

2023 Annual Report

BlackRock FundsSM

- BlackRock Short Obligations Fund

The Markets in Review

Dear Shareholder,

Despite an uncertain economic landscape during the 12-month reporting period ended July 31, 2023, the resilience of the U.S. economy in the face of ever tighter financial conditions provided an encouraging backdrop for investors. While inflation was near multi-decade highs at the beginning of the period, it declined precipitously as commodity prices dropped. Labor shortages also moderated, although wages continued to grow and unemployment rates reached the lowest levels in decades. This robust labor market powered further growth in consumer spending, backstopping the economy.

Equity returns were solid, as the durability of consumer sentiment eased investors' concerns about the economy's trajectory. The U.S. economy resumed growth in the third quarter of 2022 and continued to expand thereafter. Most major classes of equities advanced, including large- and small-capitalization U.S. stocks and equities from developed and emerging markets.

The 10-year U.S. Treasury yield rose during the reporting period, driving its price down, as investors reacted to elevated inflation and attempted to anticipate future interest rate changes. The corporate bond market also faced inflationary headwinds, although high-yield corporate bond prices fared significantly better than investment-grade bonds as demand from yield-seeking investors remained strong.

The U.S. Federal Reserve (the "Fed"), acknowledging that inflation has been more persistent than expected, raised interest rates seven times during the 12-month period ended July 31, 2023. Furthermore, the Fed wound down its bond-buying programs and incrementally reduced its balance sheet by not replacing securities that reach maturity. However, the Fed declined to raise interest rates at its June 2023 meeting, the first time it paused its tightening in the current cycle, before again raising rates in July 2023.

Supply constraints appear to have become an embedded feature of the new macroeconomic environment, making it difficult for developed economies to increase production without sparking higher inflation. Geopolitical fragmentation and an aging population risk further exacerbating these constraints, keeping the labor market tight and wage growth high. Although the Fed has decelerated the pace of interest rate hikes and recently opted for a pause, we believe that the new economic regime means that the Fed will need to maintain high rates for an extended period to keep inflation under control. Furthermore, ongoing structural changes may mean that the Fed will be hesitant to cut interest rates in the event of faltering economic activity lest inflation accelerate again. We believe investors should expect a period of higher volatility as markets adjust to the new economic reality and policymakers attempt to adapt.

While we favor an overweight position to developed market equities in the long term, we prefer an underweight stance in the near-term. Expectations for corporate earnings remain elevated, which seems inconsistent with macroeconomic constraints. Nevertheless, we are overweight on emerging market stocks in the near-term as growth trends for emerging markets appear brighter. We also believe that stocks with an A.I. tilt should benefit from an investment cycle that is set to support revenues and margins. We are neutral on credit overall amid tightening credit and financial conditions; however, there are selective opportunities in the near term. For fixed income investing with a six- to twelve-month horizon, we see the most attractive investments in short-term U.S. Treasuries, U.S. inflation-linked bonds, U.S. mortgage-backed securities, and hard-currency emerging market bonds.

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 July 31, 2023

	6-Month	12-Month
U.S. large cap equities (S&P 500® Index)	13.52%	13.02%
U.S. small cap equities (Russell 2000® Index)	4.51	7.91
International equities (MSCI Europe, Australasia, Far East Index)	6.65	16.79
Emerging market equities (MSCI Emerging Markets Index)	3.26	8.35
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	2.34	3.96
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	(2.08)	(7.56)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	(1.02)	(3.37)
Tax-exempt municipal bonds (Bloomberg Municipal Bond Index)	0.20	0.93
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	2.92	4.42

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

Table of Contents

	Page
The Markets in Review	2
Annual Report:	
Fund Summary	4
About Fund Performance	7
Disclosure of Expenses	7
Financial Statements:	
Schedule of Investments	8
Statement of Assets and Liabilities	15
Statement of Operations	17
Statements of Changes in Net Assets	18
Financial Highlights	19
Notes to Financial Statements	22
Report of Independent Registered Public Accounting Firm	29
Important Tax Information	30
Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement	31
Trustee and Officer Information	34
Additional Information	38
Glossary of Terms Used in this Report	40

Go Paperless...

It's Easy, Economical and Green!



Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual shareholder reports and prospectuses by enrolling in the electronic delivery program. Electronic copies of shareholder reports and prospectuses are also available on BlackRock's website.

TO ENROLL IN ELECTRONIC DELIVERY:

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:
Please contact your financial advisor. Please note that not all investment advisors, banks or brokerages may offer this service.

Shareholders Who Hold Accounts Directly with BlackRock:

1. Access the BlackRock website at blackrock.com
2. Select "Access Your Account"
3. Next, select "eDelivery" in the "Related Resources" box and follow the sign-up instructions

Investment Objective

BlackRock Short Obligations Fund's (the "Fund") investment objective is to seek current income consistent with preservation of capital.

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended July 31, 2023, the Fund's Class K Shares outperformed the benchmark, the ICE BofA 6-Month U.S. Treasury Bill Index, while the Fund's Institutional Shares performed in line. For the same period, the Fund's Investor A shares underperformed the benchmark.

What factors influenced performance?

The Fund's below benchmark stance with respect to overall portfolio duration and corresponding interest rate sensitivity proved additive to performance as the Fed moved to aggressively raise its benchmark overnight lending rate. In addition, security selection aided relative return, most notably exposure to corporate credit and an allocation to floating rate instruments with payments tied to the Secured Overnight Financing Rate ("SOFR").

Investor outflows from the Fund in a rising interest rate environment weighed on performance relative to the benchmark. The Fund's positioning along the yield curve also detracted from relative performance.

The Fund's cash position had no material impact on performance.

Describe recent portfolio activity.

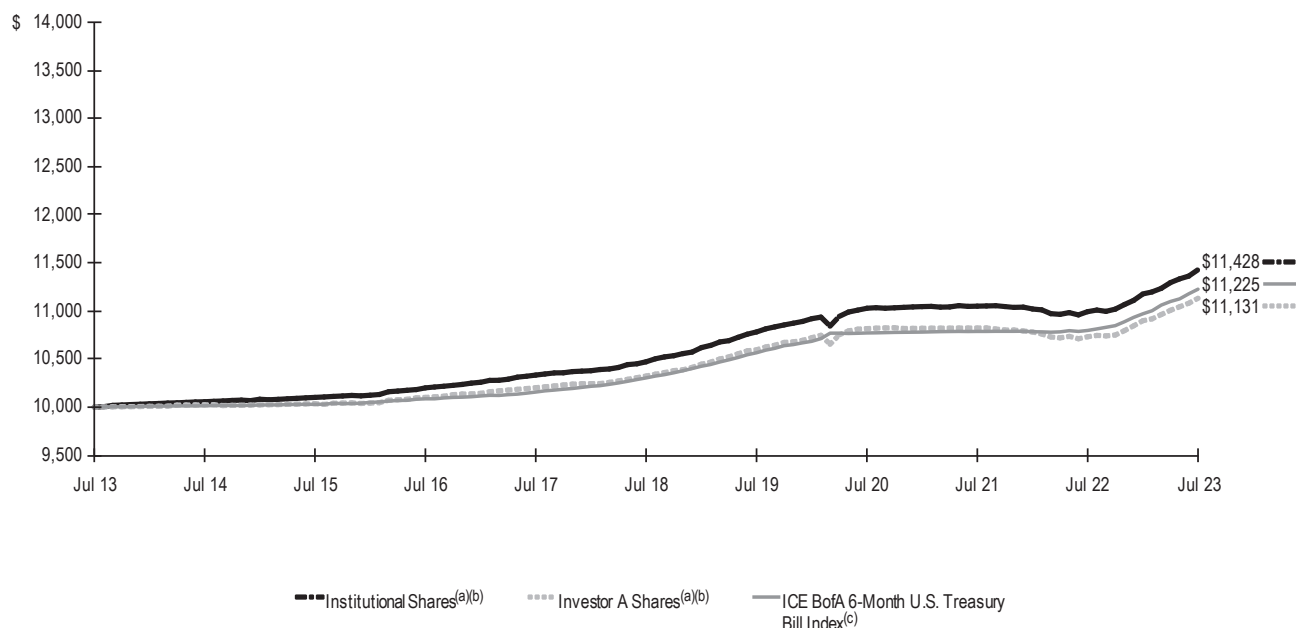
The Fund sought to capture higher reinvestment rates by concentrating purchases in short-term commercial paper, which experienced steady increases in yield, and by selectively adding duration with both fixed and floating rate investment grade corporate purchases at attractive yields.

Describe portfolio positioning at period end.

At period end, the Fund's positioning reflected the view that the Fed is likely near the end of its hiking cycle, with an extended duration stance and decreased exposure to floating rate instruments. The Fund ended the period with a 47% allocation to floaters, with 34% allocated to SOFR-linked instruments which reset daily and provide attractive income following the Fed's interest rate hikes.

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



^(a) Assuming transaction costs and other operating expenses, including investment advisory fees and administration fees, if any. Institutional, Class K and Investor A Shares do not have a sales charge.

^(b) Under normal market conditions, the Fund will invest in U.S. dollar-denominated investment grade and short-term fixed and floating rate debt securities maturing in three years or less (with certain exceptions) and will maintain a dollar-weighted average maturity of 180 days or less and a dollar-weighted average life of 365 days or less.

^(c) An unmanaged index that tracks 6-month U.S. Treasury securities. On March 1, 2021 the Fund began to track the 4pm pricing variant of ICE BofA 6-Month U.S. Treasury Bill Index (the "Index"). Historical index data prior to 3/1/2021 is for the 3pm pricing variant of the Index. Index data on and after March 1, 2021 is for the 4pm pricing variant of the Index.

