets and liabilities:

- Equity investments traded on a recognized securities exchange are valued at the official closing price each day, if available. For equity investments traded on more than one exchange, the official closing price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.

  Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of trading on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of trading on the NYSE that may not be reflected in the computation of each Fund's net assets. Each business day, the Funds use a pricing service to assist with the valuation of certain foreign exchange-traded equity securities and foreign exchange-traded and over-the-counter ("OTC") options (the "Systematic Fair Value Price"). Using current market factors, the Systematic Fair Value Price is designed to value such foreign securities and foreign options at fair value as of the close of trading on the NYSE, which follows the close of the local markets.

- Investments in open-end U.S. mutual funds are valued at net asset value ("NAV") each business day.

- The Funds value their investment in SL Liquidity Series, LLC, Money Market Series (the "Money Market Series") at fair value, which is ordinarily based upon their pro rata ownership in the underlying fund's net assets. The Money Market Series seeks current income consistent with maintaining liquidity and preserving capital. Although the Money Market Series is not registered under the 1940 Act, its investments may follow the parameters of investments by a money market fund that is subject to Rule 2a-7 under the 1940 Act.

- Forward foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of trading on the NYSE based on that day's prevailing forward exchange rate for the underlying currencies. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

If events (e.g., a company announcement, market volatility or a natural disaster) occur that are expected to materially affect the value of such investments, or in the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the Global Valuation Committee will include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant and consistent with the principles of fair value measurement. The pricing of all Fair Valued Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

For investments in equity or debt issued by privately held companies or funds ("Private Company" or collectively, the "Private Companies") and other Fair Valued Investments, the fair valuation approaches that are used by the Global Valuation Committee and by third party pricing services utilize one or a combination of, but not limited to, the following inputs.

	Standard Inputs Generally Considered By Third Party Pricing Services
Market approach	(i) recent market transactions, including subsequent rounds of financing, in the underlying investment or comparable issuers; (ii) recapitalizations and other transactions across the capital structure; and (iii) market multiples of comparable issuers.

Income approach	(i) future cash flows discounted to present and adjusted as appropriate for liquidity, credit, and/or market risks; (ii) quoted prices for similar investments or assets in active markets; and (iii) other risk factors, such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates.
Cost approach	(i) audited or unaudited financial statements, investor communications and financial or operational metrics issued by the Private Company; (ii) changes in the valuation of relevant indices or publicly traded companies comparable to the Private Company; (iii) relevant news and other public sources; and (iv) known secondary market transactions in the Private Company's interests and merger or acquisition activity in companies comparable to the Private Company.

Investments in series of preferred stock issued by Private Companies are typically valued utilizing market approach in determining the enterprise value of the company. Such investments often contain rights and preferences that differ from other series of preferred and common stock of the same issuer. Valuation techniques such as an option pricing model (“OPM”), a probability weighted expected return model (“PWERM”) or a hybrid of those techniques are used in allocating enterprise value of the company, as deemed appropriate under the circumstances. The use of OPM and PWERM techniques involve a determination of the exit scenarios of the investment in order to appropriately allocate the enterprise value of the company among the various parts of its capital structure.

The Private Companies are not subject to the public company disclosure, timing, and reporting standards as other investments held by a Fund. Typically, the most recently available information by a Private Company is as of a date that is earlier than the date a Fund is calculating its NAV. This factor may result in a difference between the value of the investment and the price a Fund could receive upon the sale of the investment.

Fair Value Hierarchy: Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 — Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access
- Level 2 — Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Global Valuation Committee’s assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by Private Companies. There may not be a secondary market, and/or there are a limited number of investors. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

4. SECURITIES AND OTHER INVESTMENTS

Securities Lending: Certain Funds may lend their securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Funds collateral consisting of cash, an irrevocable letter of credit issued by a bank, or securities issued or guaranteed by the U.S. Government. The initial collateral received by each Fund is required to have a value of at least 102% of the current value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter at a value equal to at least 100% of the current market value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Fund and any additional required collateral is delivered to the Fund, or excess collateral returned by the Fund, on the next business day. During the term of the loan, the Funds are entitled to all distributions made on or in respect of the loaned securities, but do not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

The market value of any securities on loan, all of which were classified as common stocks in the Funds' Schedules of Investments, and the value of any related collateral are shown separately in the Statements of Assets and Liabilities as a component of investments at value — unaffiliated, and collateral on securities loaned at value, respectively. As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested by the securities lending agent, BlackRock Investment Management, LLC (“BIM”), if any, is disclosed in the Schedules of Investments.

Securities lending transactions are entered into by the Funds under Master Securities Lending Agreements (each, an “MSLA”), which provide the right, in the event of default (including bankruptcy or insolvency), for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Funds, as lender, would offset the market value of the collateral received against the market value of the securities loaned. When the value of the collateral is greater than that of the market value of the securities loaned, the lender is left with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty’s bankruptcy or insolvency. Under the MSLA, absent an event of default, the borrower can resell or re-pledge the loaned securities, and a Fund can reinvest cash collateral received in connection with loaned securities. Upon an event of default, the parties’ obligations to return the securities or collateral to the other party are extinguished, and the parties can resell or re-pledge the loaned securities or the collateral received in connection with the loaned securities in order to satisfy the defaulting party’s net payment obligation for all transactions under the MSLA. The defaulting party remains liable for any deficiency.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Funds benefit from a borrower default indemnity provided by BIM. BIM's indemnity allows for full replacement of the securities loaned to the extent the collateral received does not cover the value on the securities loaned in the event of borrower default. Each Fund could incur a loss if the value of an investment purchased with cash collateral falls below the market value of loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received. Such losses are borne entirely by the Fund.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to manage their exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk, commodity price risk or other risks (e.g., inflation risk). Derivative financial instruments categorized by risk exposure are included in the Schedules of Investments. These contracts may be transacted on an exchange or OTC.

Forward Foreign Currency Exchange Contracts: Forward foreign currency exchange contracts are entered into to gain or reduce exposure to foreign currencies (foreign currency exchange rate risk).

A forward foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a specified date. These contracts help to manage the overall exposure to the currencies in which some of the investments held by the Funds are denominated and in some cases, may be used to obtain exposure to a particular market.

The contract is marked-to-market daily and the change in market value is recorded as unrealized appreciation (depreciation) in the Statements of Assets and Liabilities. When a contract is closed, a realized gain or loss is recorded in the Statements of Operations equal to the difference between the value at the time it was opened and the value at the time it was closed. Non-deliverable forward foreign currency exchange contracts are settled with the counterparty in cash without the delivery of foreign currency. The use of forward foreign currency exchange contracts involves the risk that the value of a forward foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies, and such value may exceed the amount reflected in the Statements of Assets and Liabilities. Cash amounts pledged for forward foreign currency exchange contracts are considered restricted and are included in cash pledged as collateral for OTC derivatives in the Statements of Assets and Liabilities.

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisory: The Trust, on behalf of the Funds, entered into an Investment Advisory Agreement with the Manager, the Funds' investment adviser and an indirect, wholly-owned subsidiary of BlackRock, Inc. (“BlackRock”), to provide investment advisory services. The Manager is responsible for the management of each Fund's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of each Fund.

