

2023 Annual Report

BlackRock FundsSM

- BlackRock Global Equity Absolute Return Fund

The Markets in Review

Dear Shareholder,

Significant economic headwinds emerged during the 12-month reporting period ended March 31, 2023, as investors navigated changing economic conditions and volatile markets. The U.S. economy shrank in the first half of 2022 before returning to modest growth in the second half of the year, marking a shift to a more challenging post-reopening economic environment. Changes in consumer spending patterns and a tight labor market led to elevated inflation, which reached a 40-year high before beginning to moderate.

Equity prices fell as interest rates rose, particularly during the first half of the reporting period. Both large- and small-capitalization U.S. stocks declined, although equities began to recover in the second half of the period as inflation eased and economic growth resumed. Emerging market stocks and international equities from developed markets declined overall, pressured by rising interest rates and volatile commodities prices.

The 10-year U.S. Treasury yield rose during the reporting period, driving its price down, as investors reacted to fluctuating inflation data and attempted to anticipate its impact on future interest rate changes. The corporate bond market also faced inflationary headwinds, and higher interest rates led to rising borrowing costs for corporate issuers.

The U.S. Federal Reserve (the "Fed"), acknowledging that inflation has been more persistent than expected, raised interest rates eight times. Furthermore, the Fed wound down its bond-buying programs and accelerated the reduction of its balance sheet.

Restricted labor supply kept inflation elevated even as other inflation drivers, such as goods prices and energy costs, moderated. While economic growth slowed in the last year, we believe that taming inflation requires a more substantial decline that lowers demand to a level more in line with the economy's productive capacity. Although the Fed has decelerated the pace of interest rate hikes, we believe that it still seems determined to get inflation back to target. With this in mind, we believe the possibility of a U.S. recession in the near-term is high, but the dimming economic outlook has not yet been fully reflected in current market prices. We believe investors should expect a period of higher volatility as markets adjust to the new economic reality and policymakers attempt to adapt to rapidly changing conditions. Turmoil in the banking sector late in the period highlighted the potential for the knock-on effects of substantially higher interest rates to disrupt markets with little warning.

While we favor an overweight to equities in the long term, we prefer an underweight stance on equities overall in the near term. Expectations for corporate earnings remain elevated, which seems inconsistent with the possibility of a recession. Nevertheless, we are overweight on emerging market stocks as we believe a weakening U.S. dollar provides a supportive backdrop. We also see long-term opportunities in credit, where we believe that valuations are appealing and higher yields provide attractive income, although we are neutral on credit in the near term, as we're concerned about tightening credit and financial conditions. However, we believe there are still some strong opportunities for a six- to twelve-month horizon, particularly short-term U.S. Treasuries, global inflation-linked bonds, and emerging market bonds denominated in local currency.

Overall, our view is that investors need to think globally, position themselves to be prepared for a decarbonizing economy, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit [blackrock.com](https://www.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 March 31, 2023

	6-Month	12-Month
U.S. large cap equities (S&P 500® Index)	15.62%	(7.73)%
U.S. small cap equities (Russell 2000® Index)	9.14	(11.61)
International equities (MSCI Europe, Australasia, Far East Index)	27.27	(1.38)
Emerging market equities (MSCI Emerging Markets Index)	14.04	(10.70)
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	1.93	2.52
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	4.38	(6.90)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	4.89	(4.78)
Tax-exempt municipal bonds (Bloomberg Municipal Bond Index)	7.00	0.26
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	7.88	(3.35)

Past performance is not an indication of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

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Investment Objective

BlackRock Global Equity Absolute Return Fund's (the "Fund") investment objective is to seek total return over the long-term.

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended March 31, 2023, all of the Fund's share classes underperformed its benchmark, the ICE BofA 3-Month U.S. Treasury Bill Index.

What factors influenced performance?

The Fund's long book was the primary driver of the Fund's negative returns during the reporting period. Stock selection within industrials and communication services were the key detractors at the sector level. Among individual stocks, the top two detractors from performance were the Fund's long positions in alternative accommodation platform Airbnb and e-commerce giant Amazon. In the second quarter of 2022, Airbnb posted its sixth consecutive quarter of topping expectations and raising guidance, benefiting greatly from the global travel rebound. However, shares fell sharply as the market worried that looming recession risks and higher interest rates will curtail consumer demand in future years. With the high near-term earnings multiple at risk of falling further in that environment, the Fund exited its position during the quarter. In the first quarter of 2023, Amazon reported a strong volume recovery in its retail business. However, its Amazon Web Services cloud computing segment continued to face short-term challenges amid corporate budget cuts in the current macroeconomic environment.

Conversely, stock selection within healthcare and financials were the top contributors. At the individual stock level, the top two contributors were long positions in Danish pharmaceutical company Novo Nordisk A/S and Italian financial institution UniCredit. Novo Nordisk reported strong 2022 earnings with superior growth, supported by the relaunch of its flagship Wegovy weight-loss treatment for in the U.S. market. UniCredit is one of the largest banks in Italy, and it announced stronger earnings results than expected in the fourth quarter of 2022 as net interest income strengthened considerably. The bank also raised its forward guidance and boosted capital return to shareholders.

As part of its long-short strategy, the Fund held positions in futures contracts, which contributed to absolute performance. In addition, the Fund held an elevated cash position, which was also a contributor to performance during the reporting period.

Describe recent portfolio activity.

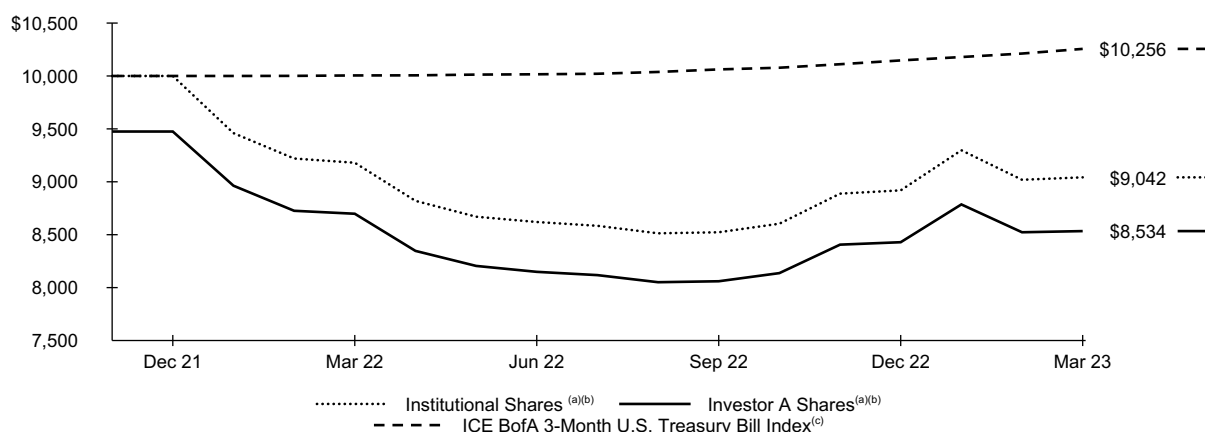
The Fund took action in the first quarter of 2023 to reduce overall risk levels and beta, assuming a more cautious overall stance. The thrust of the Fund's trading in the wake of the banking sector's volatility during March 2023 was to reduce financial risk and cut some higher-volatility information technology ("IT") positions in the long book, while increasing the cyclical exposure in the short book.

Describe portfolio positioning at period end.

The Fund closed the reporting period with gross exposure at 175.4% and net exposure at 4.8%. The largest net sector exposures were within healthcare, materials, and IT. By contrast, the Fund had negative net exposure to the real estate, communication services, and consumer staples sectors. From a regional perspective, the Fund's largest net allocation was to Europe excluding the United Kingdom., while the Fund maintained negative exposure to the United Kingdom.

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.

GROWTH OF \$10,000 INVESTMENT



The Fund commenced operations on December 21, 2021.

(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 circumstances, the Fund seeks to invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities and derivatives with similar economic characteristics.

(c) An unmanaged index that measures returns of 3-month Treasury Bills.

Performance

	Average Annual Total Returns ^(a)			
	1 Year		Since Inception ^(b)	
	Without Sales Charge	With Sales Charge	Without Sales Charge	With Sales Charge
Institutional	(1.51)%	N/A	(7.60)%	N/A
Investor A	(1.89)	(7.04)%	(7.88)	(11.70)%
Class K	(1.47)	N/A	(7.58)	N/A
ICE BofA 3-Month U.S. Treasury Bill Index	2.52	N/A	2.00	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" for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.

(b) The Fund commenced operations on December 21, 2021.

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

Past performance is not an indication of future results.

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

Expense Example

	Actual			Hypothetical 5% Return			Annualized Expense Ratio
	Beginning Account Value (10/01/22)	Ending Account Value (03/31/23)	Expenses Paid During the Period ^(a)	Beginning Account Value (10/01/22)	Ending Account Value (03/31/23)	Expenses Paid During the Period ^(a)	
Institutional	\$ 1,000.00	\$ 1,060.80	\$ 9.97	\$ 1,000.00	\$ 1,015.26	\$ 9.75	1.94%
Investor A	1,000.00	1,058.80	11.20	1,000.00	1,014.05	10.95	2.18
Class K	1,000.00	1,061.20	9.76	1,000.00	1,015.46	9.55	1.90

(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 182/365 (to reflect the one-half year period shown).

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

Portfolio Information

TEN LARGEST HOLDINGS

<i>Security^(a)</i>	<i>Percent of Net Assets</i>
Sony Group Corp.	4.5%
Recruit Holdings Co. Ltd.	4.4
Beiersdorf AG	4.1
Thermo Fisher Scientific, Inc.	3.4
Koninklijke DSM NV	3.4
Walt Disney Co.	2.9
Comcast Corp., Class A	2.8
PayPal Holdings, Inc.	2.7
Tencent Holdings Ltd.	2.5
Amazon.com, Inc.	2.4

^(a) Excludes short-term securities.