Performance

	Standardized 30-Day Yields ^(b)	Unsubsidized 30-Day Yields ^(b)	Average Annual Total Returns ^(a)		
			1 Year	5 Years	10 Years
Institutional	5.35%	5.23%	3.96%	1.76%	1.34%
Investor A	5.12	5.00	3.73	1.52	1.08
Class K	5.42	5.28	4.04	1.81	1.40
ICE BofA 6-Month U.S. Treasury Bill Index	—	—	3.95	1.72	1.16

^(a) 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 standardized 30-day yield includes the effects of any waivers and/or reimbursements. The unsubsidized 30-day yield excludes the effects of any waivers and/or reimbursements.

Past performance is not an indication of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

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 (02/01/23)	Ending Account Value (07/31/23)	Expenses Paid During the Period ^(a)	Beginning Account Value (02/01/23)	Ending Account Value (07/31/23)	Expenses Paid During the Period ^(a)	
Institutional	\$ 1,000.00	\$ 1,022.50	\$ 1.40	\$ 1,000.00	\$ 1,023.41	\$ 1.40	0.28%
Investor A	1,000.00	1,021.40	2.51	1,000.00	1,022.32	2.51	0.50
Class K	1,000.00	1,022.90	1.00	1,000.00	1,023.80	1.00	0.20

^(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 181/365 (to reflect the one-half year period shown).

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

Portfolio Information

PORTFOLIO COMPOSITION

Asset Type	Percent of Net Assets
Corporate Bonds	58.0%
Commercial Paper	18.9
Certificates of Deposit	8.5
Repurchase Agreements	7.8
Asset-Backed Securities	5.2
Municipal Bonds	1.2
Foreign Agency Obligations	0.2
Money Market Funds	0.0 ^(a)
Other Assets Less Liabilities	0.2

MATURITY BREAKDOWN

	Percent of Net Assets
1-7 days	4.9%
8-14 days	2.0
15-30 days	7.5
31-60 days	7.2
61-90 days	5.4
91-120 days	9.3
121-150 days	0.9
>150 days	62.8

^(a) Represents less than 0.1% of the Fund's net assets.

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 not subject to any sales charge and bear no ongoing distribution fee. These shares are subject to an ongoing service fee of 0.25% per year. Certain redemptions of these shares may be subject to a contingent deferred sales charge ("CDSC") where no initial sales charge was paid at the time of purchase. These shares are generally available through financial intermediaries. Investor A Shares performance shown prior to the Investor A Shares inception date of March 9, 2018 is that of Class K Shares (which have no distribution or service fees) and was restated to reflect Investor A Shares fees.

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(s) assume 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.

The standardized 30-day yield includes the effects of any waivers and/or reimbursements. The unsubsidized 30-day yield excludes the effects of any waivers and/or reimbursements.

Disclosure of Expenses

Shareholders of the Fund may incur the following charges: (a) transactional expenses; 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.

Schedule of Investments

July 31, 2023

BlackRock Short Obligations Fund
(Percentages shown are based on Net Assets)

Security	Par (000)	Value
Asset-Backed Securities		
American Express Credit Account Master Trust, Series 2022-4, Class A, 4.95%, 10/15/27 USD	5,000	\$ 4,974,978
BMW Vehicle Lease Trust, Series 2023-1, Class A2, 5.27%, 02/25/25	1,443	1,440,047
BMW Vehicle Owner Trust, Series 2022-A, Class A2A, 2.52%, 12/26/24	1,847	1,836,253
Carmax Auto Owner Trust		
Series 2022-4, Class A2A, 5.34%, 12/15/25	3,509	3,500,013
Series 2023-1, Class A2A, 5.23%, 01/15/26	4,800	4,783,461
Series 2023-2, Class A2B, (SOFR 30 day Average + 0.85%), 5.92%, 06/15/26 ^(a)	4,295	4,307,180
Series 2023-3, Class A2B, (SOFR 30 day Average + 0.60%), 5.67%, 11/16/26 ^(a)	2,707	2,708,571
Chase Issuance Trust, Series 2022-A1, Class A, 3.97%, 09/15/27	4,700	4,579,760
CNH Equipment Trust, Series 2023-A, Class A2, 5.34%, 09/15/26	2,132	2,122,673
Ford Credit Auto Lease Trust, Series 2023-A, Class A2A, 5.19%, 06/15/25	1,039	1,036,361
Ford Credit Auto Owner Trust		
Series 2022-A, Class A2, 0.73%, 09/15/24	173	173,137
Series 2022-B, Class A2A, 3.44%, 02/15/25	1,586	1,577,165
Honda Auto Receivables Owner Trust, Series 2023-2, Class A2, 5.41%, 04/15/26	3,800	3,789,669
Hyundai Auto Lease Securitization Trust ^(b)		
Series 2022-B, Class A2A, 2.75%, 10/15/24	2,969	2,954,925
Series 2022-C, Class A2A, 4.34%, 01/15/25	601	597,430
Series 2023-A, Class A2A, 5.20%, 04/15/25	2,538	2,528,737
Series 2023-B, Class A2A, 5.47%, 09/15/25	1,794	1,785,501
Series 2023-B, Class A2B, (SOFR 30 day Average + 0.75%), 5.82%, 09/15/25 ^(a)	1,939	1,939,818
Mercedes-Benz Auto Lease Trust, Series 2023-A, Class A2, 5.24%, 11/17/25	7,272	7,238,486
Nissan Auto Receivables Owner Trust		
Series 2022-B, Class A2, 4.50%, 08/15/25	2,903	2,886,888
Series 2023-A, Class A2B, (SOFR 30 day Average + 0.65%), 5.72%, 02/17/26 ^(a)	5,637	5,645,636
Toyota Auto Receivables Owner Trust		
Series 2022-B, Class A2A, 2.35%, 01/15/25	1,497	1,486,861
Series 2023-B, Class A2A, 5.28%, 05/15/26	3,260	3,247,569
Series 2023-B, Class A2B, (SOFR 30 day Average at 0.52% Floor + 0.52%), 5.59%, 05/15/26 ^(a)	3,102	3,103,731
Total Asset-Backed Securities — 5.2% (Cost: \$70,540,810)		70,244,850
Corporate Bonds		
Aerospace & Defense — 0.3%		
Lockheed Martin Corp., 4.95%, 10/15/25	2,220	2,215,541
RTX Corp., 5.00%, 02/27/26	1,595	1,593,601
		3,809,142
Automobiles — 4.5%^(b)		
BMW US Capital LLC		
0.80%, 04/01/24	2,680	2,593,609
(SOFR Index + 0.53%), 5.86%, 04/01/24 ^(a)	15,615	15,630,225
(SOFR Index + 0.38%), 5.74%, 08/12/24 ^(a)	17,735	17,746,474
Mercedes-Benz Finance North America LLC		
0.75%, 03/01/24	16,690	16,170,619
5.38%, 08/01/25	3,330	3,328,835
Volkswagen Group of America Finance LLC, (1-day SOFR + 0.95%), 6.30%, 06/07/24 ^(a)	5,140	5,162,385
		60,632,147

Security	Par (000)	Value
Banks — 14.4%		
Australia & New Zealand Banking Group Ltd., 5.09%, 12/08/25 USD	3,245	\$ 3,229,907
Banco Santander SA		
3.89%, 05/24/24	6,800	6,687,397
5.77%, 06/30/24 ^(a)	6,800	6,779,632
Bank of America Corp., (1-day SOFR + 0.41%), 5.76%, 06/14/24 ^(a)	15,915	15,895,425
Banque Federative du Credit Mutuel SA, 4.94%, 01/26/26 ^(b)	4,800	4,706,351
Citigroup, Inc., (1-day SOFR + 1.37%), 4.14%, 05/24/25 ^(a)	2,025	1,999,160
Cooperatieve Rabobank UA, 3.88%, 08/22/24	6,100	5,990,492
HSBC Holdings plc, 1.16%, 11/22/24 ^(a)	3,785	3,720,461
JPMorgan Chase & Co., (1-day SOFR + 0.98%), 3.85%, 06/14/25 ^(a)	6,600	6,476,061
KeyBank NA		
(SOFR Index + 0.32%), 5.66%, 06/14/24 ^(a)	14,355	14,043,406
(SOFR Index + 0.32%), 5.66%, 06/14/24 ^(a)	6,000	5,887,500
4.15%, 08/08/25	2,050	1,961,845
Mitsubishi UFJ Financial Group, Inc. ^(a)		
(1-Year US Treasury Yield Curve Rate T Note Constant Maturity + 1.70%), 4.79%, 07/18/25	9,410	9,303,013
(1-Year US Treasury Yield Curve Rate T Note Constant Maturity + 1.55%), 5.06%, 09/12/25	5,895	5,832,358
(1-Year US Treasury Yield Curve Rate T Note Constant Maturity + 1.08%), 5.72%, 02/20/26	3,600	3,588,416
National Australia Bank Ltd., 5.20%, 05/13/25	3,140	3,133,843
Nordea Bank Abp ^(b)		
3.60%, 06/06/25	4,425	4,257,403
4.75%, 09/22/25	6,100	5,990,853
PNC Financial Services Group, Inc. (The), (SOFR Index + 1.09%), 5.67%, 10/28/25 ^(a)	5,450	5,422,980
Societe Generale SA, 4.35%, 06/13/25 ^(b)	5,000	4,858,804
Sumitomo Mitsui Financial Group, Inc.		
0.51%, 01/12/24	3,380	3,296,805
5.46%, 01/13/26	4,800	4,793,217
Sumitomo Mitsui Trust Bank Ltd. ^(b)		
0.80%, 09/16/24	8,000	7,558,535
(1-day SOFR + 0.44%), 5.78%, 09/16/24 ^(a)	10,000	9,971,739
Svenska Handelsbanken AB, 3.65%, 06/10/25 ^(b)	6,600	6,369,362
Swedbank AB, 0.60%, 09/25/23 ^(b)	4,000	3,967,560
Truist Bank, (1-day SOFR + 0.20%), 5.52%, 01/17/24 ^(a)	20,000	19,869,200
Westpac Banking Corp.		
5.35%, 10/18/24	5,500	5,487,373
1.02%, 11/18/24	2,395	2,263,738
(1-day SOFR + 0.30%), 5.65%, 11/18/24 ^(a)	8,985	8,964,458
		192,307,294
Broadline Retail — 0.4%		
eBay, Inc., 5.90%, 11/22/25	5,500	5,574,662
Capital Markets — 7.3%		
Bank of New York Mellon Corp. (The), (1-day SOFR + 0.57%), 3.43%, 06/13/25 ^(a)	6,600	6,458,890
Credit Suisse AG		
0.50%, 02/02/24	2,670	2,592,547
(SOFR Index + 0.39%), 5.77%, 02/02/24 ^(a)	15,000	14,947,613
Deutsche Bank AG		
Series E, 0.96%, 11/08/23	9,000	8,873,204
Series E, (1-day SOFR + 0.50%), 5.87%, 11/08/23 ^(a)	13,175	13,146,911
4.16%, 05/13/25	3,900	3,796,779