For such services, each Fund pays the Manager a monthly fee at an annual rate equal to the following percentages of the average daily value of each Fund's net assets:

Average Daily Net Assets	*Investment Advisory Fees*
First $1 Billion	0.750%
$1 Billion - $2 Billion	0.700
$2 Billion - $3 Billion	0.675
Greater than $3 Billion	0.650

With respect to each Fund, the Manager entered into separate sub-advisory agreements with BlackRock International Limited (“BIL”), an affiliate of the Manager. The Manager pays BIL for services it provides for that portion of each Fund for which BIL acts as sub-adviser, a monthly fee that is equal to a percentage of the investment advisory fees paid by each Fund to the Manager.

Service and Distribution Fees: The Trust, on behalf of the Funds, entered into a Distribution Agreement and a Distribution and Service Plan with BlackRock Investments, LLC (“BRIL”), an affiliate of the Manager. Pursuant to the Distribution and Service Plan and in accordance with Rule 12b-1 under the 1940 Act, each Fund pays BRIL ongoing service and distribution fees. The fees are accrued daily and paid monthly at annual rates based upon the average daily net assets of the relevant share class of each Fund as follows:

	Service	*Investor A*	*Investor C*
Service Fee	0.25%	0.25%	0.25%
Distribution Fee	—	—	0.75

BRIL and broker-dealers, pursuant to sub-agreements with BRIL, provide shareholder servicing and distribution services to the Funds. The ongoing service and/or distribution fee compensates BRIL and each broker-dealer for providing shareholder servicing and/or distribution related services to shareholders.

For the year ended September 30, 2019, the following table shows the class specific service and distribution fees borne directly by each share class of each Fund:

	Service	*Investor A*	*Investor C*	*Total*
All-Cap Energy & Resources	$1,371	$ 92,746	$108,079	$202,196
Energy & Resources	—	199,022	113,538	312,560

Administration: The Trust, on behalf of the Funds, entered into an Administration Agreement with the Manager, an indirect, wholly-owned subsidiary of BlackRock, to provide administrative services. For these services, the Manager receives an administration fee computed daily and payable monthly, based on a percentage of the average daily net assets of each Fund. The administration fee, which is shown as administration in the Statements of Operations, is paid at the annual rates below.

Average Daily Net Assets	Administration Fee
First $500 Million	0.0425%
$500 Million - $1 Billion	0.0400
$1 Billion - $2 Billion	0.0375
$2 Billion - $4 Billion	0.0350
$4 Billion - $13 Billion	0.0325
Greater than $13 Billion	0.0300

In addition, the Manager charges each of the share classes an administration fee, which is shown as administration — class specific in the Statements of Operations, at an annual rate of 0.02% of the average daily net assets of each respective class.

For the year ended September 30, 2019, the following table shows the class specific administration fees borne directly by each share class of each Fund:

	Institutional	Service	Investor A	Investor C	Total
All-Cap Energy & Resources	$4,014	$111	$ 7,463	$2,178	$13,766
Energy & Resources	2,633	—	16,099	2,295	21,027

Transfer Agent: Pursuant to written agreements, certain financial intermediaries, some of which may be affiliates, provide the Funds with sub-accounting, recordkeeping, sub-transfer agency and other administrative services with respect to servicing of underlying investor accounts. For these services, these entities receive an asset-based fee or an annual fee per shareholder account, which will vary depending on share class and/or net assets. For the year ended September 30, 2019, Energy and Resources Fund paid $1 to affiliates of BlackRock in return for these services to A Shares, which are included in transfer agent - class specific in the Statements of Operations.

The Manager maintains a call center that is responsible for providing certain shareholder services to the Funds. Shareholder services include responding to inquiries and processing purchases and sales based upon instructions from shareholders. For the year ended September 30, 2019, each Fund reimbursed the Manager the following amounts for costs incurred in running the call center, which are included in transfer agent — class specific in the Statements of Operations:

	Institutional	Service	Investor A	Investor C	Total
All-Cap Energy & Resources	$754	$—	$ 8,524	$1,330	$10,608
Energy & Resources	873	—	19,559	2,304	22,736

For the year ended September 30, 2019, the following table shows the class specific transfer agent fees borne directly by each share class of each Fund:

	Institutional	Service	Investor A	Investor C	Total
All-Cap Energy & Resources	$26,994	$717	$ 90,419	$19,794	$137,924
Energy & Resources	21,386	—	214,912	30,817	267,115

Other Fees: For the year ended September 30, 2019, affiliates earned underwriting discounts, direct commissions and dealer concessions on sales of each Fund's Investor A Shares as follows:

All-Cap Energy & Resources	$4,500
Energy & Resources	2,362

For the year ended September 30, 2019, affiliates received CDSCs as follows:

	Investor A	Investor C
All-Cap Energy & Resources	$179	$1,487
Energy & Resources	20	1,248

Expense Limitations, Waivers, Reimbursements and Recoupments: With respect to each Fund, the Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver"). The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitations described below will be reduced by the amount of the affiliated money market fund waiver. These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the year ended September 30, 2019, the amounts waived were as follows:

All-Cap Energy & Resources	$ 887
Energy & Resources	1,369

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of each Fund's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through January 31, 2020 (for Energy & Resources) and January 31, 2021 (for All-Cap Energy & Resources). The contractual agreement may be terminated upon 90 days' notice by a majority of the Independent Trustees who are not "interested persons" of a Fund, as defined in the 1940 Act, or by a vote of a majority of the outstanding voting securities of a Fund. For the year ended September 30, 2019, there were no fees waived and/or reimbursed by the Manager pursuant to this agreement.

With respect to each Fund, the Manager agreed to waive and/or reimburse fees or expenses in order to limit expenses, excluding interest expense, dividend expense, tax expense, acquired fund fees and expenses and certain other fund expenses, which constitute extraordinary expenses not incurred in the ordinary course of each Fund's business ("expense limitation"). The current expense limitations as a percentage of average daily net assets are as follows:

	All-Cap Energy & Resources	*Energy & Resources*	
	Contractual [(a)]	*Contractual* [(a)]	*Voluntary* [(b)]
Institutional	0.91%	1.07%	1.01%
Service	1.32	N/A	N/A
Investor A	1.32	1.38	1.32
Investor C	2.04	2.10	2.04

[(a)] The Manager has agreed not to reduce or discontinue this contractual waiver or reimbursement prior to January 31, 2021 for All-Cap Energy & Resources and January 31, 2020 for Energy & Resources unless approved by the Board, including a majority of the Independent Trustees or by a vote of a majority of the outstanding voting securities of the Fund.
[(b)] The voluntary waiver or reimbursement may be reduced or discontinued at any time without notice.

Prior to August 1, 2019, with respect to All-Cap Energy & Resources, the expense limitations as a percentage of average daily net assets were as follows:

	All-Cap Energy & Resources	
	Contractual	*Voluntary*
Institutional	0.96%	0.91%
Service	1.38	1.33
Investor A	1.38	1.33
Investor C	2.10	2.05

These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the year ended September 30, 2019, the amounts waived and/or reimbursed were as follows:

All-Cap Energy & Resources	$159,138
Energy & Resources	42,700

These amounts waived and/or reimbursed are included in fees waived and/or reimbursed by the Manager, administration fees waived — class specific, transfer agent fees waived and/or reimbursed — class specific, respectively, in the Statements of Operations. For the year ended September 30, 2019, class specific expense waivers and/or reimbursements are as follows:

Administration Fees Waived	*Institutional*	*Service*	*Investor A*	*Investor C*	*Total*
All-Cap Energy & Resources	$4,014	$10	$ 7,330	$2,030	$13,384
Energy & Resources	2,633	—	16,099	2,295	21,027

Transfer Agent Fees Waived and/or Reimbursed	*Institutional*	*Service*	*Investor A*	*Investor C*	*Total*
All-Cap Energy & Resources	$26,994	—	$ 27,274	$ 4,157	$ 58,425
Energy & Resources	20,865	—	161,910	25,828	208,603