GEOGRAPHIC ALLOCATION

<i>Country</i>	<i>Percent of Net Assets</i>
United States.	46.1%
Japan.	15.3
Germany.	9.3
Netherlands.	6.7
Canada.	4.3
China.	3.9
Switzerland.	3.5
Denmark.	3.4
Italy.	3.1
France.	1.9
Brazil.	1.8
Sweden.	1.1
Other (each representing less than 1%)	0.9
Liabilities in Excess of Other Assets.	(1.3)

About Fund Performance

Institutional and Class K 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.

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.

Past performance is not an indication of future results. Financial markets have experienced extreme volatility and trading in many instruments has been disrupted. These circumstances may continue for an extended period of time and may continue to affect adversely the value and liquidity of the Fund's investments. As a result, current performance may be lower or higher than the performance data quoted. Refer to 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 table assumes reinvestment of all distributions, if any, at net asset value ("NAV") on the ex-dividend date or payable date, as applicable. 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"), the Fund's investment adviser, has contractually and/or voluntarily agreed to waive and/or reimburse a portion of the Fund's expenses. Without such waiver(s) and/or reimbursement(s), the Fund's performance would have been lower. With respect to the Fund's voluntary waiver(s), if any, the Manager is under no obligation to waive and/or reimburse or to continue waiving and/or reimbursing its fees and such voluntary waiver(s) may be reduced or discontinued at any time. With respect to the Fund's contractual waiver(s), if any, the Manager is under no obligation to continue waiving and/or reimbursing its fees after the applicable termination date of such agreement. See the Notes to Financial Statements for additional information on waivers and/or reimbursements.

Disclosure of Expenses

Shareholders of the Fund 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 example shown (which is based on a hypothetical investment of \$1,000 invested at the beginning of the period and held through the end of the period) is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The expense example provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. 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 share class under the heading entitled "Expenses Paid During the Period."

The expense example also provides information about hypothetical account values and hypothetical expenses based on the 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 the Fund and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

The expenses shown in the expense example are intended to highlight shareholders' ongoing costs only and do not reflect transactional expenses, such as sales charges, if any. Therefore, the hypothetical example is 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 Fund 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. Pursuant to Rule 18f-4 under the 1940 Act, among other things, the Fund must either use derivative financial instruments with embedded leverage in a limited manner or comply with an outer limit on fund leverage risk based on value-at-risk. The Fund's 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 the Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Fund's investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Schedule of Investments

March 31, 2023

BlackRock Global Equity Absolute Return Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Common Stocks		
Brazil — 1.8%		
Banco do Brasil SA, ADR ^(a)	20,766	\$ 161,092
Canada — 4.3%		
Canadian National Railway Co.	1,727	203,777
Suncor Energy, Inc.	6,078	188,704
		392,481
China — 3.9%		
Tencent Holdings Ltd.	4,700	229,686
Yum China Holdings, Inc.	2,000	125,254
		354,940
Denmark — 3.4%		
Ascendis Pharma A/S, ADR ^(b)	1,303	139,708
Novo Nordisk A/S, Class B	1,108	175,974
		315,682
France — 1.9%		
Kering SA	262	170,936
Germany — 9.3%		
Beiersdorf AG	2,904	377,774
Infineon Technologies AG	3,221	132,271
MTU Aero Engines AG	817	204,446
Symrise AG	1,288	140,165
		854,656
Iceland — 0.9%		
Marel HF ^(c)	21,229	86,566
Italy — 3.1%		
Intesa Sanpaolo SpA	68,465	175,712
UniCredit SpA	5,640	106,302
		282,014
Japan — 15.3%		
Daiichi Sankyo Co. Ltd.	3,700	134,967
Makita Corp.	7,300	181,806
Nidec Corp.	3,400	176,940
Recruit Holdings Co. Ltd.	14,600	401,632
Renesas Electronics Corp. ^(b)	6,600	95,573
Sony Group Corp.	4,500	409,875
		1,400,793
Netherlands — 6.7%		
ASML Holding NV	237	161,503
Heineken NV	1,320	141,835
Koninklijke DSM NV	2,598	307,459
		610,797
Sweden — 1.1%		
Epiroc AB, Class A	4,903	97,325

Security	Shares	Value
Switzerland — 3.5%		
Lonza Group AG, Registered Shares	305	\$ 183,610
Roche Holding AG, NVS	478	136,585
		320,195
United States — 29.1%		
Adobe, Inc. ^(b)	433	166,865
Amazon.com, Inc. ^(b)	2,087	215,566
American International Group, Inc.	2,356	118,648
Baker Hughes Co., Class A	6,210	179,221
Black Knight, Inc. ^(b)	2,271	130,719
Comcast Corp., Class A	6,781	257,068
Equinix, Inc.	148	106,714
GE HealthCare Technologies, Inc. ^(b)	2,234	183,255
General Electric Co.	1,595	152,482
Match Group, Inc. ^(b)	3,127	120,045
PayPal Holdings, Inc. ^(b)	3,276	248,779
Pinterest, Inc., Class A ^(b)	5,247	143,086
Thermo Fisher Scientific, Inc.	545	314,122
Walt Disney Co. ^(b)	2,619	262,240
WillScot Mobile Mini Holdings Corp. ^(b)	1,491	69,898
		2,668,708
Total Long-Term Investments — 84.3%		
(Cost: \$7,873,659)		7,716,185
Short-Term Securities		
Money Market Funds — 17.0%		
BlackRock Liquidity Funds, T-Fund, Institutional Class, 4.70% ^{(d)(e)}	1,394,967	1,394,967
SL Liquidity Series, LLC, Money Market Series, 5.01% ^{(d)(e)(f)}	158,152	158,152
Total Short-Term Securities — 17.0%		
(Cost: \$1,553,152)		1,553,119
Total Investments — 101.3%		
(Cost: \$9,426,811)		9,269,304
Liabilities in Excess of Other Assets — (1.3)%		
		(114,600)
Net Assets — 100.0%		
		\$ 9,154,704

^(a) All or a portion of this security is on loan.

^(b) Non-income producing security.

^(c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

^(d) Affiliate of the Fund.

^(e) Annualized 7-day yield as of period end.

^(f) All or a portion of this security was purchased with the cash collateral from loaned securities.

Schedule of Investments (continued)

BlackRock Global Equity Absolute Return Fund

March 31, 2023

Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the year ended March 31, 2023 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	Value at 03/31/22	Purchases at Cost	Proceeds from Sale	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 03/31/23	Shares Held at 03/31/23	Income	Capital Gain Distributions from Underlying Funds
BlackRock Liquidity Funds, T-Fund, Institutional Class	\$ 1,502,087	\$ —	\$ (107,120) ^(a)	\$ —	\$ —	\$ 1,394,967	1,394,967	\$ 68,886	\$ —
SL Liquidity Series, LLC, Money Market Series	120,250	37,915 ^(a)	—	20	(33)	158,152	158,152	10,400 ^(b)	—
				<u>\$ 20</u>	<u>\$ (33)</u>	<u>\$ 1,553,119</u>		<u>\$ 79,286</u>	<u>\$ —</u>

^(a) Represents net amount purchased (sold).

^(b) All or a portion 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.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount (000)	Value/ Unrealized Appreciation (Depreciation)
Short Contracts				
CAC 40 Index	6	04/21/23	\$ 477	\$ (18,361)
TOPIX Index	3	06/08/23	455	(24,634)
S&P 500 E-Mini Index	2	06/16/23	414	(24,299)
STOXX Europe 600 Index	58	06/16/23	1,432	(59,988)
				<u>\$ (127,282)</u>

Forward Foreign Currency Exchange Contracts

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
CHF 123,248	USD 134,119	Goldman Sachs International	04/21/23	\$ 890
JPY 25,249,174	USD 188,655	JPMorgan Chase Bank N.A.	04/21/23	2,163
USD 447,632	CHF 405,839	Morgan Stanley & Co. International PLC	04/21/23	3,065
USD 1,498,299	JPY 197,929,676	Bank of America N.A.	04/21/23	2,461
				<u>\$ 8,579</u>
USD 417,588	CAD 574,272	HSBC Bank PLC	04/21/23	(7,457)
USD 280,912	DKK 1,948,397	Bank of America N.A.	04/21/23	(3,114)
USD 2,021,392	EUR 1,883,276	NatWest Markets PLC	04/21/23	(23,424)
USD 163,747	SEK 1,747,278	Deutsche Bank AG	04/21/23	(4,802)
				<u>\$ (38,797)</u>
				<u>\$ (30,218)</u>

March 31, 2023

OTC Total Return Swaps

Reference Entity	Payment Frequency	Counterparty ^(j)	Termination Date	Net Notional	Accrued Unrealized Appreciation (Depreciation)	Net Value of Reference Entity	Gross Notional Amount Net Asset Percentage
Equity Securities							
Long/Short	Monthly	Citibank N.A. ^(a)	02/26/24–02/24/28	\$ (993,752)	\$ (60,149) ^(b)	\$ (1,044,075)	16.9%
	Monthly	Goldman Sachs Bank USA ^(c)	08/19/26	(1,211,973)	(29,567) ^(d)	(1,243,787)	16.2
	Monthly	HSBC Bank PLC ^(e)	02/10/28	(1,243,026)	(14,684) ^(f)	(1,280,190)	15.4
	Monthly	Morgan Stanley & Co. International PLC ^(g)	12/26/23–12/26/28	(787,966)	(33,988) ^(h)	(816,540)	8.6
					<u>\$ (138,388)</u>	<u>\$ (4,384,592)</u>	

^(b) Amount includes \$(9,826) of net dividends and financing fees.

^(d) Amount includes \$2,247 of net dividends and financing fees.

^(f) Amount includes \$22,480 of net dividends and financing fees.

