

2023 Annual Report

BlackRock FundsSM

- BlackRock Sustainable Advantage Large Cap Core Fund

Not FDIC Insured • May Lose Value • No Bank Guarantee

The Markets in Review

Dear Shareholder,

Investors faced an uncertain economic landscape during the 12-month reporting period ended May 31, 2023, amid mixed indicators and rapidly changing market conditions. The U.S. economy returned to modest growth beginning in the third quarter of 2022, although the pace of growth slowed thereafter. Inflation was elevated, reaching a 40-year high as labor costs grew rapidly and unemployment rates reached the lowest levels in decades. However, inflation moderated as the period continued, while continued strength in consumer spending backstopped the economy.

Equity returns varied substantially, as large-capitalization U.S. stocks gained for the period amid a rebound in big tech stocks, whereas small-capitalization U.S. stocks declined. International equities from developed markets advanced, while emerging market stocks declined substantially, pressured by higher interest rates and falling commodities prices.

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 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 eight times. Furthermore, the Fed wound down its bond-buying programs and incrementally reduced its balance sheet by not replacing securities that reach maturity. In addition, the Fed added liquidity to markets amid the failure of prominent regional banks.

Restricted labor supply kept inflation elevated even as other inflation drivers, such as goods prices and energy costs, moderated. While economic growth was modest in the last year, we believe that stickiness in services inflation and continued wage growth will keep inflation above central bank targets for some time. Although the Fed has decelerated the pace of interest rate hikes and most recently opted for a pause, we believe that the Fed is likely to keep rates high for an extended period to get inflation under control. With this in mind, we believe the possibility of a U.S. recession in the near term is high, but the dimming economic outlook has not yet been fully reflected in current market prices. We believe investors should expect a period of higher volatility as markets adjust to the new economic reality and policymakers attempt to adapt. Resolution of the debt ceiling standoff late in the period eliminated one source of uncertainty, but the relatively modest spending cuts won't move the needle on the government's substantial debt burden.

While we favor an overweight to equities in the long term, we prefer an underweight stance on equities overall in the near term. Expectations for corporate earnings remain elevated, which seems inconsistent with the possibility of a recession. Nevertheless, we are overweight on emerging market stocks as we believe a weakening U.S. dollar could provide a supportive backdrop. While we are neutral on credit overall amid tightening credit and financial conditions, 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, global inflation-linked bonds, and emerging market bonds denominated in local currency.

Overall, our view is that investors need to think globally, position themselves to be prepared for a decarbonizing economy, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit [blackrock.com](https://www.blackrock.com) for further insight about investing in today's markets.

Sincerely,



Rob Kapito
President, BlackRock Advisors, LLC



Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of May 31, 2023

	6-Month	12-Month
U.S. large cap equities (S&P 500® Index)	3.33%	2.92%
U.S. small cap equities (Russell 2000® Index)	(6.53)	(4.68)
International equities (MSCI Europe, Australasia, Far East Index)	6.89	3.06
Emerging market equities (MSCI Emerging Markets Index)	(0.37)	(8.49)
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	2.16	3.16
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	1.78	(3.65)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	2.00	(2.14)
Tax-exempt municipal bonds (Bloomberg Municipal Bond Index)	1.94	0.49
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	3.01	0.05

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

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TO ENROLL IN ELECTRONIC DELIVERY:

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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 Sustainable Advantage Large Cap Core Fund's (the "Fund") investment objective is to seek to provide total return while seeking to maintain certain environmental, social and governance ("ESG") characteristics, climate risk exposure and climate opportunities relative to the Fund's benchmark.

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended May 31, 2023, all the Fund's share classes underperformed its benchmark, the Russell 1000® Index.

What factors influenced performance?

The period was highlighted by market volatility as investors weighed the trajectory of monetary policy amid stubbornly high inflation and an evolving economic backdrop. While goods inflation moderated, services inflation remained well above expectations, leading to aggressive policy tightening by the Fed. This resulted in a persistently inverted yield curve, often a precursor to an imminent recession. Despite the headwinds and volatility seen during the period, large-cap equities ended the 12 months in positive territory. This was highlighted by the strong recovery seen in 2023 despite cracks appearing in financial stability as the banking sector came under pressure. What began in March accelerated into April 2023 with the second largest U.S. bank failure in history. While the turmoil took a toll on consumer confidence, with spending data demonstrating signs of weakness, the market focused on the measures taken to support banks and depositors, which appeared to have prevented a widespread crisis. While traditional measures of economic activity slowed, online job postings continued to point to labor market strength and stubbornly high inflation, corroborated by a rising Employment Cost Index. Equity markets struggled late in the period despite the rally seen across technology stocks on hopes that the latest evolution in Artificial Intelligence ("AI") could drive a new paradigm in profitability.

The Fund's underperformance was driven by macro thematic and fundamental insights. Notably, insights that identify industries likely to benefit from central bank policy normalization constrained return as they motivated an overweight to information technology. This positioning struggled against the broader investor shift to pro-growth exposures during July and August 2022, and was part of a broader theme of overly defensive industry-related macro insights. Elsewhere, insights that seek to identify industry trends across business invoicing and input costs struggled across information technology as communications equipment stocks held in the Fund lagged. Additionally, these measures performed poorly within consumer discretionary due to underweights to hotel and leisure companies which detracted amid the ongoing consumer shift from goods to services.

In what remained a macro-driven market shifting between the belief that inflation had peaked and expectations for continued monetary policy tightening, select insights that look towards company results struggled. In particular, analyses that predict company fundamentals led to negative results within valuation measures. As such, traditional insights evaluating company sales, earnings yield, and other financial statement metrics detracted amid market style preference volatility.

On the positive side, sentiment-based measures and measures related to environmental, social and governance ("ESG") factors supported the Fund's performance. Sentiment measures that track the positioning and views of informed investors helped to correctly position the Fund against the evolving backdrop. Specifically, looking at bond investor positioning was broadly additive given the Fed's sharp rate hiking cycle during period and motivated successful underweights across industrials and utilities.

The Fund also benefited from strength in proprietary ESG-related measures, which rebounded after struggling in early 2022. In particular, human capital measures proved additive, most notably insights evaluating company diversity and employee satisfaction.

Describe recent portfolio activity.