The Funds have incurred expenses in connection with the realignment and consolidation of the boards of trustees of certain BlackRock-advised funds. The Manager has voluntarily agreed to reimburse the Funds for all or a portion of such expenses, which amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the year ended September 30, 2019, the amounts reimbursed were as follows:

All-Cap Energy & Resources	$2,354
Energy & Resources	4,456

With respect to the contractual expense limitation, if during a Fund's fiscal year the operating expenses of a share class, that at any time during the prior two fiscal years received a waiver and/or reimbursement from the Manager, are less than the current expense limitation for that share class, the Manager is entitled to be reimbursed by such share class up to the lesser of: (a) the amount of fees waived and/or expenses reimbursed during those prior two fiscal years under the agreement and (b) an amount not to exceed either the current expense limitation of that share class or the expense limitation of the share class in effect at the time that the share class received the applicable waiver and/or reimbursement, provided that:

(1) the Fund, of which the share class is a part, has more than $50 million in assets for the fiscal year, and

(2) the Manager or an affiliate continues to serve as the Fund's investment adviser or administrator.

This repayment applies only to the contractual expense limitation on net expenses and does not apply to the contractual investment advisory fee waiver described above or any voluntary waivers that may be in effect from time to time.

For the year ended September 30, 2019, the Manager recouped the following fund level and class specific waivers and/or reimbursements previously recorded by All-Cap Energy & Resources:

	Institutional	*Service*	*Investor A*	*Investor C*	*Total*
All-Cap Energy & Resources	$—	$128	$—	$28	$156

On September 30, 2019, the fund level and class specific waivers and/or reimbursement subject to possible future recoupment under the expense limitation agreement are as follows:

	Expiring September 30, 2020	Expiring September 30, 2021
All-Cap Energy & Resources		
Fund Level	$119,328	$130,078
Institutional	36,805	31,008
Service	101	10
Investor A	52,873	34,604
Investor C	23,763	6,188
Energy & Resources		
Institutional	—	20,970
Investor A	96,778	162,472
Investor C	30,330	25,908

The following fund level and class specific waivers and/or reimbursements previously recorded by the Funds, which were subject to recoupment by the Manager, expired on September 30, 2019:

All-Cap Energy & Resources	
Fund Level	$110,869
Institutional	41,594
Service	—
Investor A	59,801
Investor C	31,258
Energy & Resources	
Investor A	91,305
Investor C	32,957

Securities Lending: The U.S. Securities and Exchange Commission ("SEC") has issued an exemptive order which permits BlackRock Investment Management, LLC ("BIM"), an affiliate of the Manager, to serve as securities lending agent for the Funds, subject to applicable conditions. As securities lending agent, BIM bears all operational costs directly related to securities lending. The Funds are responsible for expenses in connection with the investment of cash collateral received for securities on loan (the "collateral investment expenses"). The cash collateral is invested in a private investment company managed by the Manager or its affiliates. However, BIM has agreed to cap the collateral investment expenses of the private investment company to an annual rate of 0.04%. The investment adviser to the private investment company will not charge any advisory fees with respect to shares purchased by the Funds. The private investment company in which the cash collateral has been invested may, under certain circumstances, impose a liquidity fee of up to 2% of the value withdrawn or temporarily restrict withdrawals for up to 10 business days during a 90 day period, in the event that the private investment company's weekly liquid assets fall below certain thresholds.

Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment expenses. Each Fund retains a portion of securities lending income and remits a remaining portion to BIM as compensation for its services as securities lending agent.

Pursuant to the current securities lending agreement for Energy & Resources, the Fund retains 73.5% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the BlackRock Multi-Asset Complex in a calendar year exceeds a specified threshold, Energy & Resources, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 80% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

Prior to January 1, 2019, Energy & Resources retained 71.5% of securities lending income (which excluded collateral investment expenses) and the amount retained could never be less than 65% of the total of securities lending income plus the collateral investment expenses. In addition, commencing the business day following the date that the aggregate securities lending income earned across a complex of open-end funds referred to as the Equity-Liquidity Complex in a calendar year exceeded a specified threshold, the Fund would retain for the remainder of that calendar year 75% of securities lending income (which excluded collateral investment expenses), and the amount retained could never be less than 65% of the total of securities lending income plus the collateral investment expenses.

Pursuant to the current securities lending agreement for All-Cap Energy & Resources, the Fund retains 82% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the BlackRock Multi-Asset Complex in a calendar year exceeds a specified threshold, All-Cap Energy & Resources, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 85% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

Prior to January 1, 2019, All-Cap Energy & Resources retained 80% of securities lending income (which excluded collateral investment expenses) and the amount retained could never be less than 70% of the total of securities lending income plus the collateral investment expenses. In addition, commencing the business day following the date that the aggregate securities lending income earned across a complex of open-end funds referred to as the Equity-Liquidity Complex in a calendar year exceeded a specified threshold, the Fund would retain for the remainder of that calendar year 85% of securities lending income (which excluded collateral investment expenses), and the amount retained could never be less than 70% of the total of securities lending income plus the collateral investment expenses.

The share of securities lending income earned by each Fund is shown as securities lending income — affiliated — net in the Statements of Operations. For the year ended September 30, 2019, each Fund paid BIM the following amounts for securities lending agent services:

All-Cap Energy & Resources	$ 35
Energy & Resources	172

Trustees and Officers: Certain trustees and/or officers of the Trusts are trustees and/or officers of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of the compensation paid to the Funds' Chief Compliance Officer, which is included in Trustees and Officer in the Statements of Operations.

7. PURCHASES AND SALES

For the year ended September 30, 2019, purchases and sales of investments, excluding short-term securities, were as follows:

	All-Cap Energy & Resources	*Energy & Resources*
Purchases	$25,547,710	$33,000,515
Sales	29,058,684	62,903,986

8. INCOME TAX INFORMATION

It is each Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

Each Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Fund's U.S. federal tax returns generally remains open for each of the four years ended September 30, 2019. The statutes of limitations on each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Funds as of September 30, 2019, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Funds' financial statements.

The tax character of distributions paid was as follows:

		All-Cap Energy & Resources	*Energy & Resources*
Ordinary income	09/30/19	$1,578,645	$ 322,577
	09/30/18	2,104,448	2,301,141

As of period end, the tax components of accumulated net loss were as follows:

	All-Cap Energy & Resources	*Energy & Resources*
Undistributed ordinary income	$ 1,429,996	$ 792,723
Non-expiring capital loss carryforwards[(a)]	(35,127,564)	(251,137,591)
Net unrealized losses[(b)]	(528,387)	(13,160,545)
	$(34,225,955)	$(263,505,413)

[(a)] Amounts available to offset future realized capital gains.
[(b)] The differences between book-basis and tax-basis net unrealized losses were attributable primarily to the tax deferral of losses on wash sales and the realization for tax purposes of unrealized gains on investments in passive foreign investment companies.