^(h) Amount includes \$(5,414) of net dividends and financing fees.

⁽ⁱ⁾ The Fund receives the total return on a portfolio of long positions underlying the total return swap. The Fund pays the total return on a portfolio of short positions underlying the total return swap. In addition, the Fund pays or receives a variable rate of interest, based on a specified benchmark. The benchmark and spread are determined based upon the country and/or currency of the individual underlying positions.

The following are the specified benchmarks (plus or minus a range) used in determining the variable rate of interest:

Range:	(a) 15-30 basis points	(c) 15-64 basis points	(e) 15-1000 basis points
Benchmarks:	Euro Short-Term Rate: EUR 1-Day Sterling Overnight Index Average: GBP 1-Day Tokyo Overnight Average Rate: JPY 1-Day Stockholm Interbank Offer Rate: SEK 1-Week Overnight Bank Funding Rate: USD 1-Day	Canadian Overnight Repo Rate Average: CAD 1-Day Euro Short-Term Rate: EUR 1-Day Sterling Overnight Index Average: GBP 1-Day Tokyo Overnight Average Rate: JPY 1-Day Overnight Federal Funds Effective Rate: USD 1-Day	Euro Short-Term Rate: EUR 1-Day Sterling Overnight Index Average: GBP 1-Day Tokyo Overnight Average Rate: JPY 1-Day Stockholm Interbank Offer Rate: SEK 1-Month Overnight Bank Funding Rate: USD 1-Day

Range:	(g) 7-40 basis points
Benchmarks:	Euro Short-Term Rate: EUR 1-Day Hong Kong Overnight Index Average: HKD 1-Day Tokyo Overnight Average Rate: JPY 1-Day Overnight Federal Funds Effective Rate: USD 1-Day

Schedule of Investments (continued)

BlackRock Global Equity Absolute Return Fund

March 31, 2023

The following table represents the individual long and short positions and related values of equity securities underlying the total return swap with Citibank N.A. as of period end, termination dates February 26, 2024 to February 24, 2028:

	Shares	Value	% of Basket Value
Reference Entity — Long			
Common Stocks			
France			
Air Liquide SA	1,693	\$ 283,389	(27.1)%
Total Reference Entity — Long		283,389	
Reference Entity — Short			
Common Stocks			
Germany			
Vonovia SE	2,537	(47,784)	4.6
Japan			
Seven Bank Ltd.	35,200	(70,341)	6.7
Netherlands			
Randstad NV	2,014	(119,560)	11.5
Sweden			
Fastighets AB Balder, B Shares	12,014	(49,361)	4.7
United Kingdom			
Bunzl PLC	4,231	(159,816)	15.3
United States			
CarMax, Inc.	1,338	(86,007)	8.2
International Business Machines Corp.	1,016	(133,187)	12.7
Interpublic Group of Cos., Inc.	2,849	(106,097)	10.2
Iron Mountain, Inc.	3,471	(183,650)	17.6
Post Holdings, Inc.	1,377	(123,751)	11.8
Timken Co.	1,976	(161,479)	15.5
Trade Desk, Inc., Class A	1,419	(86,431)	8.3
		(880,602)	
Total Reference Entity — Short		(1,327,464)	
Net Value of Reference Entity — Citibank N.A.		\$ (1,044,075)	

The following table represents the individual long and short positions and related values of equity securities underlying the total return swap with Goldman Sachs Bank USA as of period end, termination date August 19, 2026:

	Shares	Value	% of Basket Value
Reference Entity — Long			
Common Stocks			
United Kingdom			
HSBC Holdings PLC	20,760	\$ 141,096	(11.3)%
Total Reference Entity — Long		141,096	

	Shares	Value	% of Basket Value
Reference Entity — Short			
Common Stocks			
Canada			
BCE, Inc.	2,138	\$ (95,771)	7.7%
France			
ICADE	1,956	(92,100)	7.4
Japan			
Dentsu Group, Inc.	2,400	(84,596)	6.8
Netherlands			
Basic-Fit NV	803	(31,662)	2.5
Spain			
Mapfre SA	50,696	(102,171)	8.2
Telefonica SA	28,206	(121,478)	9.8
		(223,649)	
United States			
AT&T Inc.	9,872	(190,036)	15.3
Kinsale Capital Group, Inc.	368	(110,455)	8.9
Penske Automotive Group, Inc.	2,175	(308,437)	24.8
Progressive Corp.	1,232	(176,250)	14.1
Trupanion, Inc.	1,677	(71,927)	5.8
		(857,105)	
Total Reference Entity — Short		(1,384,883)	
Net Value of Reference Entity — Goldman Sachs Bank USA		\$ (1,243,787)	

The following table represents the individual long and short positions and related values of equity securities underlying the total return swap with HSBC Bank PLC as of period end, termination date February 10, 2028:

	Shares	Value	% of Basket Value
Reference Entity — Long			
Common Stocks			
Australia			
Rio Tinto PLC	1,280	\$ 86,884	(6.8)%
Total Reference Entity — Long		86,884	
Reference Entity — Short			
Common Stocks			
France			
Airbus SE	1,582	(211,304)	16.5
Japan			
Nintendo Co. Ltd.	1,200	(46,610)	3.6
Secom Co. Ltd.	1,700	(104,767)	8.2
		(151,377)	
Netherlands			
Basic-Fit NV	2,350	(92,661)	7.2

Schedule of Investments (continued)

March 31, 2023

BlackRock Global Equity Absolute Return Fund

	Shares	Value	% of Basket Value
Sweden			
Samhallsbyggnadsbolaget i Norden AB	35,281	\$ (48,238)	3.8%
United Kingdom			
Burberry Group PLC	4,390	(140,567)	11.0
Sage Group PLC.....	12,624	(121,145)	9.5
		(261,712)	
United States			
BRP Group, Inc., Class A.....	4,672	(118,949)	9.3
Coinbase Global, Inc., Class A.....	586	(39,596)	3.1
Conagra Brands, Inc.....	3,673	(137,958)	10.8
Robert Half International, Inc.....	1,532	(123,433)	9.6
WW Grainger, Inc.	264	(181,846)	14.2
		(601,782)	
Total Reference Entity — Short		(1,367,074)	
Net Value of Reference Entity —			
HSBC Bank PLC		\$ (1,280,190)	

	Shares	Value	% of Basket Value
Ireland			
Glanbia PLC	6,147	\$ (88,766)	10.9%
Japan			
SoftBank Corp.....	8,600	(99,277)	12.2
South Korea			
LG H&H Co. Ltd.	242	(111,804)	13.7
Spain			
ACS Actividades de Construccion y Servicios SA ...	3,602	(114,723)	14.0
United States			
Omnicom Group, Inc.....	2,734	(257,925)	31.6
Uruguay			
Dlocal Ltd.	4,392	(71,238)	8.7
Net Value of Reference Entity —			
Morgan Stanley & Co. International PLC		\$ (816,540)	

The following table represents the individual long and short positions and related values of equity securities underlying the total return swap with Morgan Stanley & Co. International PLC as of period end, termination dates December 26, 2023 to December 26, 2028:

	Shares	Value	% of Basket Value
Reference Entity — Short			
Common Stocks			
China			
Industrial & Commercial Bank of China Ltd., Class H	137,000	\$ (72,807)	8.9%

Balances Reported in the Statement of Assets and Liabilities for OTC Swaps

	Swap Premiums Paid	Swap Premiums Received	Unrealized Appreciation	Unrealized Depreciation
OTC Swaps	\$ —	\$ —	\$ —	\$ (138,388)

March 31, 2023

Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statement of Assets and Liabilities were as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Assets — Derivative Financial Instruments							
Forward foreign currency exchange contracts							
Unrealized appreciation on forward foreign currency exchange contracts	\$ —	\$ —	\$ —	\$ 8,579	\$ —	\$ —	\$ 8,579
Liabilities — Derivative Financial Instruments							
Futures contracts							
Unrealized depreciation on futures contracts ^(a)	\$ —	\$ —	\$ 127,282	\$ —	\$ —	\$ —	\$ 127,282
Forward foreign currency exchange contracts							
Unrealized depreciation on forward foreign currency exchange contracts	—	—	—	38,797	—	—	38,797
Swaps — OTC							
Unrealized depreciation on OTC swaps;	—	—	138,388	—	—	—	138,388
Swap premiums received	—	—	—	—	—	—	—
	\$ —	\$ —	\$ 265,670	\$ 38,797	\$ —	\$ —	\$ 304,467

^(a) Net cumulative unrealized appreciation (depreciation) on futures contracts, if any, are reported in the Schedule of Investments. In the Statement of Assets and Liabilities, only current day's variation margin is reported in receivables or payables and the net cumulative unrealized appreciation (depreciation) is included in accumulated earnings (loss).

For the period ended March 31, 2023, the effect of derivative financial instruments in the Statement of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from							
Futures contracts	\$ —	\$ —	\$ (40,119)	\$ —	\$ —	\$ —	\$ (40,119)
Forward foreign currency exchange contracts	—	—	—	217,271	—	—	217,271
Swaps	—	—	266,682	—	—	—	266,682
	\$ —	\$ —	\$ 226,563	\$ 217,271	\$ —	\$ —	\$ 443,834
Net Change in Unrealized Appreciation (Depreciation) on							
Futures contracts	\$ —	\$ —	\$ 88,711	\$ —	\$ —	\$ —	\$ 88,711
Forward foreign currency exchange contracts	—	—	—	(25,301)	—	—	(25,301)
Swaps	—	—	(125,126)	—	—	—	(125,126)
	\$ —	\$ —	\$ (36,415)	\$ (25,301)	\$ —	\$ —	\$ (61,716)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts							
Average notional value of contracts — short							\$2,184,752
Forward foreign currency exchange contracts							
Average amounts purchased — in USD							\$3,512,854
Average amounts sold — in USD							\$120,646
Total return swaps							
Average notional amount							\$3,662,227

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

March 31, 2023

Derivative Financial Instruments – Offsetting as of Period End

The Fund's derivative assets and liabilities (by type) were as follows:

	Assets	Liabilities
Derivative Financial Instruments		
Futures contracts	\$ —	\$ 28,912
Forward foreign currency exchange contracts	8,579	38,797
Swaps — OTC ^(a)	—	138,388
Total derivative assets and liabilities in the Statement of Assets and Liabilities	<u>\$ 8,579</u>	<u>\$ 206,097</u>
Derivatives not subject to a Master Netting Agreement or similar agreement ("MNA")	—	(28,912)
Total derivative assets and liabilities subject to an MNA	<u>\$ 8,579</u>	<u>\$ 177,185</u>

^(a) Includes unrealized appreciation (depreciation) on OTC swaps in the Statement of Assets and Liabilities.