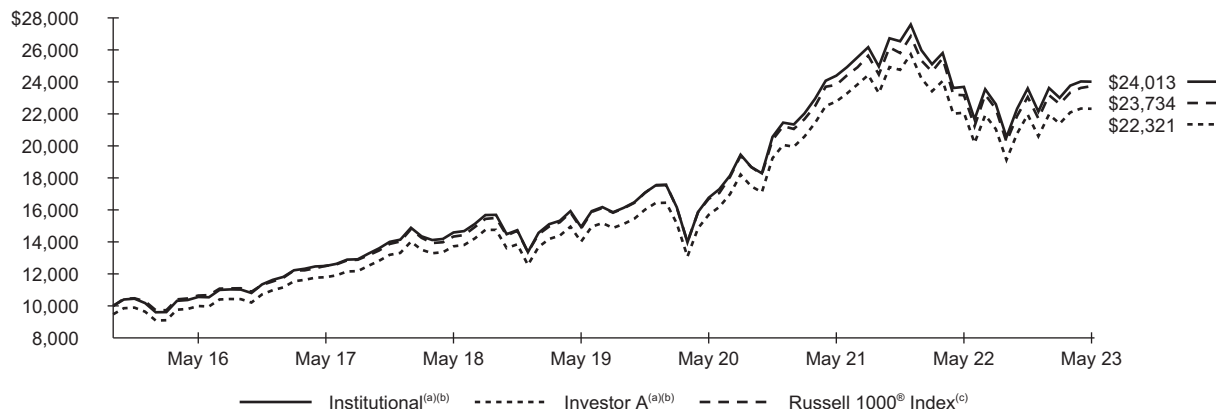
Over the course of the period, the portfolio maintained a balanced allocation of risk across all major return drivers. There were, however, several new signals added within the stock selection group of insights. The Fund built upon its alternative data capabilities with enhanced data sets that capture informed investor positioning as well as news flow. Additionally, the Fund developed a new bank quality insight to better identify firms with less exposure to uninsured deposits and commercial real estate amid the emerging industry crisis in March 2023. Finally, an insight identifying companies likely to benefit from the emerging theme related to the AI revolution was also implemented.

Describe portfolio positioning at period end.

The Fund remained largely sector neutral relative to the Russell 1000® Index. At period end, the Fund had slight overweights to information technology and consumer discretionary and slight underweights to energy and utilities.

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

GROWTH OF \$10,000 INVESTMENT



The Fund commenced operations on October 5, 2015.

- ^(a) Assuming maximum sales charges, if any, transaction costs and other operating expenses, including investment advisory fees. Institutional Shares do not have a sales charge.
- ^(b) Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in large cap equity securities and derivatives that have similar economic characteristics to such securities. The Fund's returns prior to December 1, 2021 are the returns of the Fund when it followed a different investment objective and different investment strategies under the name BlackRock Advantage ESG U.S. Equity Fund.
- ^(c) An index that measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000[®] Index and includes approximately 1,000 of the largest securities based on a combination of their market capitalization and current index membership. The index represents approximately 93% of the U.S. market.

Performance

	Average Annual Total Returns ^{(a)(b)}					
	1 Year		5 Years		Since Inception ^(c)	
	Without Sales Charge	With Sales Charge	Without Sales Charge	With Sales Charge	Without Sales Charge	With Sales Charge
Institutional	1.38%	N/A	10.48%	N/A	12.12%	N/A
Investor A	1.12	(4.19)%	10.22	9.03%	11.84	11.06%
Investor C	0.33	(0.68)	9.40	9.40	11.02	11.02
Class K	1.43	N/A	10.55	N/A	12.18	N/A
Russell 1000[®] Index	2.45	N/A	10.61	N/A	11.96	N/A

- ^(a) Assuming maximum sales charges, if any. Average annual total returns with and without sales charges reflect reductions for distribution and service fees. See "About Fund Performance" for a detailed description of share classes, including any related sales charges and fees, and how performance was calculated for certain share classes.
- ^(b) Under normal circumstances, the Fund seeks to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes in large cap equity securities and derivatives that have similar economic characteristics to such securities. The Fund's returns prior to December 1, 2021 are the returns of the Fund when it followed a different investment objective and different investment strategies under the name BlackRock Advantage ESG U.S. Equity Fund.
- ^(c) The Fund commenced operations on October 5, 2015.

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

Past performance is not an indication of future results.

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

Expense Example

	Actual			Hypothetical 5% Return			Annualized Expense Ratio
	Beginning Account Value	Ending Account Value	Expenses Paid During the Period ^(a)	Beginning Account Value	Ending Account Value	Expenses Paid During the Period ^(a)	
	(12/01/22)	(05/31/23)		(12/01/22)	(05/31/23)		
Institutional	\$ 1,000.00	\$ 1,017.80	\$ 2.41	\$ 1,000.00	\$ 1,022.54	\$ 2.42	0.48%
Investor A	1,000.00	1,016.90	3.67	1,000.00	1,021.29	3.68	0.73
Investor C	1,000.00	1,012.70	7.43	1,000.00	1,017.55	7.44	1.48
Class K	1,000.00	1,018.10	2.16	1,000.00	1,022.79	2.17	0.43

- ^(a) For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period shown).

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

Portfolio Information

TEN LARGEST HOLDINGS

<i>Security^(a)</i>	<i>Percent of Net Assets</i>
Microsoft Corp.....	7.5%
Apple, Inc.....	7.3
NVIDIA Corp.....	3.4
Alphabet, Inc., Class A.....	3.0
Chevron Corp.....	1.8
Amazon.com, Inc.....	1.8
PepsiCo, Inc.....	1.7
Meta Platforms, Inc., Class A.....	1.7
Alphabet, Inc., Class C.....	1.7
Walmart, Inc.....	1.6

SECTOR ALLOCATION

<i>Sector^(b)</i>	<i>Percent of Net Assets</i>
Information Technology.....	28.2%
Health Care.....	14.3
Financials.....	11.8
Consumer Discretionary.....	11.2
Industrials.....	9.7
Communication Services.....	8.2
Consumer Staples.....	6.5
Energy.....	3.2
Materials.....	2.5
Real Estate.....	2.4
Utilities.....	1.5
Short-Term Securities.....	0.6
Liabilities in Excess of Other Assets.....	(0.1)

^(a) Excludes short-term securities.

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

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. Class K Shares performance shown prior to the Class K Shares inception date of March 28, 2016 is that of Institutional Shares. The performance of the Fund's Class K Shares would be substantially similar to Institutional Shares because Class K Shares and Institutional Shares invest in the same portfolio of securities and performance would only differ to the extent that Class K Shares and Institutional Shares have different expenses. The actual returns of Class K Shares would have been higher than those of the Institutional Shares because Class K Shares have lower expenses than the Institutional Shares.