As of September 30, 2019, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	All-Cap Energy & Resources	*Energy & Resources*
Tax cost	$66,673,003	$ 97,665,325
Gross unrealized appreciation	$ 3,299,785	$ 8,624,359
Gross unrealized depreciation	(3,827,783)	(21,784,500)
Net unrealized depreciation	$ (527,998)	$(13,160,141)

9. BANK BORROWINGS

The Trust, on behalf of the Funds, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is a party to a 364-day, $2.25 billion credit agreement with a group of lenders. Under this agreement, the Funds may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Funds, can borrow up to an aggregate commitment amount of $1.75 billion at any time outstanding, subject to asset coverage and other limitations as specified in the agreement. The credit agreement has the following terms: a fee of 0.10% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) one-month LIBOR (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum or (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed. The agreement expires in April 2020 unless extended or renewed. Prior to April 18, 2019, Participating Funds paid an upfront commitment fee of 0.02% on the total commitment amounts, in addition to administration, legal and arrangement fees, which are included in miscellaneous expenses in the Statements of Operations. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the year ended September 30, 2019, the Funds did not borrow under the credit agreement.

10. PRINCIPAL RISKS

In the normal course of business, certain Funds invest in securities or other instruments and may enter into certain transactions, and such activities subject each Fund to various risks, including among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate and price fluctuations. Each Fund's prospectus provides details of the risks to which each Fund is subject.

The Funds may be exposed to additional risks when reinvesting cash collateral in money market funds that do not seek to maintain a stable NAV per share of $1.00, which may be subject to redemption gates or liquidity fees under certain circumstances.

Valuation Risk: The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. A Fund may invest in illiquid investments. An illiquid investment is any investment that a Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. A Fund may experience difficulty in selling illiquid investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause each Fund's NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of a Fund may lose value, regardless of the individual results of the securities and other instruments in which a Fund invests.

The price a Fund could receive upon the sale of any particular portfolio investment may differ from a Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair valuation technique or a price provided by an independent pricing service. Changes to significant unobservable inputs and assumptions (i.e., publicly traded company multiples, growth rate, time to exit) due to the lack of observable inputs may significantly impact the resulting fair value and therefore a Fund's results of operations. As a result, the price received upon the sale of an investment may be less than the value ascribed by a Fund, and a Fund could realize a greater than expected loss or lesser than expected gain upon the sale of the investment. A Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third party service providers.

Counterparty Credit Risk: The Funds may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions. The Funds manage counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Funds.

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

Concentration Risk: As of period end, All-Cap Energy & Resources and Energy & Resources invested a significant portion of their assets in securities in the energy sector. Changes in economic conditions affecting such sector would have a greater impact on All-Cap Energy & Resources and Energy & Resources and could affect the value, income and/or liquidity of positions in such securities.

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

	Year Ended 09/30/19		Year Ended 09/30/18	
All-Cap Energy & Resources	*Shares*	*Amount*	*Shares*	*Amount*
Institutional				
Shares sold	2,483,977	$ 24,371,687	1,123,324	$ 13,418,105
Shares issued in reinvestment of distributions	49,857	489,099	43,017	477,056
Shares redeemed	(1,895,756)	(19,174,792)	(1,043,928)	(12,186,601)
Net increase	638,078	$ 5,685,994	122,413	$ 1,708,560
Service				
Shares sold	24,220	$ 243,144	1,313	$ 15,222
Shares issued in reinvestment of distributions	1,310	12,604	1,408	15,288
Shares redeemed	(27,520)	(270,216)	(10,737)	(122,612)
Net decrease	(1,990)	$ (14,468)	(8,016)	$ (92,102)
Investor A				
Shares issued from conversion[(a)]	—	$ —	2,306	$ 26,086
Shares sold and automatic conversion of shares	1,317,090	13,255,143	538,501	6,103,310
Shares issued in reinvestment distributions	102,248	978,518	101,381	1,095,931
Shares redeemed	(1,210,425)	(11,796,567)	(1,211,899)	(13,767,989)
Net increase (decrease)	208,913	$ 2,437,094	(569,711)	$ (6,542,662)
Investor B				
Shares converted[(a)]	—	$—	(2,317)	$(26,086)
Shares redeemed and automatic conversion of shares	—	—	(209)	(2,227)
Net decrease	—	$—	(2,526)	$(28,313)
Investor C				
Shares sold	57,281	$ 536,851	131,415	$ 1,424,430
Shares issued in reinvestment of distributions	7,437	68,863	45,312	467,616
Shares redeemed	(1,149,546)	(11,202,214)	(584,248)	(6,251,164)
Net decrease	(1,084,828)	$(10,596,500)	(407,521)	$(4,359,118)
Total Net Decrease	(239,827)	$ (2,487,880)	(865,361)	$(9,313,635)

Energy & Resources	Year Ended 09/30/19 Shares	Year Ended 09/30/19 Amount	Year Ended 09/30/18 Shares	Year Ended 09/30/18 Amount
Institutional				
Shares sold	881,431	$ 15,164,634	457,282	$ 9,910,528
Shares issued in reinvestment of distributions	3,896	66,815	16,417	336,886
Shares redeemed	(1,359,961)	(25,052,547)	(1,630,575)	(33,771,364)
Net decrease	(474,634)	$ (9,821,098)	(1,156,876)	$(23,523,950)
Investor A				
Shares issued from conversion[a]	—	$ —	990	$ 18,290
Shares sold and automatic conversion of shares	1,202,118	18,417,117	1,235,552	22,220,151
Shares issued in reinvestment of distributions	16,953	249,217	82,922	1,460,289
Shares redeemed	(2,004,156)	(30,819,911)	(2,480,220)	(45,278,199)
Net decrease	(785,085)	$(12,153,577)	(1,160,756)	$(21,579,469)
Investor B				
Shares converted[a]	—	$—	(1,381)	$(18,290)
Shares redeemed and automatic conversion of shares	—	—	(164)	(2,126)
Net decrease	—	$—	(1,545)	$(20,416)
Investor C				
Shares sold	72,128	$ 732,393	79,433	$ 1,007,891
Shares issued in reinvestment of distributions	—	—	18,621	230,908
Shares redeemed	(717,676)	(7,768,897)	(580,492)	(7,369,595)
Net decrease	(645,548)	$ (7,036,504)	(482,438)	$ (6,130,796)
Total Net Decrease	(1,905,267)	$(29,011,179)	(2,801,615)	$(51,254,631)

[a] On December 27, 2017, the Funds' Investor B Shares converted to Investor A Shares.

12. REGULATION S-X AMENDMENTS

On August 17, 2018, the SEC adopted amendments to certain disclosure requirements in Securities Act Release No. 33-10532, Disclosure Update and Simplification. The Funds have adopted the amendments pertinent to Regulation S-X in this shareholder report. The amendments impacted certain disclosure presentation on the Statements of Assets and Liabilities, Statements of Changes in Net Assets and Notes to the Financial Statements.

Prior year distribution information and undistributed (distributions in excess of) net investment income in the Statements of Changes in Net Assets has been modified to conform to the current year presentation in accordance with the Regulation S-X changes.

Distributions for the year ended September 30, 2018 were classified as follows:

Share Class	Net Investment Income
All-Cap Energy & Resources	
Institutional	$ 495,032
Service	15,288
Investor A	1,116,732
Investor C	477,396
Energy & Resources	
Institutional	$ 576,362
Investor A	1,490,046
Investor C	234,733

Undistributed (distributions in excess of) net investment income for All-Cap Energy & Resources and Energy & Resources as of September 30, 2018 were $1,201,797 and $(463,759).

13. SUBSEQUENT EVENTS

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following item was noted:

On November 13, 2019, the Board approved a change in the fiscal year-end of All-Cap Energy & Resources, effective as May 31, 2020, from September 30 to May 31.