Schedule of Investments (continued)

July 31, 2023

BlackRock Short Obligations Fund
(Percentages shown are based on Net Assets)

Security	Par (000)	Value
Capital Markets (continued)		
Goldman Sachs Group, Inc. (The), 1.22%, 12/06/23	USD 4,000	\$ 3,933,692
Morgan Stanley ^(a) 5.84%, 11/10/23	15,000	14,992,958
(1-day SOFR + 0.46%), 5.77%, 01/25/24	8,000	7,996,888
National Securities Clearing Corp., 5.15%, 05/30/25 ^(b)	1,230	1,228,722
UBS AG ^(b) (1-day SOFR + 0.36%), 5.73%, 02/09/24 ^(a)	5,000	4,994,165
0.70%, 08/09/24	3,680	3,496,928
(1-day SOFR + 0.45%), 5.82%, 08/09/24 ^(a)	6,775	6,760,163
1.38%, 01/13/25	4,430	4,163,379
		97,382,839
Chemicals — 0.4%		
Ecolab, Inc., 0.90%, 12/15/23	2,695	2,647,108
Sherwin-Williams Co. (The), 4.05%, 08/08/24	2,775	2,728,142
		5,375,250
Consumer Finance — 3.8%		
American Express Co., 3.38%, 05/03/24	2,695	2,648,596
American Honda Finance Corp. (3-mo. LIBOR USD + 0.42%), 5.93%, 09/08/23 ^(a)	5,790	5,792,069
0.75%, 08/09/24	2,040	1,943,690
Capital One Financial Corp., (1-day SOFR + 1.37%), 4.17%, 05/09/25 ^(a)	6,800	6,652,593
Caterpillar Financial Services Corp. 0.60%, 09/13/24	6,730	6,378,304
(1-day SOFR + 0.27%), 5.62%, 09/13/24 ^(a)	12,325	12,320,240
John Deere Capital Corp., 3.40%, 06/06/25	4,310	4,176,908
PACCAR Financial Corp., 3.15%, 06/13/24	2,955	2,895,413
Toyota Motor Credit Corp. (1-day SOFR + 0.62%), 5.93%, 06/13/24 ^(a)	3,635	3,641,870
4.40%, 09/20/24	5,000	4,943,371
		51,393,054
Consumer Staples Distribution & Retail — 0.5%		
Walmart, Inc., 3.90%, 09/09/25	7,000	6,870,436
Diversified Telecommunication Services — 2.1%		
Bell Telephone Co. of Canada, Series US-3, 0.75%, 03/17/24	8,000	7,743,935
Verizon Communications, Inc. 0.75%, 03/22/24	3,325	3,217,608
(SOFR Index + 0.50%), 5.83%, 03/22/24 ^(a)	16,955	16,963,674
		27,925,217
Electric Utilities — 3.5%		
Eversource Energy, Series T, (SOFR Index + 0.25%), 5.62%, 08/15/23 ^(a)	19,015	19,000,549
Florida Power & Light Co. (SOFR Index + 0.38%), 5.69%, 01/12/24 ^(a)	2,505	2,505,000
4.45%, 05/15/26	1,915	1,896,918
NextEra Energy Capital Holdings, Inc. (SOFR Index + 0.40%), 5.77%, 11/03/23 ^(a)	20,000	19,996,133
6.05%, 03/01/25	915	921,636
Wisconsin Public Service Corp., 5.35%, 11/10/25	2,720	2,729,895
		47,050,131
Electronic Equipment, Instruments & Components — 0.1%		
Amphenol Corp., 4.75%, 03/30/26	750	743,635
Financial Services — 2.6%		
LSEGA Financing plc, 0.65%, 04/06/24 ^(b)	3,120	3,007,957
National Rural Utilities Cooperative Finance Corp., Series D, (1-day SOFR + 0.33%), 5.65%, 10/18/24 ^(a)	5,000	4,984,316

Security	Par (000)	Value
Financial Services (continued)		
Nationwide Building Society, 0.55%, 01/22/24 ^(b) USD	1,520	\$ 1,482,103
NTT Finance Corp. ^(b) 0.58%, 03/01/24	6,005	5,824,104
4.14%, 07/26/24	1,120	1,102,779
Siemens Financieringsmaatschappij NV, (1-day SOFR + 0.43%), 5.78%, 03/11/24 ^{(a)(b)}	18,980	19,007,521
		35,408,780
Food Products — 2.6%		
Cargill, Inc., 4.88%, 10/10/25 ^(b)	5,185	5,157,426
Hormel Foods Corp., 0.65%, 06/03/24	5,565	5,338,672
Nestle Holdings, Inc. ^(b) 0.61%, 09/14/24	15,000	14,237,686
4.00%, 09/12/25	6,200	6,090,765
Unilever Capital Corp., 0.63%, 08/12/24	4,635	4,412,672
		35,237,221
Health Care Providers & Services — 1.0%		
UnitedHealth Group, Inc. 0.55%, 05/15/24	8,030	7,722,073
5.00%, 10/15/24	6,000	5,987,460
		13,709,533
Hotels, Restaurants & Leisure — 0.3%		
Starbucks Corp., (SOFR Index + 0.42%), 5.79%, 02/14/24 ^(a)	3,490	3,490,163
Insurance — 5.2%^(b)		
Brighthouse Financial Global Funding, 1.20%, 12/15/23	5,000	4,915,975
MassMutual Global Funding II, 4.15%, 08/26/25	2,238	2,181,430
Metropolitan Life Global Funding I, (1-day SOFR + 0.32%), 5.64%, 01/07/24 ^(a)	20,000	19,994,284
New York Life Global Funding 3.15%, 06/06/24	3,360	3,286,012
(SOFR Index + 0.43%), 5.78%, 06/06/24 ^(a)	3,655	3,655,405
(1-day SOFR + 0.70%), 5.79%, 06/13/25 ^(a)	3,700	3,709,879
3.60%, 08/05/25	6,200	5,992,795
Northwestern Mutual Global Funding, 4.00%, 07/01/25	6,400	6,213,479
Pacific Life Global Funding II, (SOFR Index + 0.86%), 6.19%, 06/16/25 ^(a)	3,515	3,519,394
Principal Life Global Funding II 0.75%, 08/23/24	705	668,858
(1-day SOFR + 0.38%), 5.74%, 08/23/24 ^(a)	680	678,826
Protective Life Global Funding 0.63%, 10/13/23	5,670	5,609,300
0.47%, 01/12/24	10,000	9,758,366
		70,184,003
Life Sciences Tools & Services — 0.6%		
Thermo Fisher Scientific, Inc., (SOFR Index + 0.53%), 5.85%, 10/18/24 ^(a)	7,495	7,495,000
Machinery — 0.2%		
Daimler Truck Finance North America LLC, 5.20%, 01/17/25 ^(b)	2,545	2,528,933
Media — 0.1%		
Comcast Corp., 5.25%, 11/07/25	1,000	1,005,219
Multi-Utilities — 2.8%		
Dominion Energy, Inc., Series D, (3-mo. LIBOR USD + 0.53%), 6.08%, 09/15/23 ^(a)	34,725	34,726,660
WEC Energy Group, Inc., 5.00%, 09/27/25	2,560	2,543,442
		37,270,102
Oil, Gas & Consumable Fuels — 2.2%		
Enbridge, Inc. 0.55%, 10/04/23	1,890	1,872,545

Schedule of Investments (continued)

July 31, 2023

BlackRock Short Obligations Fund
(Percentages shown are based on Net Assets)

Security	Par (000)	Value
Oil, Gas & Consumable Fuels (continued)		
(SOFR Index + 0.63%), 6.00%, 02/16/24 ^(e) USD	5,520	\$ 5,522,446
TransCanada PipeLines Ltd., 1.00%, 10/12/24	22,930	21,686,065
		29,081,056
Pharmaceuticals — 1.0%		
Pfizer Investment Enterprises Pte. Ltd., 4.65%, 05/19/25	7,600	7,534,947
Roche Holdings, Inc., (1-day SOFR + 0.24%), 5.59%, 03/05/24 ^{(a)(b)}	5,370	5,368,598
		12,903,545
Semiconductors & Semiconductor Equipment — 0.8%		
Analog Devices, Inc., (1-day SOFR + 0.25%), 5.58%, 10/01/24 ^(e)	7,055	7,048,778
NVIDIA Corp., 0.58%, 06/14/24	4,000	3,833,940
		10,882,718
Specialty Retail — 0.6%		
Home Depot, Inc. (The), 4.00%, 09/15/25	1,910	1,874,679
Lowe's Cos., Inc.		
4.40%, 09/08/25	4,150	4,072,687
4.80%, 04/01/26	1,760	1,747,285
		7,694,651
Technology Hardware, Storage & Peripherals — 0.3%		
Hewlett Packard Enterprise Co., 5.90%, 10/01/24	3,600	3,603,086
Tobacco — 0.4%		
Philip Morris International, Inc., 5.13%, 11/15/24	5,000	4,983,598
Total Corporate Bonds — 58.0%		
(Cost: \$784,973,254)		774,541,415
Foreign Agency Obligations		
Canada — 0.2%		
CDP Financial, Inc., 4.50%, 02/13/26 ^(b)	2,523	2,493,194
Total Foreign Agency Obligations — 0.2%		
(Cost: \$2,517,980)		2,493,194
Municipal Bonds		
Alabama — 0.1%		
Alabama Federal Aid Highway Finance Authority, Series 2021B, RB, 0.45%, 09/01/23	2,255	2,245,836
Arizona — 0.2%		
Mizuho Floater/Residual Trust, Tender Option Bond Trust Receipts/Certificates, Series 2021-MIZ9060TX, RB, VRDN (Mizuho Capital Markets LLC LOC), 5.72%, 08/01/23 ^{(b)(c)(d)}	3,108	3,108,169
Florida — 0.1%		
County of Miami-Dade, Series 2021A, RB, 0.71%, 10/01/23	1,000	991,425
Illinois — 0.1%		
State of Illinois, Series 2023A, GO, 5.25%, 05/01/25	1,485	1,472,471