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

Investor C Shares are subject to a 1.00% CDSC if redeemed within one year of purchase. In addition, these shares are subject to a distribution fee of 0.75% per year and a service fee of 0.25% per year. These shares are generally available through financial intermediaries. These shares automatically convert to Investor A Shares after approximately eight years.

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.

Disclosure of Expenses

Shareholders of the Fund may incur the following charges: (a) transactional expenses, such as sales charges; and (b) operating expenses, including investment advisory fees, administration fees, service and distribution fees, including 12b-1 fees, acquired fund fees and expenses, and other fund expenses. The expense example shown (which is based on a hypothetical investment of \$1,000 invested at the beginning of the period and held through the end of the period) is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The expense example provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number corresponding to their share class under the heading entitled "Expenses Paid During the Period."

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

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

Derivative Financial Instruments

The Fund may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the instrument. Pursuant to Rule 18f-4 under the 1940 Act, among other things, the Fund must either use derivative financial instruments with embedded leverage in a limited manner or comply with an outer limit on fund leverage risk based on value-at-risk. The Fund's successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation the Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Fund's investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Schedule of Investments

May 31, 2023

BlackRock Sustainable Advantage Large Cap Core Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Common Stocks		
Aerospace & Defense — 0.8%		
Axon Enterprise, Inc. ^(a)	31,255	\$ 6,029,402
HEICO Corp., Class A	3,022	368,231
Textron, Inc.	48,092	2,975,452
		<u>9,373,085</u>
Automobile Components — 0.3%		
Aptiv PLC ^(a)	10,016	882,209
BorgWarner, Inc.	58,569	2,596,364
Visteon Corp. ^(a)	1,893	252,867
		<u>3,731,440</u>
Automobiles — 1.3%		
General Motors Co.	166,161	5,385,278
Tesla, Inc. ^(a)	53,943	11,000,596
		<u>16,385,874</u>
Banks — 2.0%		
Bank of America Corp.	484,798	13,472,536
Citigroup, Inc.	120,544	5,342,510
JPMorgan Chase & Co.	12,027	1,632,184
KeyCorp.	37,245	347,868
U.S. Bancorp.	46,503	1,390,440
Wells Fargo & Co.	68,886	2,742,352
		<u>24,927,890</u>
Beverages — 1.7%		
PepsiCo, Inc.	117,012	21,337,138
Biotechnology — 3.1%		
AbbVie, Inc.	34,427	4,749,549
Amgen, Inc.	34,221	7,550,864
Gilead Sciences, Inc.	115,983	8,923,732
Horizon Therapeutics PLC ^(a)	7,018	702,011
Incyte Corp. ^(a)	107,306	6,604,684
Neurocrine Biosciences, Inc. ^(a)	17,033	1,524,965
Regeneron Pharmaceuticals, Inc. ^(a)	6,611	4,862,787
Seagen, Inc. ^(a)	4,149	811,959
Ultragenyx Pharmaceutical, Inc. ^(a)	36,304	1,791,965
United Therapeutics Corp. ^(a)	4,557	955,785
		<u>38,478,301</u>
Broadline Retail — 3.2%		
Amazon.com, Inc. ^(a)	179,274	21,616,859
eBay, Inc.	324,293	13,795,424
Etsy, Inc. ^(a)	22,996	1,863,826
MercadoLibre, Inc. ^{(a)(b)}	1,117	1,383,963
		<u>38,660,072</u>
Building Products — 1.2%		
Johnson Controls International PLC	27,410	1,636,377
Lennox International, Inc.	13,238	3,647,202
Owens Corning	59,922	6,371,506
Trane Technologies PLC	18,231	2,975,846
		<u>14,630,931</u>
Capital Markets — 2.7%		
Bank of New York Mellon Corp.	17,050	685,410
Cboe Global Markets, Inc.	4,950	655,479
Intercontinental Exchange, Inc.	36,920	3,911,674
Moody's Corp.	11,159	3,536,064
Nasdaq, Inc.	194,169	10,747,254
S&P Global, Inc.	35,221	12,941,252
		<u>32,477,133</u>

Security	Shares	Value
Chemicals — 1.7%		
Ecolab, Inc.	56,220	\$ 9,279,111
FMC Corp.	89,476	9,312,662
Sherwin-Williams Co.	10,898	2,482,347
		<u>21,074,120</u>
Commercial Services & Supplies — 0.2%		
Tetra Tech, Inc.	20,524	2,821,434
Communications Equipment — 0.2%		
Cisco Systems, Inc.	59,785	2,969,521
Construction & Engineering — 1.0%		
AECOM	155,801	12,160,268
Construction Materials — 0.2%		
Vulcan Materials Co.	14,757	2,884,993
Consumer Finance — 1.4%		
American Express Co.	90,248	14,309,723
Synchrony Financial	103,014	3,189,313
		<u>17,499,036</u>
Consumer Staples Distribution & Retail — 2.2%		
Target Corp.	51,873	6,791,732
Walmart, Inc.	135,915	19,961,836
		<u>26,753,568</u>
Containers & Packaging — 0.1%		
AptarGroup, Inc.	9,919	1,115,788
Diversified Telecommunication Services — 0.1%		
Verizon Communications, Inc.	48,767	1,737,568
Electric Utilities — 0.6%		
Edison International	99,948	6,748,489
Eversource Energy	5,895	408,111
		<u>7,156,600</u>
Electrical Equipment — 0.1%		
Acuity Brands, Inc.	4,608	694,380
Electronic Equipment, Instruments & Components — 0.5%		
Flex Ltd. ^(a)	119,287	3,028,697
TD SYNnex Corp.	33,134	2,961,517
		<u>5,990,214</u>
Entertainment^(a) — 0.2%		
Netflix, Inc.	1,067	421,710
ROBLOX Corp., Class A	26,600	1,113,476
Roku, Inc.	10,210	594,222
Warner Bros Discovery, Inc., Class A	10,795	121,768
		<u>2,251,176</u>
Financial Services — 3.5%		
Berkshire Hathaway, Inc., Class B ^(a)	16,284	5,228,467
Block, Inc. ^(a)	42,105	2,542,721
Mastercard, Inc., Class A	50,889	18,575,503
PayPal Holdings, Inc. ^(a)	96,456	5,979,307
Visa, Inc., Class A	49,265	10,889,043
		<u>43,215,041</u>
Food Products — 1.9%		
General Mills, Inc.	77,247	6,501,107
Hershey Co.	43,664	11,339,541
Kellogg Co.	75,106	5,014,828
		<u>22,855,476</u>
Gas Utilities — 0.3%		
New Jersey Resources Corp.	61,967	3,002,301