Report of Independent Registered Public Accounting Firm

To the Shareholders of BlackRock All-Cap Energy & Resources Portfolio and BlackRock Energy & Resources Portfolio and the Board of Trustees of BlackRock Funds[SM]:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statements of assets and liabilities of BlackRock All-Cap Energy & Resources Portfolio and BlackRock Energy & Resources Portfolio of BlackRock Funds[SM] (the "Funds"), including the schedules of investments, as of September 30, 2019, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Funds as of September 30, 2019, and the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of September 30, 2019, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP
Boston, Massachusetts
November 20, 2019

We have served as the auditor of one or more BlackRock investment companies since 1992.

Important Tax Information (unaudited)

During the fiscal year ended September 30, 2019, the following information is provided with respect to the ordinary income distributions paid by the Funds:

	Payable Date	*Qualified Dividend Income for Individuals*[(a)]	*Distributions Qualifying for the Dividend Received Deduction for Corporations*[(a)]
All-Cap Energy & Resources Portfolio	12/07/18	100%	100%
Energy & Resources Portfolio	12/07/18	100	100

[(a)] The Funds hereby designate the percentage indicated above or the maximum allowable by law.

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreements

The Board of Trustees (the "Board," the members of which are referred to as "Board Members") of BlackRock Funds (the "Trust") met in person on April 17, 2019 (the "April Meeting") and May 14-15, 2019 (the "May Meeting") to consider the approval of the investment advisory agreement (the "Advisory Agreement") between the Trust, on behalf of BlackRock All-Cap Energy & Resources Portfolio ("All-Cap Energy & Resources Portfolio") and BlackRock Energy & Resources Portfolio ("Energy & Resources Portfolio") (each a "Fund" and collectively, the "Funds"), each a series of the Trust, and BlackRock Advisors, LLC (the "Manager"), the Trust's investment advisor. The Board also considered the approval of the sub-advisory agreement between the Manager and BlackRock International Limited (the "Sub-Advisor") with respect to All-Cap Energy & Resources Portfolio (the "All-Cap Energy & Resources Portfolio Sub-Advisory Agreement") and the sub-advisory agreement between the Manager and the Sub-Advisor with respect to Energy & Resources Portfolio (the "Energy & Resources Portfolio Sub-Advisory Agreement" and, together with the All-Cap Energy & Resources Portfolio Sub-Advisory Agreement, the "Sub-Advisory Agreements"). The Manager and the Sub-Advisor are referred to herein as "BlackRock." The Advisory Agreement and the Sub-Advisory Agreements are referred to herein as the "Agreements."

Activities and Composition of the Board

On the date of the May Meeting, the Board consisted of fifteen individuals, thirteen of whom were not "interested persons" of the Trust as defined in the Investment Company Act of 1940, as amended (the "1940 Act") (the "Independent Board Members"). The Board Members are responsible for the oversight of the operations of the Trust and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chair of the Board is an Independent Board Member. The Board has established five standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee and an Ad Hoc Topics Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Ad Hoc Topics Committee, which also has one interested Board Member).

The Agreements

Consistent with the requirements of the 1940 Act, the Board considers the continuation of the Agreements on an annual basis. The Board has four quarterly meetings per year, each typically extending for two days, and additional in-person and telephonic meetings throughout the year, as needed. While the Board also has a fifth one-day meeting to consider specific information surrounding the renewal of the Agreements, the Board's consideration entails a year-long deliberative process whereby the Board and its committees assess BlackRock's services to the Funds. In particular, the Board assessed, among other things, the nature, extent and quality of the services provided to the Funds by BlackRock, BlackRock's personnel and affiliates, including (as applicable): investment management; accounting, administrative and shareholder services; oversight of each Funds' service providers; risk management and oversight; legal and compliance services; and ability to meet applicable legal and regulatory requirements. Throughout the year, including during the contract renewal process, the Independent Board Members were advised by independent legal counsel, and met with independent legal counsel in various executive sessions outside of the presence of management.

During the year, the Board, acting directly and through its committees, considers information that is relevant to its annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Funds and their shareholders. BlackRock also furnished additional information to the Board in response to specific questions from the Board. This additional information is discussed further below in the section titled "Board Considerations in Approving the Agreements." Among the matters the Board considered were: (a) investment performance for one-year, three-year, five-year, ten-year, and/or since inception periods, as applicable, against peer funds, applicable benchmark, and performance metrics, as applicable, as well as senior management's and portfolio managers' analyses of the reasons for any over-performance or under-performance relative to its peers, benchmarks, and other performance metrics, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Funds for services; (c) Fund operating expenses and how BlackRock allocates expenses to the Funds; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of each Fund's investment objective, policies and restrictions, and meeting regulatory requirements; (e) BlackRock and the Trust's adherence to applicable compliance policies and procedures; (f) the nature, character and scope of non-investment management services provided by BlackRock and its affiliates and the estimated cost of such services; (g) BlackRock's and other service providers' internal controls and risk and compliance oversight mechanisms; (h) BlackRock's implementation of the proxy voting policies approved by the Board; (i) the use of brokerage commissions and execution quality of portfolio transactions; (j) BlackRock's implementation of the Trust's valuation and liquidity procedures; (k) an analysis of management fees for products with similar investment mandates across the open-end fund, exchange-traded fund ("ETF"), closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable, and the similarities and differences between these products and the services provided as compared to the Funds; (l) BlackRock's compensation methodology for its investment professionals and the incentives and accountability it creates, along with investment professionals' investments in the fund(s) they manage; and (m) periodic updates on BlackRock's business.

Board Considerations in Approving the Agreements

The Approval Process: Prior to the April Meeting, the Board requested and received materials specifically relating to the Agreements. The Independent Board Members are continuously engaged in a process with their independent legal counsel and BlackRock to review the nature and scope of the information provided to better assist its deliberations. The materials provided in connection with the April Meeting included, among other things: (a) information independently compiled and prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), based on either a Lipper classification or Morningstar category, regarding each Fund's fees and expenses as compared with a peer group of funds as determined by Broadridge ("Expense Peers") and the investment performance of each Fund as compared with a peer group of funds ("Performance Peers") and other metrics, as applicable; (b) information on the composition of the Expense Peers and Performance Peers, and a description of Broadridge's methodology; (c) information on the estimated profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to BlackRock and its affiliates; (d) a general analysis provided by BlackRock concerning investment management fees received in connection with other types of investment products, such as institutional accounts, sub-advised mutual funds, ETFs, closed-end funds, open-end funds, and separately managed accounts under similar investment mandates, as well as the performance of such other products, as applicable; (e) review of non-management fees; (f) the existence, impact and sharing of potential economies of scale, if any, with the Funds; (g) a summary of aggregate amounts paid by each Fund to BlackRock; (h) sales and redemption data regarding each Fund's shares; and (i) various additional information requested by the Board as appropriate regarding BlackRock's and the Funds' operations.

At the April Meeting, the Board reviewed materials relating to its consideration of the Agreements. As a result of the discussions that occurred during the April Meeting, and as a culmination of the Board's year-long deliberative process, the Board presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the May Meeting.

At the May Meeting, the Board concluded its assessment of, among other things: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of each Fund as compared with Performance Peers and other metrics, as applicable; (c) the advisory fee and the estimated cost of the services and estimated profits realized by BlackRock and its affiliates from their relationship with the Funds; (d) each Fund's fees and expenses compared to Expense Peers; (e) the sharing of potential economies of scale; (f) fall-out benefits to BlackRock and its affiliates as a result of BlackRock's relationship with the Funds; and (g) other factors deemed relevant by the Board Members.