Security	Par (000)	Value
Other — 0.7%		
Mizuho Floater/Residual Trust, Tender Option Bond Trust Receipts/Certificates, Various States, Series 2020-MIZ9035, RB, VRDN (Mizuho Capital Markets LLC LOC), 5.74%, 08/01/23 ^{(b)(c)(d)}	5,000	\$ 5,000,000
Taxable Municipal Funding Trust, Tender Option Bond Trust Receipts/Certificates, Various States ^{(b)(c)(d)}		
Series 2020-BTMFT-003, RB, VRDN (Barclays Bank plc LOC), 5.60%, 08/03/23	900	900,000
Series 2020-11, RB, VRDN (Barclays Bank plc LOC), 5.60%, 08/03/23	2,220	2,220,000
		8,120,000
Total Municipal Bonds — 1.2%		
(Cost: \$15,968,169)		15,937,901
Total Long-Term Investments — 64.6%		
(Cost: \$874,000,213)		863,217,360
Short-Term Securities		
Certificates of Deposit — 8.5%		
Domestic — 0.3%		
Wells Fargo Bank NA, (1-day SOFR + 0.50%), 5.80%, 01/22/24 ^(e)	4,000	4,003,081
Yankee — 8.2%^(e)		
Bank of Montreal, Chicago		
5.40%, 10/13/23	5,000	4,997,135
5.41%, 05/17/24	7,600	7,564,758
Bank of Nova Scotia (The), Houston, (1-day SOFR + 0.49%), 5.79%, 01/26/24 ^(a)	8,000	8,003,926
Barclays Bank plc, New York, 5.55%, 02/07/24	4,600	4,590,373
BNP Paribas SA, New York, 5.82%, 02/01/24	4,800	4,801,408
Canadian Imperial Bank of Commerce, New York		
4.65%, 09/14/23	5,800	5,794,233
5.40%, 02/08/24	4,000	3,991,793
5.80%, 06/07/24	3,760	3,756,461
(1-day SOFR + 0.64%), 5.94%, 07/22/24 ^(a)	4,500	4,503,867
Cooperatieve Rabobank UA, New York, 5.18%, 02/01/24	5,000	4,987,061
Credit Suisse AG, New York, (SOFR Index + 0.54%), 5.85%, 01/19/24 ^(a)	3,000	3,001,435
Lloyds Bank Corporate Markets plc, New York, 5.24%, 10/12/23	5,000	4,994,963
Mizuho Bank Ltd., New York, 5.80%, 01/29/24	9,870	9,869,718
National Australia Bank Ltd., New York, (1-day SOFR + 0.52%), 5.82%, 04/26/24 ^(a)	3,970	3,970,859
Natixis SA, New York, 5.15%, 11/02/23	2,000	1,996,846
Royal Bank of Canada, New York, 5.88%, 06/27/24	2,180	2,178,342
Svenska Handelsbanken AB, New York, (1-day SOFR + 0.35%), 5.66%, 10/25/23 ^(a)	3,158	3,159,058
Toronto-Dominion Bank, New York		
4.35%, 09/13/23	6,100	6,091,074
(1-day SOFR + 0.50%), 5.81%, 01/29/24 ^(a)	5,000	5,002,170
5.52%, 02/22/24	4,000	3,993,357
Westpac Banking Corp., New York		
4.22%, 09/06/23	6,200	6,191,933

Schedule of Investments (continued)

July 31, 2023

BlackRock Short Obligations Fund
(Percentages shown are based on Net Assets)

Security	Par (000)	Value
Yankee (continued)		
(1-day SOFR + 0.32%), 5.62%, 11/06/23 ^(a) USD	6,200	\$ 6,200,965
		109,641,735
Total Certificates of Deposit — 8.5% (Cost: \$113,736,941)		113,644,816
Commercial Paper — 18.9%		
American Electric Power Co., Inc. ^{(b)(f)}		
5.47%, 08/15/23	13,700	13,668,832
5.48%, 08/16/23	10,400	10,374,763
American Honda Finance Corp. ^(f)		
5.53%, 08/03/23	2,600	2,598,821
5.66%, 09/21/23	4,600	4,563,217
ANZ New Zealand Int'l Ltd., 5.37%, 11/09/23 ^(f)	5,660	5,575,156
BASF SE, 5.57%, 10/02/23 ^{(b)(f)}	17,500	17,333,798
Brookfield Renewable Partners LP, 5.81%, 08/02/23 ^{(b)(f)}	9,718	9,715,052
CDP Financial, Inc., 5.35%, 02/23/24 ^{(b)(f)}	7,000	6,774,761
Commonwealth Bank of Australia, (1-day SOFR + 0.50%), 5.80%, 03/18/24 ^(a)	3,700	3,701,095
DNB Bank ASA, 5.18%, 08/18/23 ^{(b)(f)}	12,540	12,506,970
E.ON SE, 5.54%, 08/14/23 ^{(b)(f)}	919	917,049
Evergy Missouri West, Inc., 5.48%, 08/01/23 ^(f)	23,000	22,996,512
Fidelity National Information Services, Inc. ^(f)		
5.54%, 08/03/23	6,325	6,322,122
5.52%, 08/14/23	6,750	6,735,668
5.54%, 08/16/23 ^(b)	5,627	5,613,345
Fiserv, Inc., 5.47%, 08/04/23 ^(f)	11,000	10,993,302
GlaxoSmithKline LLC, 5.32%, 11/06/23 ^{(b)(f)}	3,900	3,842,383
HSBC USA, Inc. ^(f)		
4.46%, 08/14/23	10,000	9,979,210
4.85%, 09/07/23	5,000	4,971,326
Macquarie Bank Ltd. ^(f)		
5.55%, 09/08/23	9,500	9,444,662
5.55%, 02/12/24	5,000	4,846,085
Mitsubishi HC Finance America LLC, 5.57%, 08/14/23 ^{(b)(f)}	5,464	5,452,398

Security	Par (000)	Value
Commercial Paper (continued)		
MUFG Bank Ltd., 5.80%, 01/17/24 ^(f) USD	3,500	\$ 3,407,097
National Australia Bank Ltd., (1-day SOFR + 0.35%), 5.65%, 10/25/23 ^{(a)(b)}	11,800	11,803,052
Nutrien Financial US LLC ^(f)		
5.53%, 08/17/23 ^(b)	4,053	4,042,525
5.52%, 08/21/23	10,650	10,615,831
Nutrien Ltd. ^{(b)(f)}		
5.51%, 08/11/23	1,345	1,342,740
5.53%, 08/17/23	5,000	4,987,014
Procter & Gamble Co. (The), 5.23%, 10/24/23 ^(b) ^(f)	1,788	1,766,111
Salisbury Receivables Co. LLC, 5.13%, 08/02/23 ^{(b)(f)}	10,000	9,997,050
Union Electric Co., 5.44%, 08/23/23 ^(f)	11,700	11,659,119
VW Credit, Inc. ^(f)		
5.43%, 08/07/23	2,665	2,662,171
5.48%, 08/14/23	2,685	2,679,299
5.44%, 08/22/23	8,000	7,973,272
Total Commercial Paper — 18.9% (Cost: \$251,936,836)		251,861,808
	<u>Shares</u>	
Money Market Funds — 0.0%		
BlackRock Liquidity Funds, T-Fund, Institutional Class, 5.16% ^{(g)(h)}	135,471	135,471
Total Money Market Funds — 0.0% (Cost: \$135,471)		135,471
Total Repurchase Agreements — 7.8% (Cost: \$104,000,000)		104,000,000
Total Short-Term Securities — 35.2% (Cost: \$469,809,248)		469,642,095
Total Investments — 99.8% (Cost: \$1,343,809,461)		1,332,859,455
Other Assets Less Liabilities — 0.2%		2,812,941
Net Assets — 100.0%		<u>\$ 1,335,672,396</u>

- ^(a) Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of period end. Security description also includes the reference rate and spread if published and available.
- ^(b) 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.
- ^(c) Variable rate security. Rate as of period end and maturity is the date the principal owed can be recovered through demand.
- ^(d) These securities are short-term floating rate certificates issued by tender option bond trusts and are secured by the underlying municipal bond securities.
- ^(e) Issuer is a U.S. branch of a foreign domiciled bank.
- ^(f) Rates are the current rate or a range of current rates as of period end.
- ^(g) Affiliate of the Fund.
- ^(h) Annualized 7-day yield as of period end.