Schedule of Investments (continued)

May 31, 2023

BlackRock Sustainable Advantage Large Cap Core Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Ground Transportation — 0.6%		
Lyft, Inc., Class A ^(a)	58,220	\$ 525,144
Ryder System, Inc.	1,544	121,714
Uber Technologies, Inc. ^(a)	175,610	6,660,887
		<u>7,307,745</u>
Health Care Equipment & Supplies — 2.0%		
Abbott Laboratories	18,051	1,841,202
Align Technology, Inc. ^(a)	2,961	836,956
Boston Scientific Corp. ^(a)	310,000	15,958,800
Edwards Lifesciences Corp. ^(a)	44,383	3,738,380
Medtronic PLC	5,351	442,849
ResMed, Inc.	9,731	2,051,197
Stryker Corp.	465	128,145
		<u>24,997,529</u>
Health Care Providers & Services — 3.7%		
Cardinal Health, Inc.	18,202	1,498,025
Cigna Group	21,376	5,288,636
CVS Health Corp.	189,468	12,889,508
Elevance Health, Inc.	36,306	16,258,553
UnitedHealth Group, Inc.	20,425	9,951,877
		<u>45,886,599</u>
Health Care Technology — 0.2%		
Teladoc Health, Inc. ^(a)	106,866	2,473,948
Hotels, Restaurants & Leisure — 2.1%		
Darden Restaurants, Inc.	969	153,606
McDonald's Corp.	68,951	19,658,620
MGM Resorts International	52,038	2,044,573
Starbucks Corp.	9,694	946,522
Travel & Leisure Co.	93,004	3,391,856
		<u>26,195,177</u>
Household Durables — 0.7%		
Taylor Morrison Home Corp. ^(a)	33,567	1,424,248
TopBuild Corp. ^(a)	20,624	4,159,036
Whirlpool Corp.	24,761	3,201,349
		<u>8,784,633</u>
Household Products — 0.7%		
Colgate-Palmolive Co.	114,071	8,484,601
Procter & Gamble Co.	1,903	271,177
		<u>8,755,778</u>
Independent Power and Renewable Electricity Producers — 0.4%		
Clearway Energy, Inc., Class C	172,384	4,952,593
Sunnova Energy International, Inc. ^{(a)(b)}	25,205	445,120
		<u>5,397,713</u>
Industrial Conglomerates — 1.3%		
General Electric Co.	12,914	1,311,159
Honeywell International, Inc.	74,309	14,237,604
		<u>15,548,763</u>
Industrial REITs — 0.8%		
Prologis, Inc.	76,670	9,549,248
Insurance — 2.2%		
Allstate Corp.	40,915	4,437,232
Aon PLC, Class A	13,487	4,157,907
Arch Capital Group Ltd. ^(a)	14,890	1,037,833
Marsh & McLennan Cos., Inc.	9,871	1,709,460
MetLife, Inc.	253,398	12,555,871
Travelers Cos., Inc.	14,592	2,469,550
		<u>26,367,853</u>

Security	Shares	Value
Interactive Media & Services^(a) — 6.6%		
Alphabet, Inc., Class A	300,223	\$ 36,888,400
Alphabet, Inc., Class C	166,438	20,533,456
Match Group, Inc.	15,433	532,438
Meta Platforms, Inc., Class A	78,978	20,907,056
Snap, Inc., Class A	180,358	1,839,652
		<u>80,701,002</u>
IT Services — 1.0%		
Accenture PLC, Class A	38,402	11,747,940
Life Sciences Tools & Services — 1.1%		
Agilent Technologies, Inc.	78,530	9,083,565
Danaher Corp.	16,809	3,859,683
		<u>12,943,248</u>
Machinery — 3.0%		
Cummins, Inc.	28,057	5,735,131
Deere & Co.	29,045	10,048,989
Oshkosh Corp.	1,423	105,060
Otis Worldwide Corp.	129,306	10,281,120
Xylem, Inc.	109,518	10,973,704
		<u>37,144,004</u>
Media — 1.3%		
Comcast Corp., Class A	199,934	7,867,403
Fox Corp., Class A	253,431	7,907,047
Fox Corp., Class B	4,464	130,393
Paramount Global, Class A ^(b)	7,821	137,415
		<u>16,042,258</u>
Metals & Mining — 0.5%		
Commercial Metals Co.	2,710	115,852
Newmont Corp.	81,816	3,317,639
Steel Dynamics, Inc.	28,880	2,654,072
		<u>6,087,563</u>
Multi-Utilities — 0.3%		
Consolidated Edison, Inc.	9,725	907,342
Sempra Energy	17,184	2,466,420
		<u>3,373,762</u>
Office REITs — 0.4%		
Alexandria Real Estate Equities, Inc.	46,026	5,222,110
Oil, Gas & Consumable Fuels — 3.2%		
Chevron Corp.	146,571	22,076,524
ConocoPhillips	52,590	5,222,187
EOG Resources, Inc.	3,200	343,328
Exxon Mobil Corp.	83,408	8,522,629
Marathon Oil Corp.	17,576	389,484
Texas Pacific Land Corp.	581	757,450
Valero Energy Corp.	12,153	1,300,857
Williams Cos., Inc.	4,036	115,672
		<u>38,728,131</u>
Passenger Airlines — 0.5%		
Alaska Air Group, Inc. ^(a)	134,985	6,064,876
Pharmaceuticals — 4.1%		
Bristol-Myers Squibb Co.	263,507	16,980,391
Johnson & Johnson	101,610	15,755,647
Merck & Co., Inc.	69,351	7,657,044
Pfizer, Inc.	261,216	9,931,432
		<u>50,324,514</u>
Professional Services — 0.5%		
ExlService Holdings, Inc. ^(a)	5,709	861,716

Schedule of Investments (continued)