The Board also considered other matters it deemed important to the approval process, such as other payments made to BlackRock or its affiliates relating to securities lending and cash management, and BlackRock's services related to the valuation and pricing of the portfolio holdings of each Fund. The Board noted the willingness of BlackRock personnel to engage in open, candid discussions with the Board. The Board did not identify any particular information as determinative, and each Board Member may have attributed different weights to the various items considered.

A. Nature, Extent and Quality of the Services Provided by BlackRock: The Board, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of each Fund. Throughout the year, the Board compared each Fund's performance to the performance of a comparable group of mutual funds, relevant benchmark, and performance metrics, as applicable. The Board met with BlackRock's senior management personnel responsible for investment activities, including the senior investment officers. The Board also reviewed the materials provided by each Fund's portfolio management team discussing the Fund's performance and the Fund's investment objective, strategies and outlook.

The Board considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and each Fund's portfolio management team; BlackRock's research capabilities; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Board also considered BlackRock's overall risk management program, including the continued efforts of BlackRock and its affiliates to address cybersecurity risks and the role of BlackRock's Risk & Quantitative Analysis Group. The Board engaged in a review of BlackRock's compensation structure with respect to each Fund's portfolio management team and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to investment advisory services, the Board considered the nature and quality of the administrative and other non-investment advisory services provided to each Fund. BlackRock and its affiliates provide the Funds with certain administrative, shareholder and other services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with administrative services including, among others: (i) responsibility for disclosure documents, such as the prospectus, the summary prospectus (as applicable), the statement of additional information and periodic shareholder reports; (ii) oversight of daily accounting and pricing; (iii) responsibility for periodic filings with regulators; (iv) overseeing and coordinating the activities of other service providers, including, among others, each Fund's custodian, fund accountant, transfer agent, and auditor; (v) organizing Board meetings and preparing the materials for such Board meetings; (vi) providing legal and compliance support; (vii) furnishing analytical and other support to assist the Board in its consideration of strategic issues such as the merger, consolidation or repurposing of certain open-end funds; and (viii) performing or managing administrative functions necessary for the operation of the Funds, such as tax reporting, expense management, fulfilling regulatory filing requirements, overseeing each Fund's distribution partners, and shareholder call center and other services. The Board reviewed the structure and duties of BlackRock's fund administration, shareholder services, and legal & compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

B. The Investment Performance of the Funds and BlackRock: The Board, including the Independent Board Members, also reviewed and considered the performance history of each Fund. In preparation for the April Meeting, the Board was provided with reports independently prepared by Broadridge, which included a comprehensive analysis of each Fund's performance as of December 31, 2018. Broadridge ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable. In connection with its review, the Board received and reviewed information regarding the investment performance of each Fund as compared to its Performance Peers. The Board and its Performance Oversight Committee regularly review, and meet with Fund management to discuss, the performance of each Fund throughout the year.

In evaluating performance, the Board focused particular attention on funds with less favorable performance records. The Board also noted that while it found the data provided by Broadridge generally useful, it recognized the limitations of such data, including in particular, that notable differences may exist between a fund and the Performance Peer funds (for example, the investment objective(s) and investment strategies). Further, the Board recognized that the performance data reflects a snapshot of a period as of a particular date and that selecting a different performance period could produce significantly different results. The Board also acknowledged that long-term performance could be impacted by even one period of significant outperformance or underperformance, and that a single investment theme could have the ability to affect long-term performance disproportionately.

The Board noted that for the one-, three- and five-year periods reported, the All-Cap Energy & Resources Portfolio ranked in the first, first and second quartiles, respectively, against its Performance Peers.

The Board noted that for each of the one-, three- and five-year periods reported, the Energy & Resources Portfolio ranked in the third quartile, against its Performance Peers. The Board and BlackRock reviewed the Fund's underperformance during the applicable periods. The Board was informed that, among other things, the Fund's sub-sector positioning was the key driver of underperformance during the periods. In addition, the Board was informed that the Fund's underweight allocation to the distribution sub-sector, coupled with a few negative stock specific announcements, drove underperformance over the one-year period. The Board and BlackRock discussed BlackRock's strategy for improving the Fund's investment performance. Discussions covered topics such as performance attribution, the Fund's investment personnel, and the resources appropriate to support the Fund's investment processes.

C. Consideration of the Advisory/Management Fees and the Estimated Cost of the Services and Estimated Profits Realized by BlackRock and its Affiliates from their Relationship with the Funds: The Board, including the Independent Board Members, reviewed each Fund's contractual management fee rate compared with those of its Expense Peers. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. The Board also compared each Fund's total expense ratio, as well as its actual management fee rate, to those of its Expense Peers. The total expense ratio represents a fund's total net operating expenses, including any 12b-1 or non 12b-1 service fees. The total expense ratio gives effect to any expense reimbursements or fee waivers that benefit a fund, and the actual management fee rate gives effect to any management fee reimbursements or waivers that benefit a fund. The Board considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts and sub-advised mutual funds (including mutual funds sponsored by third parties).

The Board received and reviewed statements relating to BlackRock's financial condition. The Board reviewed BlackRock's profitability methodology and was also provided with an estimated profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to each Fund. The Board reviewed BlackRock's estimated profitability with respect to each Fund and other funds the Board currently oversees for the year ended December 31, 2018 compared to available aggregate estimated profitability data provided for the prior two years. The Board reviewed BlackRock's estimated profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Board reviewed BlackRock's assumptions and methodology of allocating expenses in the estimated profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Board recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. The Board thus recognized that calculating and comparing profitability at individual fund levels is difficult.

The Board noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Board reviewed BlackRock's overall operating margin, in general, compared to that of certain other publicly-traded asset management firms. The Board considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

In addition, the Board considered the estimated cost of the services provided to the Funds by BlackRock, and BlackRock's and its affiliates' estimated profits relating to the management of the Funds and the other funds advised by BlackRock and its affiliates. As part of its analysis, the Board reviewed BlackRock's methodology in allocating its costs of managing each Fund, to each respective Fund. The Board considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Board. The Board further considered factors including but not limited to BlackRock's commitment of time, assumption of risk, and liability profile in servicing the Funds, including in contrast to what is required of BlackRock with respect to other products with similar investment mandates across the open-end fund, ETF, closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable.

The Board noted that the All-Cap Energy & Resources Portfolio's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. In addition, the Board noted that BlackRock has voluntarily agreed to a cap to further limit the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. After discussions between the Board, including the Independent Board Members, and BlackRock, the Board and BlackRock agreed to a continuation of the voluntary expense cap.

The Board noted that the Energy & Resources Portfolio's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio ranked in the second and first quartiles, respectively, relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board noted that if the size of the Fund were to decrease, the Fund could lose the benefit of one or more breakpoints. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. In addition, the Board noted that BlackRock and the Board have voluntarily agreed to a cap to further limit the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. In addition, the Board noted that BlackRock and the Board had previously agreed to a lower voluntary expense cap on the Fund, on a class-by-class basis. After discussions between the Board, including the Independent Board Members, and BlackRock, the Board and BlackRock agreed to a continuation of the voluntary cap.

D. Economies of Scale: The Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of the Funds increase, including the existence of fee waivers and/or expense caps, as applicable, noting that any contractual fee waivers and expense caps had been approved by the Board. The Board also considered the extent to which the Funds benefit from such economies in a variety of ways and whether there should be changes in the advisory fee rate or breakpoint structure in order to enable the Funds to more fully participate in these economies of scale. The Board considered each Fund's asset levels and whether the current fee schedule was appropriate. In their consideration, the Board Members took into account the existence of any expense caps and further considered the continuation and/or implementation, as applicable, of such caps.