The following table presents the Fund's derivative assets and liabilities by counterparty net of amounts available for offset under an MNA and net of the related collateral received and pledged by the Fund:

Counterparty	Derivative Assets Subject to an MNA by Counterparty	Derivatives Available for Offset ^(a)	Non-Cash Collateral Received	Cash Collateral Received	Net Amount of Derivative Assets ^{(b)(c)}
Bank of America N.A.	\$ 2,461	\$ (2,461)	\$ —	\$ —	\$ —
Goldman Sachs International	890	—	—	—	890
JPMorgan Chase Bank N.A.	2,163	—	—	—	2,163
Morgan Stanley & Co. International PLC	3,065	(3,065)	—	—	—
	<u>\$ 8,579</u>	<u>\$ (5,526)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,053</u>

Counterparty	Derivative Liabilities Subject to an MNA by Counterparty	Derivatives Available for Offset ^(a)	Non-Cash Collateral Pledged	Cash Collateral Pledged	Net Amount of Derivative Liabilities ^{(c)(d)}
Bank of America N.A.	\$ 3,114	\$ (2,461)	\$ —	\$ —	\$ 653
Citibank N.A.	60,149	—	—	—	60,149
Deutsche Bank AG	4,802	—	—	—	4,802
Goldman Sachs Bank USA	29,567	—	—	—	29,567
HSBC Bank PLC	22,141	—	—	—	22,141
Morgan Stanley & Co. International PLC	33,988	(3,065)	—	—	30,923
NatWest Markets PLC	23,424	—	—	—	23,424
	<u>\$ 177,185</u>	<u>\$ (5,526)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 171,659</u>

^(a) The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.

^(b) Net amount represents the net amount receivable from the counterparty in the event of default.

^(c) Net amount may also include forward foreign currency exchange contracts that are not required to be collateralized.

^(d) Net amount represents the net amount payable due to the counterparty in the event of default.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of financial instruments. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Long-Term Investments				
Common Stocks				
Brazil	\$ 161,092	\$ —	\$ —	\$ 161,092
Canada	392,481	—	—	392,481

Schedule of Investments (continued)

BlackRock Global Equity Absolute Return Fund

March 31, 2023

Fair Value Hierarchy as of Period End (continued)

	Level 1	Level 2	Level 3	Total
Common Stocks (continued)				
China	\$ —	\$ 354,940	\$ —	\$ 354,940
Denmark	139,708	175,974	—	315,682
France	—	170,936	—	170,936
Germany	—	854,656	—	854,656
Iceland	86,566	—	—	86,566
Italy	—	282,014	—	282,014
Japan	—	1,400,793	—	1,400,793
Netherlands	—	610,797	—	610,797
Sweden	—	97,325	—	97,325
Switzerland	—	320,195	—	320,195
United States	2,668,708	—	—	2,668,708
Short-Term Securities				
Money Market Funds	1,394,967	—	—	1,394,967
	<u>\$ 4,843,522</u>	<u>\$ 4,267,630</u>	<u>\$ —</u>	<u>9,111,152</u>
Investments valued at NAV ^(a)				<u>158,152</u>
				<u>\$ 9,269,304</u>
Derivative Financial Instruments ^(b)				
Assets				
Foreign Currency Exchange Contracts	\$ —	\$ 8,579	\$ —	\$ 8,579
Liabilities				
Equity Contracts	(24,299)	(241,371)	—	(265,670)
Foreign Currency Exchange Contracts	—	(38,797)	—	(38,797)
	<u>\$ (24,299)</u>	<u>\$ (271,589)</u>	<u>\$ —</u>	<u>\$ (295,888)</u>

^(a) Certain investments of the Fund were fair valued using NAV as a practical expedient as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

^(b) Derivative financial instruments are swaps, futures contracts and forward foreign currency exchange contracts. Swaps, futures contracts and forward foreign currency exchange contracts are valued at the unrealized appreciation (depreciation) on the instrument.

See notes to financial statements.

Statement of Assets and Liabilities

March 31, 2023

BlackRock
Global Equity
Absolute Return
Fund

ASSETS

Investments, at value — unaffiliated ^{(a)(b)}	\$ 7,716,185
Investments, at value — affiliated ^(c)	1,553,119
Cash pledged:	
Futures contracts	162,000
Foreign currency, at value ^(d)	1,188
Receivables:	
Securities lending income — affiliated	9,065
Swaps	38,802
Dividends — unaffiliated	9,643
Dividends — affiliated	3,880
From the Manager	112,009
Unrealized appreciation on forward foreign currency exchange contracts	8,579
Prepaid expenses	24,833
Total assets	<u>9,639,303</u>

LIABILITIES

Collateral on securities loaned	158,235
Payables:	
Swaps	49,362
Administration fees	4
Trustees' and Officer's fees	4,427
Other accrued expenses	11,995
Professional fees	54,460
Service and distribution fees	19
Variation margin on futures contracts	28,912
Unrealized depreciation on:	
Forward foreign currency exchange contracts	38,797
OTC swaps	138,388
Total liabilities	<u>484,599</u>
NET ASSETS	<u>\$ 9,154,704</u>

NET ASSETS CONSIST OF:

Paid-in capital	\$ 10,953,802
Accumulated loss	<u>(1,799,098)</u>
NET ASSETS	<u>\$ 9,154,704</u>

^(a) Investments, at cost — unaffiliated	\$ 7,873,659
^(b) Securities loaned, at value	\$ 159,416
^(c) Investments, at cost — affiliated	\$ 1,553,152
^(d) Foreign currency, at cost	\$ 1,081

Statement of Assets and Liabilities (continued)

March 31, 2023

BlackRock
Global Equity
Absolute Return
Fund

NET ASSET VALUE

Institutional	
Net assets	\$ 200,281
Shares outstanding	24,669
Net asset value	\$ 8.12
Shares authorized	Unlimited
Par value	\$ 0.001
Investor A	
Net assets	\$ 90,115
Shares outstanding	11,106
Net asset value	\$ 8.11
Shares authorized	Unlimited
Par value	\$ 0.001
Class K	
Net assets	\$ 8,864,308
Shares outstanding	1,091,655
Net asset value	\$ 8.12
Shares authorized	Unlimited
Par value	\$ 0.001

See notes to financial statements.

Statement of Operations

Year Ended March 31, 2023

BlackRock
Global Equity
Absolute Return
Fund

INVESTMENT INCOME

Dividends — unaffiliated	\$ 86,689
Dividends — affiliated	68,886
Securities lending income — affiliated — net	10,400
Foreign taxes withheld	(10,217)
Total investment income	<u>155,758</u>

EXPENSES

Professional	172,930
Investment advisory	164,478
Offering	150,810
Printing and postage	56,682
Accounting services	36,981
Registration	29,264
Trustees and Officer	10,444
Custodian	3,891
Administration	3,778
Administration — class specific	1,778
Transfer agent — class specific	624
Service — class specific	220
Miscellaneous	9,108
Total expenses	<u>640,988</u>
Less:	
Fees waived and/or reimbursed by the Manager	(469,444)
Administration fees waived by the Manager — class specific	(1,760)
Transfer agent fees waived and/or reimbursed by the Manager — class specific	(526)
Total expenses after fees waived and/or reimbursed	<u>169,258</u>
Net investment loss	<u>(13,500)</u>

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:	
Investments — unaffiliated	(840,822)
Investments — affiliated	20
Futures contracts	(40,119)
Forward foreign currency exchange contracts	217,271
Foreign currency transactions	(17,335)
Swaps	266,682
	<u>(414,303)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments — unaffiliated	357,879
Investments — affiliated	(33)
Futures contracts	88,711
Forward foreign currency exchange contracts	(25,301)
Foreign currency translations	(1,096)
Swaps	(125,126)
	<u>295,034</u>
Net realized and unrealized loss	<u>(119,269)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (132,769)</u>

See notes to financial statements.

Statements of Changes in Net Assets

	BlackRock Global Equity Absolute Return Fund	
	Year Ended 03/31/23	Period from 12/21/21 ^(a) to 03/31/22
<i>INCREASE (DECREASE) IN NET ASSETS</i>		
OPERATIONS		
Net investment loss	\$ (13,500)	\$ (24,996)
Net realized loss	(414,303)	(43,421)
Net change in unrealized appreciation (depreciation)	295,034	(749,007)
Net decrease in net assets resulting from operations	<u>(132,769)</u>	<u>(817,424)</u>
DISTRIBUTIONS TO SHAREHOLDERS^(b)		
Institutional	(20,225)	—
Investor A	(8,892)	—
Class K	(898,096)	—
Decrease in net assets resulting from distributions to shareholders	<u>(927,213)</u>	<u>—</u>
CAPITAL SHARE TRANSACTIONS		
Net increase in net assets derived from capital share transactions	<u>1,032,110</u>	<u>10,000,000</u>
NET ASSETS		
Total increase (decrease) in net assets	(27,872)	9,182,576
Beginning of period	9,182,576	—
End of period	<u>\$ 9,154,704</u>	<u>\$ 9,182,576</u>

^(a) Commencement of operations.