May 31, 2023

BlackRock Sustainable Advantage Large Cap Core Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Professional Services (continued)		
Insperty, Inc.	44,533	\$ 4,930,694
Robert Half International, Inc.	4,806	312,486
		<u>6,104,896</u>
Real Estate Management & Development — 0.0%		
Zillow Group, Inc., Class C ^(a)	5,901	269,145
Residential REITs — 0.3%		
Equity Residential	50,682	3,081,466
Retail REITs — 0.4%		
Brixmor Property Group, Inc.	243,876	4,884,836
Federal Realty Investment Trust	2,651	233,818
Simon Property Group, Inc.	1,902	199,996
		<u>5,318,650</u>
Semiconductors & Semiconductor Equipment — 6.1%		
Advanced Micro Devices, Inc. ^(a)	16,960	2,004,842
Applied Materials, Inc.	98,297	13,102,990
Intel Corp.	257,368	8,091,650
Lattice Semiconductor Corp. ^(a)	4,567	371,343
NVIDIA Corp.	110,535	41,819,812
NXP Semiconductors NV	3,508	628,283
QUALCOMM, Inc.	73,833	8,373,400
		<u>74,392,320</u>
Software — 11.9%		
Adobe, Inc. ^(a)	31,928	13,339,199
Autodesk, Inc. ^(a)	27,848	5,552,613
DocuSign, Inc. ^(a)	45,119	2,544,712
Fortinet, Inc. ^(a)	13,145	898,198
Guidewire Software, Inc. ^(a)	6,954	577,043
Intuit, Inc.	15,195	6,368,528
Manhattan Associates, Inc. ^{(a)(b)}	14,346	2,602,651
Microsoft Corp.	278,610	91,492,738
RingCentral, Inc., Class A ^(a)	43,775	1,518,993
Salesforce, Inc. ^(a)	39,722	8,873,100
ServiceNow, Inc. ^(a)	7,050	3,840,699
Splunk, Inc. ^(a)	19,181	1,904,482
VMware, Inc., Class A ^(a)	6,774	923,228
Zoom Video Communications, Inc., Class A ^(a)	79,457	5,333,948
		<u>145,770,132</u>
Specialized REITs — 0.5%		
SBA Communications Corp.	29,180	6,471,540
Specialty Retail — 2.5%		
Best Buy Co., Inc.	104,504	7,594,306
Chewy, Inc., Class A ^(a)	13,087	385,936
Dick's Sporting Goods, Inc.	13,987	1,783,482

Security	Shares	Value
Specialty Retail (continued)		
Five Below, Inc. ^(a)	9,503	\$ 1,639,458
Home Depot, Inc.	62,964	17,847,146
Penske Automotive Group, Inc.	7,793	1,077,148
TJX Cos., Inc.	7,757	595,660
		<u>30,923,136</u>
Technology Hardware, Storage & Peripherals — 8.5%		
Apple, Inc.	503,350	89,218,787
Dell Technologies, Inc., Class C	137,854	6,177,238
Hewlett Packard Enterprise Co.	618,416	8,917,559
		<u>104,313,584</u>
Textiles, Apparel & Luxury Goods — 1.0%		
Crocs, Inc. ^(a)	4,978	558,930
Deckers Outdoor Corp. ^(a)	2,541	1,206,975
Lululemon Athletica, Inc. ^(a)	23,904	7,934,455
NIKE, Inc., Class B	18,942	1,993,835
Under Armour, Inc., Class A ^(a)	35,884	258,723
		<u>11,952,918</u>
Trading Companies & Distributors — 0.6%		
Univar Solutions, Inc. ^(a)	20,408	726,933
W.W.Grainger, Inc.	10,084	6,544,718
		<u>7,271,651</u>
Total Long-Term Investments — 99.5%		
(Cost: \$1,127,657,445)		<u>1,219,697,180</u>
Short-Term Securities		
Money Market Funds — 0.6%		
BlackRock Liquidity Funds, T-Fund, Institutional Class, 5.00% ^{(c)(d)}	4,555,906	4,555,906
SL Liquidity Series, LLC, Money Market Series, 5.32% ^{(c)(d)(e)}	2,439,357	2,439,357
		<u>6,995,263</u>
Total Short-Term Securities — 0.6%		
(Cost: \$6,995,330)		<u>6,995,263</u>
Total Investments — 100.1%		
(Cost: \$1,134,652,775)		<u>1,226,692,443</u>
Liabilities in Excess of Other Assets — (0.1)%		
		<u>(719,690)</u>
Net Assets — 100.0%		
		<u>\$ 1,225,972,753</u>

- (a) Non-income producing security.
- (b) All or a portion of this security is on loan.
- (c) Affiliate of the Fund.
- (d) Annualized 7-day yield as of period end.
- (e) All or a portion of this security was purchased with the cash collateral from loaned securities.

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

Schedule of Investments (continued)

BlackRock Sustainable Advantage Large Cap Core Fund

May 31, 2023

Affiliates

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

Affiliated Issuer	Value at 05/31/22	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 05/31/23	Shares Held at 05/31/23	Income	Capital Gain Distributions from Underlying Funds
BlackRock Liquidity Funds, T-Fund, Institutional Class	\$ 8,540,763	\$ —	\$ (3,984,857) ^(a)	\$ —	\$ —	\$ 4,555,906	4,555,906	\$ 506,454	\$ —
SL Liquidity Series, LLC, Money Market Series	413,838	2,027,282 ^(a)	—	(1,668)	(95)	2,439,357	2,439,357	6,023 ^(b)	—
				<u>\$ (1,668)</u>	<u>\$ (95)</u>	<u>\$ 6,995,263</u>		<u>\$ 512,477</u>	<u>\$ —</u>

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

^(b) All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount (000)	Value/ Unrealized Appreciation (Depreciation)
Long Contracts				
S&P 500 E-Mini Index	34	06/16/23	\$ 7,124	\$ 92,081

Derivative Financial Instruments Categorized by Risk Exposure

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

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Assets — Derivative Financial Instruments							
Futures contracts							
Unrealized appreciation on futures contracts ^(a)	\$ —	\$ —	\$ 92,081	\$ —	\$ —	\$ —	\$ 92,081

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

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

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts	\$ —	\$ —	\$ 2,420,207	\$ —	\$ —	\$ —	\$ 2,420,207
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts	\$ —	\$ —	\$ 92,208	\$ —	\$ —	\$ —	\$ 92,208

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts — long	\$ 5,882,247

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

May 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				
Common Stocks	\$ 1,219,697,180	\$ —	\$ —	\$ 1,219,697,180
Short-Term Securities				
Money Market Funds	4,555,906	—	—	4,555,906
	<u>\$ 1,224,253,086</u>	<u>\$ —</u>	<u>\$ —</u>	<u>1,224,253,086</u>
Investments Valued at NAV ^(a)				<u>2,439,357</u>
				<u>\$ 1,226,692,443</u>
Derivative Financial Instruments ^(b)				
Assets				
Equity Contracts	<u>\$ 92,081</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 92,081</u>

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

^(b) Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

See notes to financial statements.