Schedule of Investments (continued)

BlackRock Short Obligations Fund

July 31, 2023

Affiliates

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

<i>Affiliated Issuer</i>	<i>Value at 07/31/22</i>	<i>Purchases at Cost</i>	<i>Proceeds from Sale</i>	<i>Net Realized Gain (Loss)</i>	<i>Change in Unrealized Appreciation (Depreciation)</i>	<i>Value at 07/31/23</i>	<i>Shares Held at 07/31/23</i>	<i>Income</i>	<i>Capital Gain Distributions from Underlying Funds</i>
BlackRock Liquidity Funds, T-Fund, Institutional Class. . . \$	242,996 \$	— \$	(107,525) ^(a) \$	— \$	— \$	135,471	135,471 \$	20,716 \$	—

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

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

July 31, 2023

Repurchase Agreements

Counterparty	Repurchase Agreements						Collateral		
	Coupon Rate	Purchase Date	Maturity Date	Par (000)	At Value (000)	Proceeds Including Interest	Position	Original Par	Position Received, At Value
Bank of America Securities, Inc. . . .	5.64% ^(a)	07/31/23	09/05/23	\$ 12,250	\$ 12,250	12,319,090	U.S. Government Sponsored Agency Obligations, 9.07% to 10.23%, due 11/26/29 to 09/25/42	\$ 13,854,774	\$ 14,700,001
	5.82 ^(a)	07/31/23	10/05/23	2,000	2,000	2,021,340	Corporate/Debt Obligation, 3.65%, due 10/25/59.	3,163,844	2,400,001
					\$ 14,250				\$ 17,100,002
BNP Paribas SA	5.67 ^(a)	07/31/23	11/04/23	8,250	8,250	8,374,740	Corporate/Debt Obligations, 3.63% to 11.50%, due 12/15/24 to 11/15/31	9,460,681	9,454,674
Citigroup Global Markets, Inc.	5.61 ^(a)	07/31/23	10/02/23	16,000	16,000	16,157,080	Corporate/Debt Obligations, 5.42% to 6.39%, due 07/21/34 to 01/15/50.	18,669,000	16,800,672
	5.63 ^(a)	07/31/23	11/01/23	6,000	6,000	6,087,265	U.S. Government Sponsored Agency Obligations and Corporate/Debt Obligations, 0.00% to 7.47%, due 10/20/30 to 03/25/60.	187,469,691	6,647,383
					\$ 22,000			\$ 23,448,055	
Goldman Sachs & Co. LLC.	5.82 ^(a)	07/31/23	03/03/24	20,000	20,000	20,698,400	Corporate/Debt Obligations, 0.65% to 9.55%, due 04/10/24 to 12/31/79.	41,531,373	21,844,737
Mizuho Securities USA LLC.	5.77 ^(a)	07/31/23	09/05/23	3,500	3,500	3,520,195	U.S. Treasury Obligation, 3.63%, due 05/15/53.	3,807,100	3,570,089
	5.87 ^(a)	07/31/23	10/31/23	19,000	19,000	19,285,021	Corporate/Debt Obligation, 4.21%, due 11/15/27.	21,124,000	20,330,500
					\$ 22,500			\$ 23,900,589	
Wells Fargo Securities LLC.	5.70 ^(a)	07/31/23	11/04/23	17,000	17,000	17,258,400	Corporate/Debt Obligations, 2.50% to 6.31%, due 08/15/36 to 07/12/52.	24,535,412	18,190,000
					\$ 104,000			\$ 113,938,057	

^(a) Variable rate security. Rate as of period end and maturity is the date the principal owed can be recovered through demand.

July 31, 2023

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				
Asset-Backed Securities	\$ —	\$ 70,244,850	\$ —	\$ 70,244,850
Corporate Bonds	—	774,541,415	—	774,541,415
Foreign Agency Obligations	—	2,493,194	—	2,493,194
Municipal Bonds	—	15,937,901	—	15,937,901
Short-Term Securities				
Certificates of Deposit	—	113,644,816	—	113,644,816
Commercial Paper	—	251,861,808	—	251,861,808
Money Market Funds	135,471	—	—	135,471
Repurchase Agreements	—	104,000,000	—	104,000,000
	\$ 135,471	\$ 1,332,723,984	\$ —	\$ 1,332,859,455

See notes to financial statements.

Statement of Assets and Liabilities

July 31, 2023

BlackRock Short
Obligations Fund

ASSETS

Investments, at value — unaffiliated ^(a)	\$ 1,228,723,984
Investments, at value — affiliated ^(b)	135,471
Cash	49,729
Repurchase agreements, at value ^(c)	104,000,000
Receivables:	
Capital shares sold	2,950,977
Dividends — affiliated	2,204
Interest — unaffiliated	8,006,041
From the Manager	28
Prepaid expenses	73,183
Total assets	<u>1,343,941,617</u>

LIABILITIES

Payables:	
Investments purchased	3,328,835
Administration fees	69,177
Capital shares redeemed	3,956,504
Income dividend distributions	62,089
Investment advisory fees	153,546
Trustees' and Officer's fees	4,647
Other affiliate fees	9,466
Professional fees	91,633
Service fees	135,912
Other accrued expenses	457,412
Total liabilities	<u>8,269,221</u>

Commitments and contingent liabilities

NET ASSETS \$ 1,335,672,396

NET ASSETS CONSIST OF:

Paid-in capital	\$ 1,355,652,013
Accumulated loss	(19,979,617)
NET ASSETS	<u>\$ 1,335,672,396</u>

^(a) Investments, at cost — unaffiliated \$ 1,239,673,990

^(b) Investments, at cost — affiliated \$ 135,471

^(c) Repurchase agreements, at cost \$ 104,000,000

See notes to financial statements.

Statement of Assets and Liabilities (continued)

July 31, 2023

BlackRock Short
Obligations Fund

NET ASSET VALUE

Institutional	
Net assets	\$ 700,103,740
Shares outstanding	70,017,947
Net asset value	\$ 10.00
Shares authorized	Unlimited
Par value	\$ 0.001
Investor A	
Net assets	\$ 605,941,641
Shares outstanding	60,640,019
Net asset value	\$ 9.99
Shares authorized	Unlimited
Par value	\$ 0.001
Class K	
Net assets	\$ 29,627,015
Shares outstanding	2,959,350
Net asset value	\$ 10.01
Shares authorized	Unlimited
Par value	\$ 0.001

See notes to financial statements.

Statement of Operations

Year Ended July 31, 2023

BlackRock Short
Obligations Fund

INVESTMENT INCOME

Dividends — affiliated	\$ 20,716
Interest — unaffiliated	66,743,730
Total investment income	<u>66,764,446</u>

EXPENSES

Investment advisory	4,671,183
Service — class specific	1,879,823
Transfer agent — class specific	899,691
Administration	748,627
Administration — class specific	380,932
Registration	145,472
Professional	105,419
Accounting services	68,906
Printing and postage	38,542
Custodian	29,753
Trustees and Officer	22,496
Miscellaneous	37,709
Total expenses	<u>9,028,553</u>

Less:

Administration fees waived by the Manager — class specific	(71,246)
Fees waived and/or reimbursed by the Manager	(2,043,489)
Transfer agent fees waived and/or reimbursed by the Manager — class specific	<u>(7,703)</u>
Total expenses after fees waived and/or reimbursed	<u>6,906,115</u>
Net investment income	<u>59,858,331</u>

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized loss from investments	(5,177,524)
Net change in unrealized appreciation on investments	<u>13,083,470</u>
Net realized and unrealized gain	<u>7,905,946</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 67,764,277</u>

See notes to financial statements.

Statements of Changes in Net Assets

	BlackRock Short Obligations Fund	
	Year Ended 07/31/23	Year Ended 07/31/22
<i>INCREASE (DECREASE) IN NET ASSETS</i>		
OPERATIONS		
Net investment income	\$ 59,858,331	\$ 11,270,244
Net realized loss	(5,177,524)	(1,883,102)
Net change in unrealized appreciation (depreciation)	13,083,470	(32,482,928)
Net increase (decrease) in net assets resulting from operations	<u>67,764,277</u>	<u>(23,095,786)</u>
DISTRIBUTIONS TO SHAREHOLDERS^(a)		
Institutional	(35,628,613)	(7,713,116)
Investor A	(22,756,450)	(2,819,166)
Class K	(1,471,493)	(878,624)
Decrease in net assets resulting from distributions to shareholders	<u>(59,856,556)</u>	<u>(11,410,906)</u>
CAPITAL SHARE TRANSACTIONS		
Net decrease in net assets derived from capital share transactions	<u>(1,138,006,863)</u>	<u>(2,083,370,727)</u>
NET ASSETS		
Total decrease in net assets	(1,130,099,142)	(2,117,877,419)
Beginning of year	<u>2,465,771,538</u>	<u>4,583,648,957</u>
End of year	<u>\$ 1,335,672,396</u>	<u>\$ 2,465,771,538</u>

^(a) 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 Short Obligations Fund				
	Institutional				
	Year Ended 07/31/23	Year Ended 07/31/22	Year Ended 07/31/21	Year Ended 07/31/20	Year Ended 07/31/19
Net asset value, beginning of year	\$ 9.95	\$ 10.05	\$ 10.07	\$ 10.02	\$ 9.99
Net investment income ^(a)	0.32	0.04	0.04	0.17	0.26
Net realized and unrealized gain (loss)	0.07	(0.09)	(0.02)	0.06	0.03
Net increase (decrease) from investment operations	0.39	(0.05)	0.02	0.23	0.29
Distributions^(b)					
From net investment income	(0.34)	(0.05)	(0.04)	(0.18)	(0.26)
From net realized gain	—	—	—	(0.00) ^(c)	(0.00) ^(c)
Total distributions	(0.34)	(0.05)	(0.04)	(0.18)	(0.26)
Net asset value, end of year	\$ 10.00	\$ 9.95	\$ 10.05	\$ 10.07	\$ 10.02
Total Return^(d)					
Based on net asset value	3.96%	(0.51)%	0.20%	2.28%	2.96%
Ratios to Average Net Assets^(e)					
Total expenses	0.38%	0.36%	0.36%	0.43%	0.45%
Total expenses after fees waived and/or reimbursed	0.28%	0.26%	0.26%	0.30%	0.26%
Net investment income	3.22%	0.45%	0.39%	1.69%	2.59%
Supplemental Data					
Net assets, end of year (000)	\$ 700,104	\$ 1,382,186	\$ 2,037,769	\$ 1,951,914	\$ 1,117,218
Portfolio turnover rate	18%	36%	67%	40%	18%

^(a) Based on average shares outstanding.

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

^(c) Amount is greater than \$(0.005) per share.