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

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

	BlackRock Global Equity Absolute Return Fund	
	Institutional	
	Year Ended 03/31/23	Period from 12/21/21 ^(a) to 03/31/22
Net asset value, beginning of period	\$ 9.18	\$ 10.00
Net investment loss ^(b)	(0.01)	(0.03)
Net realized and unrealized loss	(0.15)	(0.79)
Net decrease from investment operations	(0.16)	(0.82)
Distributions from net investment income ^(c)	(0.90)	—
Net asset value, end of period	\$ 8.12	\$ 9.18
 Total Return^(d)		
Based on net asset value	(1.51)%	(8.20)% ^(e)
 Ratios to Average Net Assets^(f)		
Total expenses	7.44%	4.00% ^{(g)(h)}
Total expenses after fees waived and/or reimbursed	1.95%	1.95% ^(g)
Net investment loss	(0.15)%	(1.01)% ^(g)
 Supplemental Data		
Net assets, end of period (000)	\$ 200	\$ 92
Portfolio turnover rate	101%	29%

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

^(d) Where applicable, assumes the reinvestment of distributions.

^(e) Not annualized.

^(f) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

^(g) Annualized.

^(h) Audit, offering, organization and printing costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 6.91%

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock Global Equity Absolute Return Fund (continued)	
	Investor A	
	Year Ended 03/31/23	Period from 12/21/21 ^(a) to 03/31/22
Net asset value, beginning of period	\$ 9.18	\$ 10.00
Net investment loss ^(b)	(0.04)	(0.03)
Net realized and unrealized loss	(0.15)	(0.79)
Net decrease from investment operations	(0.19)	(0.82)
Distributions from net investment income ^(c)	(0.88)	—
Net asset value, end of period	\$ 8.11	\$ 9.18
Total Return^(d)		
Based on net asset value	(1.89)%	(8.20)% ^(e)
Ratios to Average Net Assets^(f)		
Total expenses	7.69%	4.25% ^{(g)(h)}
Total expenses after fees waived and/or reimbursed	2.19%	2.20% ^(g)
Net investment loss	(0.44)%	(1.26)% ^(g)
Supplemental Data		
Net assets, end of period (000)	\$ 90	\$ 92
Portfolio turnover rate	101%	29%

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

^(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) Not annualized.

^(f) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

^(g) Annualized.

^(h) Audit, offering, organization and printing costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 7.16%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	BlackRock Global Equity Absolute Return Fund (continued)	
	Class K	
	Year Ended 03/31/23	Period from 12/21/21 ^(a) to 03/31/22
Net asset value, beginning of period	\$ 9.18	\$ 10.00
Net investment loss ^(b)	(0.01)	(0.02)
Net realized and unrealized loss	(0.14)	(0.80)
Net decrease from investment operations	(0.15)	(0.82)
Distributions from net investment income ^(c)	(0.91)	—
Net asset value, end of period	\$ 8.12	\$ 9.18
 Total Return^(d)		
Based on net asset value	(1.47)%	(8.20)% ^(e)
 Ratios to Average Net Assets^(f)		
Total expenses	7.20%	3.62% ^{(g)(h)}
Total expenses after fees waived and/or reimbursed	1.90%	1.90% ^(g)
Net investment loss	(0.15)%	(0.96)% ^(g)
 Supplemental Data		
Net assets, end of period (000)	\$ 8,864	\$ 8,999
Portfolio turnover rate	101%	29%

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

^(d) Where applicable, assumes the reinvestment of distributions.

^(e) Not annualized.

^(f) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

^(g) Annualized.

^(h) Audit, offering, organization and printing costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 6.53%.

See notes to financial statements.

Notes to Financial Statements

1. ORGANIZATION

BlackRock FundsSM (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. BlackRock Global Equity Absolute Return Fund (the “Fund”) is a series of the Trust. The Fund is classified as non-diversified.

The 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 Class K Shares are sold only to certain eligible investors. Investor A Shares bear certain expenses related to shareholder servicing of such shares. Investor A Shares are generally available through financial intermediaries. Each class has exclusive voting rights with respect to matters relating to its shareholder servicing and distribution expenditures.

Share Class	Initial Sales Charge	CDSC	Conversion Privilege
Institutional and Class K Shares	No	No	None
Investor A Shares	Yes	No ^(a)	None

^(a) Investor A Shares 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.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the “Manager”) or its affiliates, is included in a complex of funds referred to as the BlackRock Multi-Asset Complex.

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. The 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 using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Dividends from foreign securities where the ex-dividend dates may have passed are subsequently recorded when the Fund is informed of the ex-dividend dates. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, a portion of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Foreign Currency Translation: The 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.

The Fund does not isolate the effect of fluctuations in foreign exchange rates from the effect of fluctuations in the market prices of investments for financial reporting purposes. Accordingly, the effects of changes in exchange rates on investments are not segregated in the Statement 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. The 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.

Foreign Taxes: The Fund may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Fund invests. These foreign taxes, if any, are paid by the Fund and are reflected in its Statement of Operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as “Foreign taxes withheld”, and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of March 31, 2023, if any, are disclosed in the Statement of Assets and Liabilities.

The Fund files withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Fund may record a reclaim receivable based on collectability, which includes factors such as the jurisdiction’s applicable laws, payment history and market convention. The Statement of Operations includes tax reclaims recorded as well as professional and other fees, if any, associated with recovery of foreign withholding taxes.

Collateralization: If required by an exchange or counterparty agreement, the Fund may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments.

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

Offering Costs: Offering costs are amortized over a 12-month period beginning with the commencement of operations of a class of shares.

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

Other: Expenses directly related to the Fund or its classes are charged to the Fund or the applicable class. Expenses directly related to the Fund and other shared expenses prorated to the Fund are allocated daily to each class based on its relative net assets or other appropriate methods. 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.

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

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investment Valuation Policies: The Fund's investments are valued at fair value (also referred to as "market value" within the financial statements) each day that the Fund is open for business and, for financial reporting purposes, as of the report date. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Board of Trustees of the Trust (the "Board") has approved the designation of the Fund's Manager as the valuation designee for the Fund. The Fund determines the fair values of its financial instruments using various independent dealers or pricing services under the Manager's policies. If a security's market price is not readily available or does not otherwise accurately represent the fair value of the security, the security will be valued in accordance with the Manager's policies and procedures as reflecting fair value. The Manager has formed a committee (the "Valuation Committee") to develop pricing policies and procedures and to oversee the pricing function for all financial instruments, with assistance from other BlackRock pricing committees.

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

- Equity investments traded on a recognized securities exchange are valued at that day's official closing price, as applicable, on the exchange where the stock is primarily traded. 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.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- The Fund values its investment in SL Liquidity Series, LLC, Money Market Series (the "Money Market Series") at fair value, which is ordinarily based upon its pro rata ownership in the underlying fund's net assets.
- Futures contracts are valued based on that day's last reported settlement or trade price on the exchange where the contract is traded.
- 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.
- Swap agreements are valued utilizing quotes received daily by independent pricing services or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of trading on the NYSE. Each business day, the Fund uses current market factors supplied by independent pricing services to value certain foreign instruments ("Systematic Fair Value Price"). The Systematic Fair Value Price is designed to value such foreign securities at fair value as of the close of trading on the NYSE, which follows the close of the local markets.

If events (e.g., market volatility, company announcement or a natural disaster) occur that are expected to materially affect the value of such investment, or in the event that 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 Valuation Committee in accordance with the Manager's policies and procedures as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the Valuation Committee 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 Valuation Committee seeks to determine the price that the 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 Valuation Committee deems relevant and consistent with the principles of fair value measurement.

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

- Level 1 – Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the 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); and
- Level 3 – Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Valuation Committee's assumptions used in determining the fair value of 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 Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or

Notes to Financial Statements (continued)

funds that may not have a secondary market and/or may have a limited number of investors. The categorization of a value determined for financial instruments is based on the pricing transparency of the financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

As of March 31, 2023, certain investments of the Fund were fair valued using NAV as a practical expedient as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

4. SECURITIES AND OTHER INVESTMENTS

Securities Lending: The Fund may lend its securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund 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 the 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 Fund is entitled to all distributions made on or in respect of the loaned securities, but does 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.

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 Schedule of Investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan, if any, are disclosed in the Fund's Schedule of Investments. The market value of any securities on loan and the value of related collateral, if any, are shown separately in the Statement of Assets and Liabilities as a component of investments at value – unaffiliated and collateral on securities loaned, respectively.

Securities lending transactions are entered into by the Fund 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 Fund, 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 the 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.

As of period end, the following table is a summary of the Fund's securities on loan by counterparty which are subject to offset under an MSLA:

Counterparty	Securities Loaned at Value	Cash Collateral Received	Non-Cash Collateral Received	Net Amount ^(a)
Goldman Sachs & Co. LLC	\$ 159,416	\$ (158,235)	\$ —	\$ 1,181

^(a) The market value of the loaned securities is determined as of March 31, 2023. Additional collateral is delivered to the Fund on the next business day in accordance with the MSLA. The net amount would be subject to the borrower default indemnity in the event of default by the counterparty.

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 Fund benefits 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. The 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 Fund engages in various portfolio investment strategies using derivative contracts both to increase the returns of the Fund and/or to manage its 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 Schedule of Investments. These contracts may be transacted on an exchange or over-the-counter ("OTC").

Futures Contracts: Futures contracts are purchased or sold to gain exposure to, or manage exposure to, changes in interest rates (interest rate risk) and changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk).

Futures contracts are exchange-traded agreements between the Fund and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Amounts pledged, which are considered restricted, are included in cash pledged for futures contracts in the Statement of Assets and Liabilities.