Statement of Assets and Liabilities

May 31, 2023

BlackRock
Sustainable
Advantage
Large Cap
Core Fund

ASSETS

Investments, at value — unaffiliated ^{(a)(b)}	\$ 1,219,697,180
Investments, at value — affiliated ^(c)	6,995,263
Cash pledged for futures contracts	340,000
Receivables:	
Investments sold	10,846,014
Securities lending income — affiliated	720
Capital shares sold	573,723
Dividends — unaffiliated	1,967,134
Dividends — affiliated	25,588
Prepaid expenses	58,153
Total assets	<u>1,240,503,775</u>

LIABILITIES

Collateral on securities loaned	2,441,300
Payables:	
Investments purchased	10,457,639
Accounting services fees	54,903
Administration fees	82,407
Capital shares redeemed	564,696
Custodian fees	16,577
Investment advisory fees	687,825
Trustees' and Officer's fees	467
Other accrued expenses	8,947
Professional fees	45,699
Service and distribution fees	35,915
Transfer agent fees	98,428
Variation margin on futures contracts	36,219
Total liabilities	<u>14,531,022</u>

NET ASSETS **\$ 1,225,972,753**

NET ASSETS CONSIST OF

Paid-in capital	\$ 1,201,331,892
Accumulated earnings	24,640,861
NET ASSETS	<u>\$ 1,225,972,753</u>

^(a) Investments, at cost — unaffiliated \$ 1,127,657,445

^(b) Securities loaned, at value \$ 2,374,730

^(c) Investments, at cost — affiliated \$ 6,995,330

Statement of Assets and Liabilities (continued)

May 31, 2023

BlackRock
Sustainable
Advantage
Large Cap
Core Fund

NET ASSET VALUE

Institutional	
Net assets	\$ 622,090,752
Shares outstanding	35,366,725
Net asset value	\$ 17.59
Shares authorized	Unlimited
Par value	\$ 0.001
Investor A	
Net assets	\$ 96,245,432
Shares outstanding	5,500,792
Net asset value	\$ 17.50
Shares authorized	Unlimited
Par value	\$ 0.001
Investor C	
Net assets	\$ 17,109,500
Shares outstanding	993,562
Net asset value	\$ 17.22
Shares authorized	Unlimited
Par value	\$ 0.001
Class K	
Net assets	\$ 490,527,069
Shares outstanding	27,860,862
Net asset value	\$ 17.61
Shares authorized	Unlimited
Par value	\$ 0.001

See notes to financial statements.

Statement of Operations

Year Ended May 31, 2023

BlackRock
Sustainable
Advantage
Large Cap
Core Fund

INVESTMENT INCOME

Dividends — unaffiliated	\$ 14,670,735
Dividends — affiliated	506,454
Interest — unaffiliated	19,304
Securities lending income — affiliated — net	6,023
Total investment income	<u>15,202,516</u>

EXPENSES

Investment advisory	3,444,595
Transfer agent — class specific	654,577
Service and distribution — class specific	437,964
Administration	356,587
Administration — class specific	172,974
Accounting services	133,604
Registration	133,579
Professional	128,432
Printing and postage	61,337
Custodian	50,419
Trustees and Officer	12,638
Miscellaneous	21,718
Total expenses	<u>5,608,424</u>
Less:	
Administration fees waived by the Manager — class specific	(172,974)
Fees waived and/or reimbursed by the Manager	(623,904)
Transfer agent fees waived and/or reimbursed by the Manager — class specific	<u>(330,936)</u>
Total expenses after fees waived and/or reimbursed	<u>4,480,610</u>
Net investment income	<u>10,721,906</u>

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:	
Investments — unaffiliated	(60,712,947)
Investments — affiliated	(1,668)
Futures contracts	<u>2,420,207</u>
	<u>(58,294,408)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments — unaffiliated	77,326,589
Investments — affiliated	(95)
Futures contracts	<u>92,208</u>
	<u>77,418,702</u>
Net realized and unrealized gain	<u>19,124,294</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 29,846,200</u>

See notes to financial statements.

Statements of Changes in Net Assets

BlackRock Sustainable Advantage
Large Cap Core Fund

Year Ended
05/31/23

Year Ended
05/31/22

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS

Net investment income.....	\$ 10,721,906	\$ 4,446,278
Net realized loss.....	(58,294,408)	(3,220,717)
Net change in unrealized appreciation (depreciation).....	77,418,702	(44,376,812)
Net increase (decrease) in net assets resulting from operations.....	<u>29,846,200</u>	<u>(43,151,251)</u>

DISTRIBUTIONS TO SHAREHOLDERS^(a)

Institutional.....	(5,600,120)	(20,080,837)
Investor A.....	(944,208)	(5,279,728)
Investor C.....	(39,320)	(1,086,262)
Class K.....	(878,531)	(2,794,237)
Decrease in net assets resulting from distributions to shareholders.....	<u>(7,462,179)</u>	<u>(29,241,064)</u>

CAPITAL SHARE TRANSACTIONS

Net increase in net assets derived from capital share transactions.....	<u>523,941,162</u>	<u>411,871,882</u>
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NET ASSETS

Total increase in net assets.....	546,325,183	339,479,567
Beginning of year.....	<u>679,647,570</u>	<u>340,168,003</u>
End of year.....	<u>\$ 1,225,972,753</u>	<u>\$ 679,647,570</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 Sustainable Advantage Large Cap Core Fund				
	Institutional				
	Year Ended 05/31/23	Year Ended 05/31/22	Year Ended 05/31/21	Year Ended 05/31/20	Year Ended 05/31/19
Net asset value, beginning of year	\$ 17.56	\$ 19.27	\$ 13.75	\$ 12.64	\$ 13.33
Net investment income ^(a)	0.22	0.16	0.16	0.18	0.18
Net realized and unrealized gain (loss)	0.01	(0.62)	6.00	1.35	0.13
Net increase (decrease) from investment operations	0.23	(0.46)	6.16	1.53	0.31
Distributions^(b)					
From net investment income	(0.20)	(0.11)	(0.16)	(0.16)	(0.17)
From net realized gain	—	(1.14)	(0.48)	(0.26)	(0.83)
Total distributions	(0.20)	(1.25)	(0.64)	(0.42)	(1.00)
Net asset value, end of year	\$ 17.59	\$ 17.56	\$ 19.27	\$ 13.75	\$ 12.64
Total Return^(c)					
Based on net asset value	1.38%	(2.88)%	45.64%	12.16%	2.36%
Ratios to Average Net Assets^(d)					
Total expenses	0.63%	0.66%	0.73%	0.79%	0.95%
Total expenses after fees waived and/or reimbursed	0.48%	0.48%	0.50%	0.55%	0.55%
Net investment income	1.29%	0.84%	0.93%	1.31%	1.41%
Supplemental Data					
Net assets, end of year (000)	\$ 622,091	\$ 472,353	\$ 227,993	\$ 102,475	\$ 59,344
Portfolio turnover rate	120%	99%	160%	159%	149%

^(a) Based on average shares outstanding.