E. Other Factors Deemed Relevant by the Board Members: The Board, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from BlackRock's respective relationships with the Funds, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Funds, including for administrative, distribution, securities lending and cash management services. The Board also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Board also noted that, subject to applicable law, BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts.

In connection with its consideration of the Agreements, the Board also received information regarding BlackRock's brokerage and soft dollar practices. The Board received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Board noted the competitive nature of the open-end fund marketplace, and that shareholders are able to redeem their Fund shares if they believe that the pertinent Fund's fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

Conclusion

The Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and the Trust, on behalf of each Fund, for a one-year term ending June 30, 2020, and the Sub-Advisory Agreements between the Manager and the Sub-Advisor with respect to each Fund for a one-year term ending June 30, 2020. Based upon its evaluation of all of the aforementioned factors in their totality, as well as other information, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of each Fund and its shareholders. In arriving at its decision to approve the Agreements, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination.

Independent Trustees[a]

Name Year of Birth[b]	Position(s) Held (Length of Service)[c]	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past Five Years
Mark Stalnecker 1951	Chair of the Board (Since 2019) and Trustee (Since 2015)	Chief Investment Officer, University of Delaware from 1999 to 2013; Trustee and Chair of the Finance and Investment Committees, Winterthur Museum and Country Estate from 2005 to 2016; Member of the Investment Committee, Delaware Public Employees' Retirement System since 2002; Member of the Investment Committee, Christiana Care Health System from 2009 to 2017; Member of the Investment Committee, Delaware Community Foundation from 2013 to 2014; Director and Chair of the Audit Committee, SEI Private Trust Co. from 2001 to 2014.	37 RICs consisting of 179 Portfolios	None
Bruce R. Bond 1946	Trustee (Since 2019)	Board Member, Amsphere Limited (software) since 2018; Trustee and Member of the Governance Committee, State Street Research Mutual Funds from 1997 to 2005; Board Member of Governance, Audit and Finance Committee, Avaya Inc. (computer equipment) from 2003 to 2007.	37 RICs consisting of 179 Portfolios	None
Susan J. Carter 1956	Trustee (Since 2016)	Director, Pacific Pension Institute from 2014 to 2018; Advisory Board Member, Center for Private Equity and Entrepreneurship at Tuck School of Business since 1997; Senior Advisor, Commonfund Capital, Inc. ("CCI") (investment adviser) in 2015; Chief Executive Officer, CCI from 2013 to 2014; President & Chief Executive Officer, CCI from 1997 to 2013; Advisory Board Member, Girls Who Invest from 2015 to 2018 and Board Member thereof since 2018; Advisory Board Member, Bridges Fund Management since 2016; Trustee, Financial Accounting Foundation since 2017; Practitioner Advisory Board Member, Private Capital Research Institute ("PCRI") since 2017.	37 RICs consisting of 179 Portfolios	None
Collette Chilton 1958	Trustee (Since 2015)	Chief Investment Officer, Williams College since 2006; Chief Investment Officer, Lucent Asset Management Corporation from 1998 to 2006.	37 RICs consisting of 179 Portfolios	None
Neil A. Cotty 1954	Trustee (Since 2016)	Bank of America Corporation from 1996 to 2015, serving in various senior finance leadership roles, including Chief Accounting Officer, from 2009 to 2015, Chief Financial Officer of Global Banking, Markets and Wealth Management from 2008 to 2009, Chief Accounting Officer from 2004 to 2008, Chief Financial Officer of Consumer Bank from 2003 to 2004, Chief Financial Officer of Global Corporate Investment Bank from 1999 to 2002.	37 RICs consisting of 179 Portfolios	None
Lena G. Goldberg 1949	Trustee (Since 2019)	Senior Lecturer, Harvard Business School, since 2008; Director, Charles Stark Draper Laboratory, Inc. since 2013; FMR LLC/Fidelity Investments (financial services) from 1996 to 2008, serving in various senior roles including Executive Vice President - Strategic Corporate Initiatives and Executive Vice President and General Counsel; Partner, Sullivan & Worcester LLP from 1985 to 1996 and Associate thereof from 1979 to 1985.	37 RICs consisting of 179 Portfolios	None
Robert M. Hernandez 1944	Trustee (Since 2019)	Director, Vice Chairman and Chief Financial Officer of USX Corporation (energy and steel business) from 1991 to 2001; Director and non-executive Chairman, RTI International Metals, Inc. from 1990 to 2015; Director, TE Connectivity (electronics) from 2006 to 2012.	37 RICs consisting of 179 Portfolios	Chubb Limited (insurance company); Eastman Chemical Company
Henry R. Keizer 1956	Trustee (Since 2019)	Director, Park Indemnity Ltd. (captive insurer) since 2010; Director, MUFG Americas Holdings Corporation and MUFG Union Bank, N.A. (financial and bank holding company) from 2014 to 2016; Director, American Institute of Certified Public Accountants from 2009 to 2011; Director, KPMG LLP (audit, tax and advisory services) from 2004 to 2005 and 2010 to 2012; Director, KPMG International in 2012, Deputy Chairman and Chief Operating Officer thereof from 2010 to 2012 and U.S. Vice Chairman of Audit thereof from 2005 to 2010; Global Head of Audit, KPMGI (consortium of KPMG firms) from 2006 to 2010; Director, YMCA of Greater New York from 2006 to 2010.	37 RICs consisting of 179 Portfolios	Hertz Global Holdings (car rental); Montpelier Re Holdings, Ltd. (publicly held property and casualty reinsurance) from 2013 until 2015; Sealed Air Corp. (packaging); WABCO (commercial vehicle safety systems)

Independent Trustees[a]

Name Year of Birth[b]	Position(s) Held (Length of Service)[c]	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past Five Years
Cynthia A. Montgomery 1952	Trustee (Since 2007)	Professor, Harvard Business School since 1989.	37 RICs consisting of 179 Portfolios	Newell Rubbermaid, Inc. (manufacturing)
Donald C. Opatrny 1952	Trustee (Since 2019)	Trustee, Vice Chair, Member of the Executive Committee and Chair of the Investment Committee, Cornell University since 2004; President, Trustee and Member of the Investment Committee, The Aldrich Contemporary Art Museum from 2007 to 2014; Member of the Board and Investment Committee, University School from 2007 to 2018; Member of the Investment Committee, Mellon Foundation from 2009 to 2015; Trustee, Artstor (a Mellon Foundation affiliate) from 2010 to 2015; President and Trustee, the Center for the Arts, Jackson Hole from 2011 to 2018; Director, Athena Capital Advisors LLC (investment management firm) since 2013; Trustee and Chair of the Investment Committee, Community Foundation of Jackson Hole since 2014; Member of Affordable Housing Supply Board of Jackson, Wyoming since 2018; Member, Investment Funds Committee, State of Wyoming since 2017; Trustee, Phoenix Art Museum since 2018.	37 RICs consisting of 179 Portfolios	None
Joseph P. Platt 1947	Trustee (Since 2007)	General Partner, Thorn Partners, LP (private investments) since 1998; Director, WQED Multi-Media (public broadcasting not-for-profit) since 2001; Chair, Basic Health International (non-profit) since 2015.	37 RICs consisting of 179 Portfolios	Greenlight Capital Re, Ltd. (reinsurance company); Consol Energy Inc.
Kenneth L. Urish 1951	Trustee (Since 2007)	Managing Partner, Urish Popeck & Co., LLC (certified public accountants and consultants) since 1976; Past-Chairman of the Professional Ethics Committee of the Pennsylvania Institute of Certified Public Accountants and Committee Member thereof since 2007; Member of External Advisory Board, The Pennsylvania State University Accounting Department since founding in 2001; Principal, UP Strategic Wealth Investment Advisors, LLC since 2013; Trustee, The Holy Family Institute from 2001 to 2010; President and Trustee, Pittsburgh Catholic Publishing Associates from 2003 to 2008; Director, Inter-Tel from 2006 to 2007.	37 RICs consisting of 179 Portfolios	None
Claire A. Walton 1957	Trustee (Since 2016)	Chief Operating Officer and Chief Financial Officer of Liberty Square Asset Management, LP from 1998 to 2015; General Partner of Neon Liberty Capital Management, LLC since 2003; Director, Boston Hedge Fund Group from 2009 to 2018; Director, Woodstock Ski Runners since 2013; Director, Massachusetts Council on Economic Education from 2013 to 2015.	37 RICs consisting of 179 Portfolios	None