Notes to Financial Statements (continued)

Securities deposited as initial margin are designated in the Schedule of Investments and cash deposited, if any, are shown as cash pledged for futures contracts in the Statement of Assets and Liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract ("variation margin"). Variation margin is recorded as unrealized appreciation (depreciation) and, if any, shown as variation margin receivable (or payable) on futures contracts in the Statement of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the notional amount of the contract at the time it was opened and the notional amount at the time it was closed. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and interest rates, foreign currency exchange rates or underlying assets.

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 Fund are denominated and in some cases, may be used to obtain exposure to a particular market. The contracts are traded OTC and not on an organized exchange.

The contract is marked-to-market daily and the change in market value is recorded as unrealized appreciation (depreciation) in the Statement of Assets and Liabilities. When a contract is closed, a realized gain or loss is recorded in the Statement 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(s) reflected in the Statement 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 Statement of Assets and Liabilities. A Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund.

Swaps: Swap contracts are entered into to manage exposure to issuers, markets and securities. Such contracts are agreements between the Fund and a counterparty to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract ("OTC swaps") or centrally cleared ("centrally cleared swaps").

For OTC swaps, any upfront premiums paid and any upfront fees received are shown as swap premiums paid and swap premiums received, respectively, in the Statement of Assets and Liabilities and amortized over the term of the contract. The daily fluctuation in market value is recorded as unrealized appreciation (depreciation) on OTC Swaps in the Statement of Assets and Liabilities. Payments received or paid are recorded in the Statement of Operations as realized gains or losses, respectively. When an OTC swap is terminated, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Generally, the basis of the contract is the premium received or paid.

- **Total return swaps** — Total return swaps are entered into to obtain exposure to a security or market without owning such security or investing directly in such market or to exchange the risk/return of one security or market (e.g., fixed-income) with another security or market (e.g., equity or commodity prices) (equity risk, commodity price risk and/or interest rate risk).

Total return swaps are agreements in which there is an exchange of cash flows whereby one party commits to make payments based on the total return (distributions plus capital gains/losses) of an underlying instrument, or basket of underlying instruments, in exchange for fixed or floating rate interest payments. If the total return of the instrument(s) or index underlying the transaction exceeds or falls short of the offsetting fixed or floating interest rate obligation, the Fund receives payment from or makes a payment to the counterparty.

Certain total return swaps are designed to function as a portfolio of direct investments in long and short equity positions. This means that the Fund has the ability to trade in and out of these long and short positions within the swap and will receive the economic benefits and risks equivalent to direct investment in these positions, subject to certain adjustments due to events related to the counterparty. Benefits and risks include capital appreciation (depreciation), corporate actions and dividends received and paid, all of which are reflected in the swap's market value. The market value also includes interest charges and credits ("financing fees") related to the notional values of the long and short positions and cash balances within the swap. These interest charges and credits are based on a specified benchmark rate plus or minus a specified spread determined based upon the country and/or currency of the positions in the portfolio.

Positions within the swap and financing fees are reset periodically. During a reset, any unrealized appreciation (depreciation) on positions and accrued financing fees become available for cash settlement between the Fund and the counterparty. The amounts that are available for cash settlement are recorded as realized gains or losses in the Statement of Operations. Cash settlement in and out of the swap may occur at a reset date or any other date, at the discretion of the Fund and the counterparty, over the life of the agreement. Certain swaps have no stated expiration and can be terminated by either party at any time.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risks in excess of the amounts recognized in the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Master Netting Arrangements: In order to define its contractual rights and to secure rights that will help it mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its counterparties. An ISDA Master Agreement is a bilateral agreement between a Fund and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, a Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master

Notes to Financial Statements (continued)

Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

Collateral Requirements: For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Fund and the counterparty.

Cash collateral that has been pledged to cover obligations of the Fund and cash collateral received from the counterparty, if any, is reported separately in the Statement of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Fund, if any, is noted in the Schedule of Investments. Generally, the amount of collateral due from or to a counterparty is subject to a certain minimum transfer amount threshold before a transfer is required, which is determined at the close of business of the Fund. Any additional required collateral is delivered to/pledged by the Fund on the next business day. Typically, the counterparty is not permitted to sell, re-pledge or use cash and non-cash collateral it receives. The Fund generally agrees not to use non-cash collateral that it receives but may, absent default or certain other circumstances defined in the underlying ISDA Master Agreement, be permitted to use cash collateral received. In such cases, interest may be paid pursuant to the collateral arrangement with the counterparty. To the extent amounts due to the Fund from the counterparties are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance. Likewise, to the extent the Fund has delivered collateral to a counterparty and stands ready to perform under the terms of its agreement with such counterparty, the Fund bears the risk of loss from a counterparty in the amount of the value of the collateral in the event the counterparty fails to return such collateral. Based on the terms of agreements, collateral may not be required for all derivative contracts.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Statement of Assets and Liabilities.

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisory: The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement with the Manager, the Fund's 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 the Fund's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of the Fund.

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

Average Daily Net Assets	Investment Advisory Fees
First \$1 billion	1.85%
\$1 billion - \$3 billion	1.74
\$3 billion - \$5 billion	1.67
\$5 billion - \$10 billion	1.61
Greater than \$10 billion	1.57

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

Service and Distribution Fees: The Trust, on behalf of the Fund, 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, the 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 the Fund as follows:

Share Class	Service Fees	Distribution Fees
Investor A	0.25%	N/A

BRIL and broker-dealers, pursuant to sub-agreements with BRIL, provide shareholder servicing and distribution services to the Fund. 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 March 31, 2023, the following table shows the class specific service and distribution fees borne directly by each share class of the Fund:

	Investor A
Service — class specific	\$ 220

Administration: The Trust, on behalf of the Fund, 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 the Fund. The administration fee, which is shown as administration in the Statement of Operations, is paid at the annual rates below.

Average Daily Net Assets	Administration Fees
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

Notes to Financial Statements (continued)

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

For the year ended March 31, 2023, the Fund paid the following to the Manager in return for these services, which are included in administration and administration — class specific in the Statement of Operations:

	<i>Institutional</i>	<i>Investor A</i>	<i>Class K</i>	<i>Total</i>
Administration — class specific.....	\$ 36	\$ 18	\$ 1,724	\$ 1,778

Transfer Agent: Pursuant to written agreements, certain financial intermediaries, some of which may be affiliates, provide the Fund 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 March 31, 2023, the Fund did not pay any amounts to affiliates in return for these services.

For the year ended March 31, 2023, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

	<i>Institutional</i>	<i>Investor A</i>	<i>Class K</i>	<i>Total</i>
Transfer agent — class specific	\$ 213	\$ 211	\$ 200	\$ 624

Expense Limitations, Waivers, Reimbursements and Recoupments: The Manager contractually agreed to waive its investment advisory fees by the amount of investment advisory fees the Fund pays to the Manager indirectly through its investment in affiliated money market funds (the “affiliated money market fund waiver”) through June 30, 2024. The contractual agreement may be terminated upon 90 days’ notice by a majority of the trustees who are not “interested persons” of the Trust, as defined in the 1940 Act (“Independent Trustees”), or by a vote of a majority of the outstanding voting securities of the Fund. The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation described below will be reduced by the amount of the affiliated money market fund waiver. This amount is included in fees waived and/or reimbursed by the Manager in the Statement of Operations. For the year ended March 31, 2023, the amount waived was \$1,992.

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of the Fund’s assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2024. The contractual agreement may be terminated upon 90 days’ notice by a majority of the Independent Trustees, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended March 31, 2023, there were no fees waived by the Manager pursuant to this arrangement.

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

<i>Institutional</i>	<i>Investor A</i>	<i>Class K</i>
1.95%	2.20%	1.90%

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2024 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. For the year ended March 31, 2023, the Manager waived and/or reimbursed investment advisory fees of \$467,452, which is included in fees waived and/or reimbursed by the Manager in the Statement of Operations.

In addition, these amounts waived and/or reimbursed by the Manager are included in administration fees waived by the Manager — class specific and transfer agent fees waived and/or reimbursed by the Manager — class specific, respectively, in the Statement of Operations. For the year ended March 31, 2023, class specific expense waivers and/or reimbursements were as follows:

	<i>Institutional</i>	<i>Investor A</i>	<i>Class K</i>	<i>Total</i>
Administration fees waived by the Manager — class specific.....	\$ 24	\$ 12	\$ 1,724	\$ 1,760
Transfer agent fees waived and/or reimbursed by the Manager — class specific.....	145	182	199	526

With respect to the contractual expense limitation, if during the 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. Effective December 22, 2028, the repayment arrangement between the Fund and the Manager pursuant to which the Fund may be required to repay amounts waived and/or reimbursed under the Fund’s contractual caps on net expenses will be terminated.

Notes to Financial Statements (continued)

As of March 31, 2023, the fund level and class specific waivers and/or reimbursements subject to possible future recoupment under the expense limitation agreement are as follows:

Fund Level/Share Class	Expiring March 31,	
	2024	2025
Fund Level	\$ 103,101	\$ 467,452
Institutional	92	169
Investor A	92	194
Class K	608	1,923

Securities Lending: The U.S. Securities and Exchange Commission (“SEC”) has issued an exemptive order which permits BIM, an affiliate of the Manager, to serve as securities lending agent for the Fund, subject to applicable conditions. As securities lending agent, BIM bears all operational costs directly related to securities lending. The Fund is 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, Money Market Series, managed by the Manager or its affiliates. However, BIM has agreed to cap the collateral investment expenses of the Money Market Series to an annual rate of 0.04%. The investment adviser to the Money Market Series will not charge any advisory fees with respect to shares purchased by the Fund. The Money Market Series 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. 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.

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. The 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, 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, the Fund, 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.

The share of securities lending income earned by the Fund is shown as securities lending income — affiliated — net in the Statement of Operations. For the year ended March 31, 2023, the Fund paid BIM \$2,261 for securities lending agent services.

Interfund Lending: In accordance with an exemptive order (the “Order”) from the SEC, the Fund may participate in a joint lending and borrowing facility for temporary purposes (the “Interfund Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the Fund’s investment policies and restrictions. The Fund is currently permitted to borrow and lend under the Interfund Lending Program.