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

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

^(d) 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 Sustainable Advantage Large Cap Core Fund (continued)

	Investor A				
	Year Ended 05/31/23	Year Ended 05/31/22	Year Ended 05/31/21	Year Ended 05/31/20	Year Ended 05/31/19
Net asset value, beginning of year	\$ 17.47	\$ 19.18	\$ 13.70	\$ 12.60	\$ 13.29
Net investment income ^(a)	0.17	0.11	0.11	0.14	0.15
Net realized and unrealized gain (loss)	0.01	(0.60)	5.98	1.35	0.13
Net increase (decrease) from investment operations	0.18	(0.49)	6.09	1.49	0.28
Distributions^(b)					
From net investment income	(0.15)	(0.08)	(0.13)	(0.13)	(0.14)
From net realized gain	—	(1.14)	(0.48)	(0.26)	(0.83)
Total distributions	(0.15)	(1.22)	(0.61)	(0.39)	(0.97)
Net asset value, end of year	\$ 17.50	\$ 17.47	\$ 19.18	\$ 13.70	\$ 12.60
Total Return^(c)					
Based on net asset value	1.12%	(3.09)%	45.25%	11.89%	2.13%
Ratios to Average Net Assets^(d)					
Total expenses	0.86%	0.87%	0.98%	1.08%	1.23%
Total expenses after fees waived and/or reimbursed	0.73%	0.73%	0.74%	0.80%	0.80%
Net investment income	1.04%	0.58%	0.68%	1.06%	1.17%
Supplemental Data					
Net assets, end of year (000)	\$ 96,245	\$ 108,997	\$ 62,539	\$ 19,030	\$ 11,052
Portfolio turnover rate	120%	99%	160%	159%	149%

^(a) Based on average shares outstanding.

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

^(c) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

^(d) 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 Sustainable Advantage Large Cap Core Fund (continued)

	Investor C				
	Year Ended 05/31/23	Year Ended 05/31/22	Year Ended 05/31/21	Year Ended 05/31/20	Year Ended 05/31/19
Net asset value, beginning of year	\$ 17.20	\$ 18.92	\$ 13.54	\$ 12.46	\$ 13.17
Net investment income (loss) ^(a)	0.05	(0.03)	(0.01)	0.04	0.05
Net realized and unrealized gain (loss)	0.00 ^(b)	(0.60)	5.90	1.34	0.13
Net increase (decrease) from investment operations	0.05	(0.63)	5.89	1.38	0.18
Distributions^(c)					
From net investment income	(0.03)	—	(0.03)	(0.04)	(0.06)
From net realized gain	—	(1.09)	(0.48)	(0.26)	(0.83)
Total distributions	(0.03)	(1.09)	(0.51)	(0.30)	(0.89)
Net asset value, end of year	\$ 17.22	\$ 17.20	\$ 18.92	\$ 13.54	\$ 12.46
Total Return^(d)					
Based on net asset value	0.33%	(3.79)%	44.13%	11.11%	1.38%
Ratios to Average Net Assets^(e)					
Total expenses	1.63%	1.63%	1.72%	1.83%	2.01%
Total expenses after fees waived and/or reimbursed	1.48%	1.48%	1.50%	1.55%	1.55%
Net investment income (loss)	0.30%	(0.18)%	(0.08)%	0.30%	0.42%
Supplemental Data					
Net assets, end of year (000)	\$ 17,110	\$ 21,305	\$ 15,926	\$ 6,082	\$ 3,453
Portfolio turnover rate	120%	99%	160%	159%	149%

^(a) Based on average shares outstanding.

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

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

^(d) Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

^(e) 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 Sustainable Advantage Large Cap Core Fund (continued)				
	Class K				
	Year Ended 05/31/23	Year Ended 05/31/22	Year Ended 05/31/21	Year Ended 05/31/20	Year Ended 05/31/19
Net asset value, beginning of year	\$ 17.58	\$ 19.28	\$ 13.76	\$ 12.65	\$ 13.33
Net investment income ^(a)	0.22	0.17	0.17	0.18	0.19
Net realized and unrealized gain (loss)	0.02	(0.61)	6.00	1.36	0.14
Net increase (decrease) from investment operations	0.24	(0.44)	6.17	1.54	0.33
Distributions^(b)					
From net investment income	(0.21)	(0.12)	(0.17)	(0.17)	(0.18)
From net realized gain	—	(1.14)	(0.48)	(0.26)	(0.83)
Total distributions	(0.21)	(1.26)	(0.65)	(0.43)	(1.01)
Net asset value, end of year	\$ 17.61	\$ 17.58	\$ 19.28	\$ 13.76	\$ 12.65
Total Return^(c)					
Based on net asset value	1.43%	(2.80)%	45.68%	12.20%	2.48%
Ratios to Average Net Assets^(d)					
Total expenses	0.51%	0.55%	0.64%	0.74%	0.93%
Total expenses after fees waived and/or reimbursed	0.43%	0.43%	0.43%	0.50%	0.50%
Net investment income	1.30%	0.89%	0.97%	1.38%	1.46%
Supplemental Data					
Net assets, end of year (000)	\$ 490,527	\$ 76,992	\$ 33,710	\$ 1,632	\$ 338
Portfolio turnover rate	120%	99%	160%	159%	149%

^(a) Based on average shares outstanding.

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

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

^(d) 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 Sustainable Advantage Large Cap Core 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 and Investor C Shares bear certain expenses related to shareholder servicing of such shares, and Investor C Shares also bear certain expenses related to the distribution of such shares. Investor A and Investor C Shares are generally available through financial intermediaries. Each class has exclusive voting rights with respect to matters relating to its shareholder servicing and distribution expenditures (except that Investor C shareholders may vote on material changes to the Investor A Shares distribution and service plan).

Share Class	Initial Sales Charge	CDSC	Conversion Privilege
Institutional and Class K Shares	No	No	None
Investor A Shares	Yes	No ^(a)	None
Investor C Shares	No	Yes ^(b)	To Investor A Shares after approximately 8 years

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

^(b) A CDSC of 1.00% is assessed on certain redemptions of Investor C Shares made within one year after purchase.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Upon notification from issuers, a portion of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. 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.