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

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

See notes to financial statements.

Financial Highlights (continued)
(For a share outstanding throughout each period)

	BlackRock Short Obligations Fund				
	Investor A				
	Year Ended 07/31/23	Year Ended 07/31/22	Year Ended 07/31/21	Year Ended 07/31/20	Year Ended 07/31/19
Net asset value, beginning of year	\$ 9.94	\$ 10.05	\$ 10.06	\$ 10.01	\$ 9.99
Net investment income ^(a)	0.30	0.02	0.02	0.15	0.24
Net realized and unrealized gain (loss)	0.07	(0.11)	(0.01)	0.06	0.02
Net increase (decrease) from investment operations	0.37	(0.09)	0.01	0.21	0.26
Distributions^(b)					
From net investment income	(0.32)	(0.02)	(0.02)	(0.16)	(0.24)
From net realized gain	—	—	—	(0.00) ^(c)	(0.00) ^(c)
Total distributions	(0.32)	(0.02)	(0.02)	(0.16)	(0.24)
Net asset value, end of year	\$ 9.99	\$ 9.94	\$ 10.05	\$ 10.06	\$ 10.01
Total Return^(d)					
Based on net asset value	3.73%	(0.85)%	0.06%	2.08%	2.63%
Ratios to Average Net Assets^(e)					
Total expenses	0.62%	0.61%	0.61%	0.59%	0.64%
Total expenses after fees waived and/or reimbursed	0.50%	0.50%	0.50%	0.49%	0.47%
Net investment income	3.03%	0.19%	0.16%	1.47%	2.37%
Supplemental Data					
Net assets, end of year (000)	\$ 605,942	\$ 1,029,382	\$ 2,008,368	\$ 2,585,292	\$ 1,136,936
Portfolio turnover rate	18%	36%	67%	40%	18%

^(a) Based on average shares outstanding.

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

^(c) Amount is greater than \$(0.005) per share.

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

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

See notes to financial statements.

Financial Highlights (continued)
(For a share outstanding throughout each period)

	BlackRock Short Obligations Fund				
	Class K				
	Year Ended 07/31/23	Year Ended 07/31/22	Year Ended 07/31/21	Year Ended 07/31/20	Year Ended 07/31/19
Net asset value, beginning of year	\$ 9.96	\$ 10.07	\$ 10.08	\$ 10.04	\$ 10.01
Net investment income ^(a)	0.33	0.04	0.04	0.18	0.26
Net realized and unrealized gain (loss)	0.07	(0.10)	(0.00) ^(b)	0.05	0.04
Net increase (decrease) from investment operations	0.40	(0.06)	0.04	0.23	0.30
Distributions^(c)					
From net investment income	(0.35)	(0.05)	(0.05)	(0.19)	(0.27)
From net realized gain	—	—	—	(0.00) ^(b)	(0.00) ^(b)
Total distributions	(0.35)	(0.05)	(0.05)	(0.19)	(0.27)
Net asset value, end of year	\$ 10.01	\$ 9.96	\$ 10.07	\$ 10.08	\$ 10.04
Total Return^(d)					
Based on net asset value	4.04%	(0.55)%	0.36%	2.28%	3.02%
Ratios to Average Net Assets^(e)					
Total expenses	0.33%	0.32%	0.31%	0.33%	0.45%
Total expenses after fees waived and/or reimbursed	0.20%	0.20%	0.20%	0.20%	0.20%
Net investment income	3.27%	0.39%	0.41%	1.84%	2.64%
Supplemental Data					
Net assets, end of year (000)	\$ 29,627	\$ 54,203	\$ 537,512	\$ 123,417	\$ 132,264
Portfolio turnover rate	18%	36%	67%	40%	18%

^(a) Based on average shares outstanding.

^(b) Amount is greater than \$(0.005) per share.

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

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

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

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 Short Obligations Fund (the “Fund”) is a series of the Trust. The Fund is classified as 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	Contingent Deferred Sales Charge (“CDSC”)	Conversion Privilege
Institutional Shares	No	No	None
Investor A Shares	No	No ^(a)	None
Class K Shares	No	No	None

^(a) Investor A Shares may be subject to a CDSC upon redemption of shares received in an exchange transaction for Investor A Shares of a fund advised by BlackRock Advisors, LLC (the “Manager”) or its affiliates where no initial sales charge was paid at the time of purchase of such fund.

The Fund, together with certain other registered investment companies advised by 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. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized daily on an accrual basis. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Distributions: Distributions from net investment income are declared daily and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates and made at least annually. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

Indemnifications: In the normal course of business, 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.

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:

- Fixed-income investments for which market quotations are readily available are generally valued using the last available bid price or current market quotations provided by independent dealers or third-party pricing services. Pricing services generally value fixed-income securities assuming orderly transactions of an institutional round lot size, but a fund may hold or transact in such securities in smaller, odd lot sizes. Odd lots may trade at lower prices than institutional round lots. The pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values, including transaction data (e.g., recent representative bids and offers), market data, credit quality information, perceived market movements, news, and other relevant information. Certain fixed-income securities, including asset-backed and mortgage related securities may be valued based on valuation models that consider the estimated cash flows of each tranche of the entity, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. The amortized cost method of valuation may be used with respect to debt obligations with sixty days or less remaining to maturity unless the Manager determines such method does not represent

Notes to Financial Statements (continued)

fair value.

- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- Repurchase agreements are valued at amortized cost, which approximates market value.

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 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.

4. SECURITIES AND OTHER INVESTMENTS

Asset-Backed and Mortgage-Backed Securities: Asset-backed securities are generally issued as pass-through certificates or as debt instruments. Asset-backed securities issued as pass-through certificates represent undivided fractional ownership interests in an underlying pool of assets. Asset-backed securities issued as debt instruments, which are also known as collateralized obligations, are typically issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security will have the effect of shortening the maturity of the security. In addition, a fund may subsequently have to reinvest the proceeds at lower interest rates. If a fund has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

For mortgage pass-through securities (the "Mortgage Assets") there are a number of important differences among the agencies and instrumentalities of the U.S. Government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States, but are supported by the right of the issuer to borrow from the U.S. Treasury.

Non-agency mortgage-backed securities are securities issued by non-governmental issuers and have no direct or indirect government guarantees of payment and are subject to various risks. Non-agency mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The ability of a borrower to repay a loan is dependent upon the income or assets of the borrower. A number of factors, including a general economic downturn, acts of God, terrorism, social unrest and civil disturbances, may impair a borrower's ability to repay its loans.

Repurchase Agreements: Repurchase agreements are commitments to purchase a security from a counterparty who agrees to repurchase the same security at a mutually agreed upon date and price. On a daily basis, the counterparty is required to maintain collateral subject to the agreement and in value no less than the agreed upon repurchase amount. Repurchase agreements may be traded bilaterally, in a tri-party arrangement or may be centrally cleared through a sponsoring agent. Subject to the custodial undertaking associated with a tri-party repurchase arrangement and for centrally cleared repurchase agreements, a third-party custodian maintains accounts to hold collateral for a fund and its counterparties. Typically, a fund and counterparty are not permitted to sell, re-pledge or use the collateral absent a default by the counterparty or the fund, respectively.

In the event the counterparty defaults and the fair value of the collateral declines, a fund could experience losses, delays and costs in liquidating the collateral.

Notes to Financial Statements (continued)

Repurchase agreements are entered into by a fund under Master Repurchase Agreements (each, an “MRA”). The MRA permits the fund, under certain circumstances including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables with collateral held by and/or posted to the counterparty. As a result, one single net payment is created. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty’s bankruptcy or insolvency. Based on the terms of the MRA, the fund receives collateral with a market value in excess of the repurchase price at maturity. Upon a bankruptcy or insolvency of the MRA counterparty, the fund would recognize a liability with respect to such excess collateral. The liability reflects the fund’s obligation under bankruptcy law to return the excess to the counterparty.

5. 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	0.25%
\$1 billion - \$3 billion	0.24
\$3 billion - \$5 billion	0.23
\$5 billion - \$10 billion	0.22
Greater than \$10 billion	0.21

The Manager entered into a sub-advisory agreement with BlackRock International Limited (“BIL”), (the “Sub-Adviser”), 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 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 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
Investor A	0.25%

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

For the year ended July 31, 2023, the class specific service fees borne directly by Investor A Shares of the Fund were \$1,879,823.

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

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 July 31, 2023, the following table shows the class specific administration fees borne directly by each share class of the Fund:

	Institutional	Investor A	Class K	Total
Administration fees - class specific	\$ 221,559	\$ 150,386	\$ 8,987	\$ 380,932

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 July 31, 2023, the Fund paid the following amounts to affiliates of BlackRock in return for these services, which are included in transfer agent — class specific in the Statement of Operations:

Institutional	\$ 16,640
-------------------------	-----------

Notes to Financial Statements (continued)

The Manager maintains a call center that is responsible for providing certain shareholder services to the Fund. Shareholder services include responding to inquiries and processing purchases and sales based upon instructions from shareholders. For the year ended July 31, 2023, the Fund reimbursed the Manager the following amounts for costs incurred in running the call center, which are included in transfer agent — class specific in the Statement of Operations:

	<i>Institutional</i>	<i>Investor A</i>	<i>Class K</i>	<i>Total</i>
Reimbursed Amount	\$ 1,819	\$ 6,774	\$ 564	\$ 9,157

For the year ended July 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 fees - class specific	\$ 615,711	\$ 281,628	\$ 2,352	\$ 899,691

Other Fees: For the year ended July 31, 2023, affiliates received CDSCs of \$4,120 for Investor A Shares.

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 July 31, 2023, the amount waived was \$465.

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 July 31, 2023, there were no fees waived and/or reimbursed by the Manager pursuant to this arrangement.

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

	<i>Contractual ^(a)</i>	<i>Voluntary ^(b)</i>
Institutional	0.35%	0.30%
Investor A	0.60	0.50
Class K	0.30	0.20

^(a) The Manager has agreed not to reduce or discontinue this contractual waiver or reimbursement 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.