A lending BlackRock fund may lend in aggregate up to 15% of its net assets but may not lend more than 5% of its net assets to any one borrowing fund through the Interfund Lending Program. A borrowing BlackRock fund may not borrow through the Interfund Lending Program or from any other source more than 33 1/3% of its total assets (or any lower threshold provided for by the fund’s investment restrictions). If a borrowing BlackRock fund’s total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interest rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending fund and the bank loan rate, as calculated according to a formula established by the Board.

During the year ended March 31, 2023, the Fund did not participate in the Interfund Lending Program.

Trustees and Officers: Certain trustees and/or officers of the Trust are directors and/or officers of BlackRock or its affiliates. The Fund reimburses the Manager for a portion of the compensation paid to the Trust’s Chief Compliance Officer, which is included in Trustees and Officer in the Statement of Operations.

7. PURCHASES AND SALES

For the year ended March 31, 2023, purchases and sales of investments, excluding short-term securities, were \$7,077,253 and \$6,130,373, respectively.

8. INCOME TAX INFORMATION

It is the 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.

The 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 the Fund’s U.S. federal tax returns generally remains open for a period of three years after they are filed. The statutes of limitations on the Fund’s state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Notes to Financial Statements (continued)

Management has analyzed tax laws and regulations and their application to the Fund as of March 31, 2023, 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 Fund's financial statements.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. As of period end, permanent differences attributable to nondeductible expenses were reclassified to the following accounts:

	<i>Amounts</i>
Paid-in capital	\$ (53,245)
Accumulated earnings (loss)	53,245

The tax character of distributions paid was as follows:

	<i>Year Ended</i> 03/31/23
Ordinary income	<u>\$ 927,213</u>

As of March 31, 2023, the tax components of accumulated net earnings were as follows:

	<i>Amounts</i>
Non-expiring capital loss carryforwards ^(a)	\$ (1,132,657)
Net unrealized losses ^(b)	(236,557)
Qualified late-year losses ^(c)	(429,884)
	<u>\$ (1,799,098)</u>

^(a) Amounts available to offset future realized capital gains.

^(b) The difference between book-basis and tax-basis of net accumulated losses was attributable primarily to the tax deferral of losses on wash sales, the realization for tax purposes of unrealized gains/losses on certain futures and foreign currency exchange contracts, accounting for swap agreements and the timing and recognition of partnership income.

^(c) The Fund has elected to defer certain qualified late-year losses and recognize such losses in the next taxable year.

As of March 31, 2023, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

<i>Fund Name</i>	<i>Tax Cost</i>	<i>Gross Unrealized Appreciation</i>	<i>Gross Unrealized Depreciation</i>	<i>Net Unrealized Appreciation (Depreciation)</i>
BlackRock Global Equity Absolute Return Fund	\$ 9,463,535	\$ 834,010	\$ (1,071,246)	\$ (237,236)

9. BANK BORROWINGS

The Trust, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is a party to a 364-day, \$2.50 billion credit agreement with a group of lenders. Under this agreement, the Fund may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Fund, 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) Overnight Bank Funding Rate ("OBFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum, (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 or (c) the sum of (x) Daily Simple Secured Overnight Financing Rate ("SOFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.10% and (y) 0.80% per annum. The agreement expires in April 2023 unless extended or renewed. 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 March 31, 2023, the Fund did not borrow under the credit agreement.

10. PRINCIPAL RISKS

In the normal course of business, the Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject the 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. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments. The Fund's prospectus provides details of the risks to which the Fund is subject.

The Fund 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.

Notes to Financial Statements (continued)

Infectious Illness Risk: An outbreak of an infectious illness, such as the COVID-19 pandemic, may adversely impact the economies of many nations and the global economy, and may impact individual issuers and capital markets in ways that cannot be foreseen. An infectious illness outbreak may result in, among other things, closed international borders, prolonged quarantines, supply chain disruptions, market volatility or disruptions and other significant economic, social and political impacts.

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. The Fund may invest in illiquid investments. An illiquid investment is any investment that the 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. The 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 the 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 the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

Counterparty Credit Risk: The Fund 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, including making timely interest and/or principal payments or otherwise honoring its obligations. The Fund manages 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 Fund to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Fund's exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statement of Assets and Liabilities, less any collateral held by the Fund.

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: A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within the Fund's portfolio are disclosed in its Schedule of Investments.

The Fund invests a significant portion of its assets in securities of issuers located in Europe or with significant exposure to European issuers or countries. The European financial markets have recently experienced volatility and adverse trends due to concerns about economic downturns in, or rising government debt levels of, several European countries as well as acts of war in the region. These events may spread to other countries in Europe and may affect the value and liquidity of certain of the Fund's investments.

Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. The United Kingdom has withdrawn from the European Union, and one or more other countries may withdraw from the European Union and/or abandon the Euro, the common currency of the European Union. These events and actions have adversely affected, and may in the future adversely affect, the value and exchange rate of the Euro and may continue to significantly affect the economies of every country in Europe, including countries that do not use the Euro and non-European Union member states. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far reaching. In addition, Russia launched a large-scale invasion of Ukraine on February 24, 2022. The extent and duration of the military action, resulting sanctions and resulting future market disruptions in the region are impossible to predict, but have been, and may continue to be, significant and have a severe adverse effect on the region, including significant negative impacts on the economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors.

Significant Shareholder Redemption Risk: Certain shareholders may own or manage a substantial amount of fund shares and/or hold their fund investments for a limited period of time. Large redemptions of fund shares by these shareholders may force a fund to sell portfolio securities, which may negatively impact the fund's NAV, increase the fund's brokerage costs, and/or accelerate the realization of taxable income/gains and cause the fund to make additional taxable distributions to shareholders.

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

Share Class	Year Ended 03/31/23		Period from 12/21/21 ^(a) to 03/31/22	
	Shares	Amount	Shares	Amount
Institutional				
Shares sold	12,155	\$ 104,897	10,000	\$ 100,000
Shares issued in reinvestment of distributions	2,514	20,225	—	—
	<u>14,669</u>	<u>\$ 125,122</u>	<u>10,000</u>	<u>\$ 100,000</u>
Investor A				
Shares sold	—	\$ —	10,000	\$ 100,000
Shares issued in reinvestment of distributions	1,106	8,892	—	—
	<u>1,106</u>	<u>\$ 8,892</u>	<u>10,000</u>	<u>\$ 100,000</u>

Notes to Financial Statements (continued)

Share Class	Year Ended 03/31/23		Period from 12/21/21 ^(a) to 03/31/22	
	Shares	Amount	Shares	Amount
Class K				
Shares sold	—	\$ —	980,000	\$ 9,800,000
Shares issued in reinvestment of distributions	111,655	898,096	—	—
	<u>111,655</u>	<u>\$ 898,096</u>	<u>980,000</u>	<u>\$ 9,800,000</u>
	<u>127,430</u>	<u>\$ 1,032,110</u>	<u>1,000,000</u>	<u>\$ 10,000,000</u>

^(a) Commencement of operations.

As of March 31, 2023, shares owned by BlackRock Financial Management, Inc., an affiliate of the Fund, were as follows:

Share Class	
Institutional	11,135
Investor A	11,106
Class K	1,091,655

12. SUBSEQUENT EVENTS

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

Effective April 13, 2023, the credit agreement was extended until April 2024 under the same terms.

Report of Independent Registered Public Accounting Firm

To the Shareholders of BlackRock Global Equity Absolute Return Fund and the Board of Trustees of BlackRock FundsSM:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of BlackRock Global Equity Absolute Return Fund of BlackRock FundsSM (the "Fund"), including the schedule of investments, as of March 31, 2023, the related statement of operations for the year then ended, the statements of changes in net assets and the financial highlights for the year then ended and for the period from December 21, 2021 (commencement of operations) through March 31, 2022, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of March 31, 2023, and the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the year then ended and for the period from December 21, 2021 (commencement of operations) through March 31, 2022, 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 Fund's management. Our responsibility is to express an opinion on the Fund's 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 Fund 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 Fund is not required to have, nor were we engaged to perform, an audit of its 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 Fund's 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 March 31, 2023, by correspondence with custodians or counterparties; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP
Boston, Massachusetts
May 24, 2023

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

Important Tax Information (unaudited)

The following amount, or maximum amount allowable by law are hereby designated as qualified dividend income for individuals for the fiscal year ended March 31, 2023:

<i>Fund Name</i>	<i>Qualified Dividend Income</i>
BlackRock Global Equity Absolute Return Fund	\$ 70,108

The Fund hereby designates the following amount, or maximum amount allowable by law, as interest income eligible to be treated as a Section 163(j) interest dividend for the fiscal year ended March 31, 2023:

<i>Fund Name</i>	<i>Interest Dividends</i>
BlackRock Global Equity Absolute Return Fund	\$ 54,519

The Fund hereby designates the following amount, or maximum amount allowable by law, as interest-related dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations for the fiscal year ended March 31, 2023:

<i>Fund Name</i>	<i>Interest-Related Dividends</i>
BlackRock Global Equity Absolute Return Fund	\$ 54,063

Statement Regarding Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), BlackRock FundsSM (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for BlackRock Global Equity Absolute Return Fund (the “Fund”), a series of the Trust, which is reasonably designed to assess and manage the Fund’s liquidity risk.

The Board of Trustees (the “Board”) of the Trust, on behalf of the Fund, met on November 8-9, 2022 (the “Meeting”) to review the Program. The Board previously appointed BlackRock Advisors, LLC or BlackRock Fund Advisors (“BlackRock”), each an investment adviser to certain BlackRock funds, as the program administrator for the Fund’s Program, as applicable. BlackRock also previously delegated oversight of the Program to the 40 Act Liquidity Risk Management Committee (the “Committee”). At the Meeting, the Committee, on behalf of BlackRock, provided the Board with a report that addressed the operation of the Program and assessed its adequacy and effectiveness of implementation, including the management of the Fund’s Highly Liquid Investment Minimum (“HLIM”) where applicable, and any material changes to the Program (the “Report”). The Report covered the period from October 1, 2021 through September 30, 2022 (the “Program Reporting Period”).