Interested Trustees[a][d]

Name Year of Birth[b]	Position(s) Held (Length of Service)[c]	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past Five Years
Robert Fairbairn 1965	Trustee (Since 2018)	Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares® businesses from 2012 to 2016.	123 RICs consisting of 289 Portfolios	None
John M. Perlowski[e] 1964	Trustee (Since 2015), President and Chief Executive Officer (Since 2010)	Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009.	124 RICs consisting of 290 Portfolios	None

[a] The address of each Trustee is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

[b] Independent Trustees serve until their resignation, retirement, removal or death, or until December 31 of the year in which they turn 75. The Board may determine to extend the terms of Independent Trustees on a case-by-case basis, as appropriate.

[c] Following the combination of MLIM and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. Furthermore, effective January 1, 2019, three BlackRock Fund Complexes were realigned and consolidated into two BlackRock Fund Complexes. As a result, although the chart shows the year that each Independent Trustee joined the Board, certain Independent Trustees first became members of the boards of other BlackRock-advised Funds, legacy MLIM funds or legacy BlackRock funds as follows: Bruce R. Bond, 2005; Robert M. Hernandez, 1996; Cynthia A. Montgomery, 1994; Joseph P. Platt, 1999; Kenneth L. Urish, 1999; Lena G. Goldberg, 2016; Henry R. Keizer, 2016; Donald C. Opatrny, 2015.

[d] Mr. Fairbairn and Mr. Perlowski are both "interested persons," as defined in the 1940 Act, of the Trust based on their positions with BlackRock, Inc. and its affiliates. Mr. Fairbairn and Mr. Perlowski are also board members of the BlackRock Fixed-Income Complex.

[e] Mr. Perlowski is also a trustee of the BlackRock Credit Strategies Fund.

Officers Who Are Not Trustees[a]

Name Year of Birth[b]	Position(s) Held (Length of Service)	Principal Occupation(s) During Past Five Years
Thomas Callahan 1968	Vice President (Since 2016)	Managing Director of BlackRock, Inc. since 2013; Member of the Board of Managers of BlackRock Investments, LLC (principal underwriter) since 2019 and Managing Director thereof since 2017; Head of BlackRock's Global Cash Management Business since 2016; Co-Head of the Global Cash Management Business from 2014 to 2016; Deputy Head of the Global Cash Management Business from 2013 to 2014; Member of the Cash Management Group Executive Committee since 2013; Chief Executive Officer of NYSE Liffe U.S. from 2008 to 2013.
Jennifer McGovern 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Product Development and Oversight for BlackRock's Strategic Product Management Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019.
Neal J. Andrews 1966	Chief Financial Officer (Since 2007)	Chief Financial Officer of the iShares® exchange traded funds since 2019; Managing Director of BlackRock, Inc. since 2006.
Jay M. Fife 1970	Treasurer (Since 2007)	Managing Director of BlackRock, Inc. since 2007.
Charles Park 1967	Chief Compliance Officer (Since 2014)	Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares® Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares® exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012.
Lisa Belle 1968	Anti-Money Laundering Compliance Officer (Since 2019)	Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012.
Janey Ahn 1975	Secretary (Since 2019)	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017.

[a] The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.
[b] Officers of the Trust serve at the pleasure of the Board.

Further information about the Trust's Trustees and Officers is available in the Trust's Statement of Additional Information, which can be obtained without charge by calling (800) 441-7762.

Effective September 19, 2019, Lisa Belle replaced John MacKessy as the Anti-Money Laundering Compliance Officer of the Trust.
Effective September 19, 2019, Janey Ahn replaced Benjamin Archibald as the Secretary of the Trust.

Investment Adviser and Administrator
BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Adviser
BlackRock International Limited
Edinburgh, EH3 8BL
United Kingdom

Accounting Agent and Transfer Agent
BNY Mellon Investment Servicing (US) Inc.
Wilmington, DE 19809

Custodian
The Bank of New York Mellon
New York, NY 10286

Independent Registered Public Accounting Firm
Deloitte & Touche LLP
Boston, MA 02116

Distributor
BlackRock Investments, LLC
New York, NY 10022

Legal Counsel
Sidley Austin LLP
New York, NY 10019-6018

Address of the Trust
100 Bellevue Parkway
Wilmington, DE 19809

Additional Information

General Information

Householding

The Funds 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 Funds at (800) 441-7762.

Availability of Quarterly Schedule of Investments

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT, and for reporting periods ended prior to March 31, 2019, filed such information on Form N-Q. The Funds' Forms N-PORT and N-Q are available on the SEC’s website at http://www.sec.gov. The Funds' Forms N-PORT and N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available upon request and without charge (1) by calling (800) 441-7762; (2) at **http://www.blackrock.com**; and (3) on the SEC's website at http://www.sec.gov.

Availability of Proxy Voting Record

Information about how the Funds voted proxies relating to securities held in the Funds' portfolio during the most recent 12-month period ended June 30 is available upon request and without charge (1) at **http://www.blackrock.com** or by calling (800) 441-7762 and (2) on the SEC's website at http://www.sec.gov.

BlackRock’s Mutual Fund Family

BlackRock offers a diverse lineup of open-end mutual funds crossing all investment styles and managed by experts in equity, fixed-income and tax-exempt investing. Visit **http://www.blackrock.com** for more information.

Shareholder Privileges

Account Information

Call us at (800) 441-7762 from 8:00 AM to 6:00 PM ET on any business day to get information about your account balances, recent transactions and share prices. You can also reach us on the Web at **http://www.blackrock.com.**

Automatic Investment Plans

Investor class shareholders who want to invest regularly can arrange to have $50 or more automatically deducted from their checking or savings account and invested in any of the BlackRock funds.

Systematic Withdrawal Plans

Investor class shareholders can establish a systematic withdrawal plan and receive periodic payments of $50 or more from their BlackRock funds, as long as their account balance is at least $10,000.

Retirement Plans

Shareholders may make investments in conjunction with Traditional, Rollover, Roth, Coverdell, Simple IRAs, SEP IRAs and 403(b) Plans.

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

Glossary of Terms Used in this Report

Currency

USD	US Dollar

Portfolio Abbreviations

ADR	American Depositary Receipts

THIS PAGE INTENTIONALLY LEFT BLANK.

Want to know more?

blackrock.com | 877-275-1255 (1-877-ASK-1BLK)

This report is intended for current holders. It is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Funds unless preceded or accompanied by the Fund's current prospectus. Past performance results shown in this report should not be considered a representation of future performance. Investment returns and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are as dated and are subject to change.

Eq-Allcap-9/19-AR

BlackRock®