^(b) The voluntary waiver or reimbursement may be reduced or discontinued at any time without notice.

For the year ended July 31, 2023, the Manager waived and/or reimbursed investment advisory fees of \$2,043,023 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 July 31, 2023, class specific expense waivers and/or reimbursements are as follows:

<i>Share Class</i>	<i>Transfer Agent Fees</i>	
	<i>Administration Fees Waived by the Manager - Class Specific</i>	<i>Waived and/or Reimbursed by the Manager - Class Specific</i>
Institutional	\$ 3,142	\$ 985
Investor A	59,117	4,366
Class K	8,987	2,352
	<u>\$ 71,246</u>	<u>\$ 7,703</u>

Interfund Lending: In accordance with an exemptive order (the "Order") from the U.S. Securities and Exchange Commission ("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 July 31, 2023, the Fund did not participate in the Interfund Lending Program.

Notes to Financial Statements (continued)

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 Fund's Chief Compliance Officer, which is included in Trustees and Officer in the Statement of Operations.

6. PURCHASES AND SALES

For the year ended July 31, 2023, purchases and sales of investments, including paydowns and excluding short-term investments, were \$235,595,239 and \$1,139,855,951, respectively.

7. 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.

Management has analyzed tax laws and regulations and their application to the Fund as of July 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.

The tax character of distributions paid was as follows:

<i>Fund Name</i>	<i>Year Ended 07/31/23</i>	<i>Year Ended 07/31/22</i>
BlackRock Short Obligations Fund		
Ordinary income	\$ 59,856,556	\$ 11,410,906

As of July 31, 2023, the tax components of accumulated earnings (loss) were as follows:

<i>Fund Name</i>	<i>Undistributed Ordinary Income</i>	<i>Non-Expiring Capital Loss Carryforwards^(a)</i>	<i>Net Unrealized Gains (Losses)^(b)</i>	<i>Total</i>
BlackRock Short Obligations Fund	\$ 113,703	\$ (9,137,722)	\$ (10,955,598)	\$ (19,979,617)

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

^(b) The difference between book-basis and tax-basis net unrealized gains (losses) was attributable primarily to the amortization methods of premiums and discounts on fixed income securities.

As of July 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 Short Obligations Fund	\$ 1,343,815,053	\$ 261,652	\$ (11,217,250)	\$ (10,955,598)

8. BANK BORROWINGS

The Trust, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is 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 2024 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 July 31, 2023, the Fund did not borrow under the credit agreement.

9. 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.

Notes to Financial Statements (continued)

Market Risk: The Fund may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force the Fund to reinvest in lower yielding securities. The Fund may also be exposed to reinvestment risk, which is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below the Fund portfolio's current earnings rate.

Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions, credit rating downgrades, or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest or otherwise affect the value of such securities. Municipal securities can be significantly affected by political or economic changes, including changes made in the law after issuance of the securities, as well as uncertainties in the municipal market related to, taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer insolvency. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the tax benefits supporting the project or assets or the inability to collect revenues for the project or from the assets. Municipal securities may be less liquid than taxable bonds, and there may be less publicly available information on the financial condition of municipal security issuers than for issuers of other securities.

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.

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.

Geographic/Asset Class 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 within a single or limited number of market sectors. When a fund concentrates its investments in this manner, it assumes the risk that economic, regulatory, political and social conditions affecting such sectors may have a significant impact on the Fund and could affect the income from, or the value or liquidity of, the Fund's portfolio. Investment percentages in specific sectors are presented in the Schedule of Investments.

The Fund invests a significant portion of its assets in fixed-income securities and/or uses derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will decrease as interest rates rise and increase as interest rates fall. The Fund(s) may be subject to a greater risk of rising interest rates due to the period of historically low interest rates that ended in March 2022. The Federal Reserve has recently been raising the federal funds rate as part of its efforts to address inflation. There is a risk that interest rates will continue to rise, which will likely drive down the prices of bonds and other fixed-income securities, and could negatively impact the Fund's performance.

The Fund invests a significant portion of its assets in securities of issuers located in the United States. A decrease in imports or exports, changes in trade regulations, inflation and/or an economic recession in the United States may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Proposed and adopted policy and legislative changes in the United States may also have a significant effect on U.S. markets generally, as well as on the value of certain securities. Governmental agencies project that the United States will continue to maintain elevated public debt levels for the foreseeable future which may constrain future economic growth. Circumstances could arise that could prevent the timely payment of interest or principal on U.S. government debt, such as reaching the legislative "debt ceiling." Such non-payment would result in substantial negative consequences for the U.S. economy and the global financial system. If U.S. relations with certain countries deteriorate, it could adversely affect issuers that rely on the United States for trade. The United States has also experienced increased internal unrest and discord. If these trends were to continue, they may have an adverse impact on the U.S. economy and the issuers in which the Fund invests.

Certain Funds invest a significant portion of their assets within the financials sector. Performance of companies in the financials sector may be adversely impacted by many factors, including, among others, changes in government regulations, economic conditions, and interest rates, credit rating downgrades, adverse public perception, exposure concentration and decreased liquidity in credit markets. The impact of changes in capital requirements and recent or future regulation of any individual financial company, or of the financials sector as a whole, cannot be predicted, but may negatively impact the Funds.

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.

LIBOR Transition Risk: The Fund may be exposed to financial instruments that recently transitioned from, or continue to be tied to, the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has ceased publishing all LIBOR settings, but some USD LIBOR settings will continue to be published under a synthetic methodology until September 30, 2024 for certain legacy contracts. SOFR has been used increasingly on a voluntary basis in new instruments and transactions. Under U.S. regulations that implement a statutory fallback mechanism to replace LIBOR, benchmark rates based on SOFR have replaced LIBOR in certain financial contracts. The ultimate effect of the LIBOR transition process on the Fund is uncertain.

Notes to Financial Statements (continued)

10. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

<i>Fund Name/Share Class</i>	Year Ended 07/31/23		Year Ended 07/31/22	
	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>
BlackRock Short Obligations Fund				
Institutional				
Shares sold	89,765,988	\$ 893,322,897	114,224,094	\$ 1,142,376,140
Shares issued in reinvestment of distributions	3,573,388	35,604,943	767,621	7,659,950
Shares redeemed	(162,290,630)	(1,615,604,764)	(178,737,510)	(1,787,698,175)
	<u>(68,951,254)</u>	<u>\$ (686,676,924)</u>	<u>(63,745,795)</u>	<u>\$ (637,662,085)</u>
Investor A				
Shares sold	10,075,898	\$ 100,311,541	25,742,576	\$ 257,490,025
Shares issued in reinvestment of distributions	2,275,377	22,661,582	282,059	2,806,502
Shares redeemed	(55,265,176)	(549,602,427)	(122,382,390)	(1,224,503,828)
	<u>(42,913,901)</u>	<u>\$ (426,629,304)</u>	<u>(96,357,755)</u>	<u>\$ (964,207,301)</u>
Class K				
Shares sold	2,740,282	\$ 27,299,563	3,694,922	\$ 37,110,163
Shares issued in reinvestment of distributions	69,443	692,846	64,966	652,160
Shares redeemed	(5,292,196)	(52,693,044)	(51,710,806)	(519,263,664)
	<u>(2,482,471)</u>	<u>\$ (24,700,635)</u>	<u>(47,950,918)</u>	<u>\$ (481,501,341)</u>
	<u>(114,347,626)</u>	<u>\$ (1,138,006,863)</u>	<u>(208,054,468)</u>	<u>\$ (2,083,370,727)</u>

11. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of BlackRock FundsSM and Shareholders of BlackRock Short Obligations Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock Short Obligations Fund (one of the funds constituting BlackRock FundsSM, referred to hereafter as the “Fund”) as of July 31, 2023, the related statement of operations for the year ended July 31, 2023, the statement of changes in net assets for each of the two years in the period ended July 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended July 31, 2023 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of July 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended July 31, 2023 and the financial highlights for each of the five years in the period ended July 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements 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 of these financial statements 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 are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, 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. 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. Our procedures included confirmation of securities owned as of July 31, 2023 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
September 26, 2023

We have served as the auditor of one or more BlackRock investment companies since 2000.

Important Tax Information (unaudited)

The Fund hereby designates the following amount, or maximum amount allowable by law, of distributions from direct federal obligation interest for the fiscal year ended July 31, 2023:

<i>Fund Name</i>	<i>Federal Obligation Interest</i>
BlackRock Short Obligations Fund	\$ 4,363

The law varies in each state as to whether and what percent of ordinary income dividends attributable to federal obligations is exempt from state income tax. Shareholders are advised to check with their tax advisers to determine if any portion of the dividends received is exempt from state income tax.

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 July 31, 2023:

<i>Fund Name</i>	<i>Interest Dividends</i>
BlackRock Short Obligations Fund	\$ 59,857,417

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 July 31, 2023:

<i>Fund Name</i>	<i>Interest-Related Dividends</i>
BlackRock Short Obligations Fund	\$ 59,857,417

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement

The Board of Trustees (the “Board,” the members of which are referred to as “Board Members”) of BlackRock Funds (the “Trust”) met on April 18, 2023 (the “April Meeting”) and May 23-24, 2023 (the “May Meeting”) to consider the approval to continue the investment advisory agreement (the “Advisory Agreement”) between the Trust, on behalf of BlackRock Short Obligations Fund (the “Fund”), and BlackRock Advisors, LLC (the “Manager”), the Fund’s investment advisor. The Board also considered the approval to continue the sub-advisory agreement (the “Sub-Advisory Agreement”) between the Manager and BlackRock International Limited (the “Sub-Advisor”) with respect to the Fund. The Manager and the Sub-Advisor are referred to herein as “BlackRock.” The Advisory Agreement and the Sub-Advisory Agreement are referred to herein as the “Agreements.”