The Report described the Program’s liquidity classification methodology for categorizing the Fund’s investments (including derivative transactions) into one of four liquidity buckets. It also referenced the methodology used by BlackRock to establish the Fund’s HLIM and noted that the Committee reviews and ratifies the HLIM assigned to the Fund no less frequently than annually. The Report also discussed notable events affecting liquidity over the Program Reporting Period, including the imposition of capital controls in certain countries.

The Report noted that the Program complied with the key factors for consideration under the Liquidity Rule for assessing, managing and periodically reviewing the Fund’s liquidity risk, as follows:

- a) *The Fund’s investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed whether the Fund’s strategy is appropriate for an open-end fund structure with a focus on funds with more significant and consistent holdings of less liquid and illiquid assets. The Committee also factored a fund’s concentration in an issuer into the liquidity classification methodology by taking issuer position sizes into account. Where a fund participated in borrowings for investment purposes (such as tender option bonds or reverse repurchase agreements), such borrowings were factored into the Program’s calculation of a fund’s liquidity bucketing. A fund’s derivative exposure was also considered in such calculation.
- b) *Short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed historical redemption activity and used this information as a component to establish the Fund’s reasonably anticipated trading size utilized for liquidity classifications. The Fund has adopted an in-kind redemption policy which may be utilized to meet larger redemption requests. The Committee may also take into consideration a fund’s shareholder ownership concentration (which, depending on product type and distribution channel, may or may not be available), a fund’s distribution channels, and the degree of certainty associated with a fund’s short-term and long-term cash flow projections.
- c) *Holdings of cash and cash equivalents, as well as borrowing arrangements.*** The Committee considered the terms of the credit facility committed to the Fund, the financial health of the institution providing the facility and the fact that the credit facility is shared among multiple funds (including that a portion of the aggregate commitment amount is specifically designated for BlackRock Floating Rate Income Portfolio, a series of BlackRock Funds V, and BlackRock Floating Rate Loan ETF, a series of BlackRock ETF Trust II). The Committee also considered other types of borrowing available to the Fund, such as the ability to use reverse repurchase agreements and interfund lending, as applicable.

There were no material changes to the Program during the Program Reporting Period other than the enhancement of certain model components in the Program’s classification methodology. The Report provided to the Board stated that the Committee concluded that based on the operation of the functions, as described in the Report, the Program is operating as intended and is effective in implementing the requirements of the Liquidity Rule.

Trustee and Officer Information

Independent Trustees^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past 5 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 5 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.	28 RICs consisting of 166 Portfolios	None
Susan J. Carter 1956	Trustee (Since 2016)	Trustee, Financial Accounting Foundation from 2017 to 2021; Advisory Board Member, Center for Private Equity and Entrepreneurship at Tuck School of Business from 1997 to 2021; Director, Pacific Pension Institute from 2014 to 2018; 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 from 2018 to 2022; Advisory Board Member, Bridges Fund Management since 2016; Practitioner Advisory Board Member, Private Capital Research Institute ("PCRI") since 2017; Lecturer in the Practice of Management, Yale School of Management since 2019; Advisor to Finance Committee, Altman Foundation since 2020; Investment Committee Member, Tostan since 2021; Member of the President's Counsel, Commonfund since 2023.	28 RICs consisting of 166 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; Director, Boys and Girls Club of Boston since 2017; Director, B1 Capital since 2018; Director, David and Lucile Packard Foundation since 2020.	28 RICs consisting of 166 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.	28 RICs consisting of 166 Portfolios	None
Lena G. Goldberg 1949	Trustee (Since 2019)	Director, Pioneer Legal Institute since 2023; Director, Charles Stark Draper Laboratory, Inc. from 2013 to 2021; Senior Lecturer, Harvard Business School, from 2008 to 2021; 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.	28 RICs consisting of 166 Portfolios	None

Independent Trustees^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past 5 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 5 Years
Henry R. Keizer 1956	Trustee (Since 2019)	Director, Park Indemnity Ltd. (captive insurer) from 2010 to 2022.	28 RICs consisting of 166 Portfolios	GrafTech International Ltd. (materials manufacturing); Sealed Air Corp. (packaging); WABCO (commercial vehicle safety systems) from 2015 to 2020; Hertz Global Holdings (car rental) from 2015 to 2021.
Cynthia A. Montgomery 1952	Trustee (Since 2007)	Professor, Harvard Business School since 1989.	28 RICs consisting of 166 Portfolios	None
Donald C. Opatrny 1952	Trustee (Since 2019)	Chair of the Board of Phoenix Art Museum since 2022 and Trustee thereof since 2018; Chair of the Investment Committee of The Arizona Community Foundation since 2022 and Trustee thereof since 2020; Director, Athena Capital Advisors LLC (investment management firm) from 2013 to 2020; Member of the Board and Investment Committee, University School from 2007 to 2018; Trustee, Artstor (a Mellon Foundation affiliate) from 2010 to 2015; Member of the Investment Committee, Mellon Foundation from 2009 to 2015; President, Trustee and Member of the Investment Committee, The Aldrich Contemporary Art Museum from 2007 to 2014; Trustee and Chair of the Investment Committee, Community Foundation of Jackson Hole since 2014; Member of Affordable Housing Supply Board of Jackson, Wyoming since 2017.	28 RICs consisting of 166 Portfolios	None
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 2001, Emeritus since 2022; 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; Member, Advisory Board, ESG Competent Boards since 2020.	28 RICs consisting of 166 Portfolios	None

Independent Trustees^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past 5 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 5 Years
Claire A. Walton 1957	Trustee (Since 2016)	Advisory Board Member, Grossman School of Business at the University of Vermont since 2023; Advisory Board Member, Scientific Financial Systems since 2022; General Partner of Neon Liberty Capital Management, LLC since 2003; Chief Operating Officer and Chief Financial Officer of Liberty Square Asset Management, LP from 1998 to 2015; Director, Boston Hedge Fund Group from 2009 to 2018; Director, Massachusetts Council on Economic Education from 2013 to 2015; Director, Woodstock Ski Runners from 2013 to 2022.	28 RICs consisting of 166 Portfolios	None

Trustee and Officer Information (continued)

Interested Trustees^{(a)(d)}

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past 5 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 5 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.	98 RICs consisting of 268 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.	100 RICs consisting of 270 Portfolios	None

^(a) The address of each Trustee is c/o BlackRock, Inc., 50 Hudson Yards, New York, NY 10001.

^(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 Merrill Lynch Investment Managers, L.P. ("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: Cynthia A. Montgomery, 1994; 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 and BlackRock Private Investments Fund.

Officers Who Are Not Directors^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service)	Principal Occupation(s) During Past 5 Years
Roland Villacorta 1971	Vice President of the Trust (Since 2022)	Managing Director of BlackRock, Inc. since 2022; Head of Global Cash Management and Head of Securities Lending within BlackRock's Portfolio Management Group since 2022; Member of BlackRock's Global Operating Committee since 2022; Head of Portfolio Management in BlackRock's Financial Markets Advisory Group within BlackRock Solutions from 2008 to 2015; Co-Head of BlackRock Solutions' Portfolio Analytics Group; previously Mr. Villacorta was Co-Head of Fixed Income within BlackRock's Risk & Quantitative Analysis Group.
Jennifer McGovern 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Americas Product Development and Governance for BlackRock's Global Product Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019.
Trent Walker 1974	Chief Financial Officer (Since 2021)	Managing Director of BlackRock, Inc. since September 2019; Executive Vice President of PIMCO from 2016 to 2019; Senior Vice President of PIMCO from 2008 to 2015; Treasurer from 2013 to 2019 and Assistant Treasurer from 2007 to 2017 of PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, 2 PIMCO-sponsored interval funds and 21 PIMCO-sponsored closed-end funds.
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., 50 Hudson Yards, New York, NY 10001.

^(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 December 31, 2022, Joseph P. Platt retired as a Trustee of the Trust.

Additional Information

General Information

Quarterly performance, semi-annual and annual reports, current net asset value and other information regarding the Fund may be found on BlackRock's website, which can be accessed at blackrock.com. Any reference to BlackRock's website in this report is intended to allow investors public access to information regarding the Fund and does not, and is not intended to, incorporate BlackRock's website in this report.

Householding

The Fund will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports, Rule 30e-3 notices and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Fund at (800) 441-7762.

Availability of Quarterly Schedule of Investments

The Fund files its 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. The Fund's Form N-PORT is available on the SEC's website at sec.gov. Additionally, the Fund makes its portfolio holdings for the first and third quarters of each fiscal year available at blackrock.com/fundreports.

Availability of Proxy Voting Policies, Procedures and Voting Records

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available without charge, upon request (1) by calling (800) 441-7762; (2) on the BlackRock website at blackrock.com; and (3) on the SEC's website at 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 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 visit blackrock.com for more information.

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.

Additional Information (continued)

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.

Fund and Service Providers

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 10001

Legal Counsel

Sidley Austin LLP
New York, NY 10019

Address of the Trust

100 Bellevue Parkway
Wilmington, DE 19809

Glossary of Terms Used in this Report

Currency Abbreviation

CAD	Canadian Dollar
CHF	Swiss Franc
DKK	Danish Krone
EUR	Euro
JPY	Japanese Yen
SEK	Swedish Krona
USD	United States Dollar

Portfolio Abbreviation

ADR	American Depositary Receipt
NVS	Non-Voting Shares
S&P	Standard & Poor's
TOPIX	Tokyo Stock Price Index

Want to know more?

blackrock.com | 800-441-7762

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 Fund 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.

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