The Approval Process

Consistent with the requirements of the Investment Company Act of 1940 (the “1940 Act”), the Board considers the approval of the continuation of the Agreements for the Fund on an annual basis. The Board members who are not “interested persons” of the Trust, as defined in the 1940 Act, are considered independent Board members (the “Independent Board Members”). The Board’s consideration entailed a year-long deliberative process during which the Board and its committees assessed BlackRock’s various services to the Fund, including through the review of written materials and oral presentations, and the review of additional information provided in response to requests from the Independent Board Members. The Board had four quarterly meetings per year, each of which extended over a two-day period, as well as additional ad hoc meetings and executive sessions throughout the year, as needed. The committees of the Board similarly met throughout the year. The Board also had an additional one-day meeting to consider specific information regarding the renewal of the Agreements. In considering the renewal of the Agreements, the Board assessed, among other things, the nature, extent and quality of the services provided to the Fund by BlackRock, BlackRock’s personnel and affiliates, including (as applicable): investment management services; accounting oversight; administrative and shareholder services; oversight of the Fund’s service providers; risk management and oversight; and legal, regulatory and compliance services. Throughout the year, including during the contract renewal process, the Independent Board Members were advised by independent legal counsel, and met with independent legal counsel in various executive sessions outside of the presence of BlackRock’s management.

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

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

At the April Meeting, the Board reviewed materials relating to its consideration of the Agreements and the Independent Board Members presented BlackRock with questions and requests for additional information. BlackRock responded to these questions and requests with additional written information in advance of the May Meeting.

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

The Board also considered other matters it deemed important to the approval process, such as other payments made to BlackRock or its affiliates relating to securities lending and cash management, and BlackRock’s services related to the valuation and pricing of Fund portfolio holdings. The Board noted the willingness of BlackRock’s personnel to engage in open, candid discussions with the Board. The Board Members evaluated the information available to it on a fund-by-fund basis. The following paragraphs provide more information about some of the primary factors that were relevant to the Board’s decision. The Board Members did not identify any particular information, or any single factor as determinative, and each Board Member may have attributed different weights to the various items and factors considered.

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (continued)

A. *Nature, Extent and Quality of the Services Provided by BlackRock*

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

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

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

The Board noted that the engagement of the Sub-Advisor with respect to the Fund facilitates the provision of investment advice and trading by investment personnel out of non-U.S. jurisdictions. The Board considered that this arrangement provides additional flexibility to the portfolio management team, which may benefit the Fund and its shareholders.

B. *The Investment Performance of the Fund and BlackRock*

The Board, including the Independent Board Members, reviewed and considered the performance history of the Fund throughout the year and at the April Meeting. In preparation for the April Meeting, the Board was provided with reports independently prepared by Broadridge, which included an analysis of the Fund's performance as of December 31, 2022, as compared to its Performance Peers. Broadridge ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable. In connection with its review, the Board received and reviewed information regarding the investment performance of the Fund as compared to its Performance Peers and the respective Lipper Classification ("Lipper Classification"). The Board and its Performance Oversight Committee regularly review and meet with Fund management to discuss the performance of the Fund throughout the year.

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

The Board reviewed the Fund's performance within the context of the low yield environment that existed for a portion of the relative periods. In addition to reviewing the Fund's performance and current yield, it also reviews the liquidity, duration, credit quality and other risk factors of the Fund's portfolio. The Board noted that for the one- and three-year periods reported, the Fund ranked in the first and second quartiles, respectively, against its Lipper Classification. The Board noted that BlackRock believes that the Lipper Classification is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board.

C. *Consideration of the Advisory/Management Fees and the Estimated Cost of the Services and Estimated Profits Realized by BlackRock and its Affiliates from their Relationship with the Fund*

The Board, including the Independent Board Members, reviewed the Fund's contractual management fee rate compared with those of its Expense Peers. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. The Board also compared the Fund's total expense ratio, as well as its actual management fee rate, to those of its Expense Peers. The total expense ratio represents a fund's total net operating expenses, including any 12b-1 or non-12b-1 service fees. The total expense ratio gives effect to any expense reimbursements or fee waivers, and the actual management fee rate gives effect to any management fee reimbursements or waivers. The Board considered that the fee and expense information in the Broadridge report for the Fund reflected information for a specific period and that historical asset levels and expenses may differ from current levels, particularly in a period of market volatility. The Board considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts and sub-advised mutual funds (including mutual funds sponsored by third parties).

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (continued)

The Board received and reviewed statements relating to BlackRock's financial condition. The Board reviewed BlackRock's profitability methodology and was also provided with an estimated profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Fund. The Board reviewed BlackRock's estimated profitability with respect to the Fund and other funds the Board currently oversees for the year ended December 31, 2022 compared to available aggregate estimated profitability data provided for the prior two years. The Board reviewed BlackRock's estimated profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Board reviewed BlackRock's assumptions and methodology of allocating expenses in the estimated profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Board recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. The Board thus recognized that calculating and comparing profitability at the individual fund level is difficult.

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

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

The Board reviewed the expenses within the context of the low yield environment that existed for a portion of the relative periods, and any consequent expense waivers and reimbursements necessary to maintain minimum levels of daily net investment income, as applicable. The Board noted that the Fund's contractual management fee rate ranked in the second quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board also noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board additionally noted that the breakpoints can, conversely, adjust the advisory fee rate upward as the size of the Fund decreases below certain contractually specified levels. The Board further noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis. In addition, the Board noted that BlackRock has voluntarily agreed to a cap to further limit the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis.

D. Economies of Scale

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

E. Other Factors Deemed Relevant by the Board Members

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

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

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

Conclusion

At the May Meeting, in a continuation of the discussions that occurred during the April Meeting, and as a culmination of the Board's year-long deliberative process, the Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and the Trust, on behalf of the Fund, for a one-year term ending June 30, 2024, and the Sub-Advisory Agreement between the Manager and the Sub-Advisor, with respect to the Fund, for a one-year term ending June 30, 2024. Based upon its evaluation of all of the aforementioned factors in their totality, as well as other information, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Fund and its shareholders. In arriving at its decision to approve the Agreements, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were advised by independent legal counsel throughout the deliberative process.

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 169 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 169 Portfolios	None
Collette Chilton 1958	Trustee (Since 2015)	Chief Investment Officer, Williams College from 2006 to 2023; 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 169 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 169 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 169 Portfolios	None
Henry R. Keizer 1956	Trustee (Since 2019)	Director, Park Indemnity Ltd. (captive insurer) from 2010 to 2022.	28 RICs consisting of 169 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 169 Portfolios	None

Trustee and Officer Information (continued)

Independent Trustees^(a) (continued)

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
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; Trustee, Vice Chair, Member of the Executive Committee and Chair of the Investment Committee, Cornell University from 2004 to 2019; President and Trustee, the Center for the Arts, Jackson Hole from 2011 to 2018; Member of the Board and Investment Committee, University School from 2007 to 2018; Member of Affordable Housing Supply Board of Jackson, Wyoming since 2017; Member, Investment Funds Committee, State of Wyoming since 2017; 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.	28 RICs consisting of 169 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 169 Portfolios	None
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 169 Portfolios	None

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 273 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 275 Portfolios	None

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

Name Year of Birth ^(b)	Position(s) Held (Length of Service)	Principal Occupation(s) During Past 5 Years
Roland Villacorta 1971	Vice President (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.
Aaron Wasserman 1974	Chief Compliance Officer (Since 2023)	Managing Director of BlackRock, Inc. since 2018; Chief Compliance Officer of the BlackRock-advised funds in the BlackRock Multi-Asset Complex, the BlackRock Fixed-Income Complex and the iShares Complex since 2023; Deputy Chief Compliance Officer for the BlackRock-advised funds in the BlackRock Multi-Asset Complex, the BlackRock Fixed-Income Complex and the iShares Complex from 2014 to 2023.
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, New York 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.

Effective July 1, 2023, Aaron Wasserman replaced Charles Park as Chief Compliance Officer of the Trust.

Additional Information

Tailored Shareholder Reports for Open-End Mutual Funds and ETFs

Effective January 24, 2023, the SEC adopted rule and form amendments to require open-end mutual funds and ETFs to transmit concise and visually engaging streamlined annual and semiannual reports to shareholders that highlight key information. Other information, including financial statements, will no longer appear in a streamlined shareholder report but must be available online, delivered free of charge upon request, and filed on a semiannual basis on Form N-CSR. The rule and form amendments have a compliance date of July 24, 2024. At this time, management is evaluating the impact of these amendments on the shareholder reports for the Fund.

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](https://www.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](https://www.sec.gov). Additionally, the Fund makes its portfolio holdings for the first and third quarters of each fiscal year available at [blackrock.com/fundreports](https://www.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](https://www.blackrock.com); and (3) on the SEC's website at [sec.gov](https://www.sec.gov).

BlackRock's Mutual Fund Family

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

Shareholder Privileges

Account Information

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

Additional Information (continued)

BlackRock Privacy Principles

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

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

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

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

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

Fund and Service Providers

Investment Adviser and Administrator

BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Adviser

BlackRock International Limited
Edinburgh, EH3 8JB
United Kingdom

Accounting Agent

JPMorgan Chase Bank, N.A.
New York, NY 10179

Transfer Agent

BNY Mellon Investment Servicing (US) Inc.
Wilmington, DE 19809

Custodians

JPMorgan Chase Bank, N.A.
New York, NY 10179

The Bank of New York Mellon
New York, NY 10286

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Philadelphia, PA 19103

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

USD United States Dollar

Portfolio Abbreviation

GO General Obligation Bonds
LIBOR London Interbank Offered Rate
LOC Letter of Credit
RB Revenue Bonds
SOFR Secured Overnight Financing Rate
VRDN Variable Rate Demand Notes

THIS PAGE INTENTIONALLY LEFT BLANK.

THIS PAGE INTENTIONALLY LEFT BLANK.

THIS PAGE INTENTIONALLY LEFT BLANK.

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.

SHORTS-7/23-AR

BlackRock[®]

Go paperless. . . 
It's Easy, Economical and Green!
Go to www.blackrock.com/edelivery