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

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

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:

- Equity investments traded on a recognized securities exchange are valued at that day's official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- The Fund values its investment in SL Liquidity Series, LLC, Money Market Series (the "Money Market Series") at fair value, which is ordinarily based upon its pro rata ownership in the underlying fund's net assets.
- Futures contracts are valued based on that day's last reported settlement or trade price on the exchange where the contract is traded.

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.

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

4. SECURITIES AND OTHER INVESTMENTS

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

As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested by the securities lending agent, BlackRock Investment Management, LLC ("BIM"), if any, is disclosed in the Schedule of Investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan, if any, are disclosed in the Fund's Schedule of Investments. The market value of any securities on loan and the value of related collateral, if any, are shown separately in the Statement of Assets and Liabilities as a component of investments at value – unaffiliated and collateral on securities loaned, respectively.

Securities lending transactions are entered into by the Fund under Master Securities Lending Agreements (each, an "MSLA"), which provide the right, in the event of default (including bankruptcy or insolvency), for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral.

Notes to Financial Statements (continued)

In the event that a borrower defaults, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. When the value of the collateral is greater than that of the market value of the securities loaned, the lender is left with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty's bankruptcy or insolvency. Under the MSLA, absent an event of default, the borrower can resell or re-pledge the loaned securities, and the Fund can reinvest cash collateral received in connection with loaned securities. Upon an event of default, the parties' obligations to return the securities or collateral to the other party are extinguished, and the parties can resell or re-pledge the loaned securities or the collateral received in connection with the loaned securities in order to satisfy the defaulting party's net payment obligation for all transactions under the MSLA. The defaulting party remains liable for any deficiency.

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

<i>Counterparty</i>	<i>Securities Loaned at Value</i>	<i>Cash Collateral Received^(a)</i>	<i>Non-Cash Collateral Received, at Fair Value^(a)</i>	<i>Net Amount</i>
Citigroup Global Markets, Inc.	\$ 1,052,236	\$ (1,052,236)	\$ —	\$ —
J.P. Morgan Securities LLC	867,300	(867,300)	—	—
Jefferies LLC	455,194	(455,194)	—	—
	<u>\$ 2,374,730</u>	<u>\$ (2,374,730)</u>	<u>\$ —</u>	<u>\$ —</u>

^(a) Collateral received, if any, in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by the Fund is disclosed in the Fund's Statement of Assets and Liabilities.

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

5. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

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

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

<i>Average Daily Net Assets</i>	<i>Investment Advisory Fees</i>
First \$1 billion	0.40%
\$1 billion — \$3 billion	0.38
\$3 billion — \$5 billion	0.36
\$5 billion — \$10 billion	0.35
Greater than \$10 billion	0.34

Notes to Financial Statements (continued)

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

Share Class	Service Fees	Distribution Fees
Investor A	0.25%	N/A
Investor C	0.25	0.75%

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

For the year ended May 31, 2023, the following table shows the class specific service and distribution fees borne directly by each share class of the Fund:

	Investor A	Investor C	Total
Service and distribution fees — class specific	\$ 250,522	\$ 187,442	\$ 437,964

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

	Institutional	Investor A	Investor C	Class K	Total
Administration fees — class specific	\$ 105,665	\$ 20,042	\$ 3,749	\$ 43,518	\$ 172,974

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 May 31, 2023, the Fund did not pay any amounts to affiliates in return for these services.

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 May 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:

	Institutional	Investor A	Investor C	Class K	Total
Reimbursed amounts	\$ 1,370	\$ 3,158	\$ 1,662	\$ 421	\$ 6,611

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

	Institutional	Investor A	Investor C	Class K	Total
Transfer agent fees — class specific	\$ 551,942	\$ 78,075	\$ 18,854	\$ 5,706	\$ 654,577

Other Fees: For the year ended May 31, 2023, affiliates earned underwriting discounts, direct commissions and dealer concessions on sales of the Fund’s Investor A Shares for a total of \$9,275.

For the year ended May 31, 2023, affiliates received CDSCs as follows:

Fund Name	Investor A	Investor C
BlackRock Sustainable Advantage Large Cap Core Fund	\$ 8,682	\$ 1,852

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 May 31, 2023, the amount waived was \$9,499.

Notes to Financial Statements (continued)

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 May 31, 2023, there were no fees waived by the Manager pursuant to this arrangement.

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

<i>Share Class</i>	<i>Expense Limitation</i>
Institutional	0.48%
Investor A	0.73
Investor C	1.48
Class K	0.43

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2024, unless approved by the Board, including a majority of the Independent Trustees, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended May 31, 2023, the Manager waived and/or reimbursed investment advisory fees of \$614,405 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 May 31, 2023, class specific expense waivers and/or reimbursements were as follows:

	<i>Institutional</i>	<i>Investor A</i>	<i>Investor C</i>	<i>Class K</i>	<i>Total</i>
Administration fees waived by the Manager — class specific	\$ 105,665	\$ 20,042	\$ 3,749	\$ 43,518	\$ 172,974
Transfer agent fees waived and/or reimbursed by the Manager — class specific	\$ 287,780	\$ 27,971	\$ 9,481	\$ 5,704	\$ 330,936

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

- (1) the Fund, of which the share class is a part, has more than \$50 million in assets for the fiscal year, and
- (2) the Manager or an affiliate continues to serve as the Fund's investment adviser or administrator.

This repayment applies only to the contractual expense limitation on net expenses and does not apply to the contractual investment advisory fee waiver described above or any voluntary waivers that may be in effect from time to time. Effective October 5, 2022, the repayment arrangement between the Fund and the Manager pursuant to which such Fund may be required to repay amounts waived and/or reimbursed under the Fund's contractual caps on net expenses was terminated.

The following fund level and class specific waivers and/or reimbursements previously recorded by the Fund, which were subject to recoupment by the Manager, expired on October 5, 2022:

<i>Fund Name/Fund Level/Share Class</i>	<i>Expired</i>
BlackRock Sustainable Advantage Large Cap Core Fund	
Fund Level	\$ 919,063
Institutional	403,529
Investor A	60,050
Investor C	13,820
Class K	16,604

Securities Lending: The U.S. Securities and Exchange Commission ("SEC") has issued an exemptive order which permits BIM, an affiliate of the Manager, to serve as securities lending agent for the Fund, subject to applicable conditions. As securities lending agent, BIM bears all operational costs directly related to securities lending. The Fund is responsible for expenses in connection with the investment of cash collateral received for securities on loan (the "collateral investment expenses"). The cash collateral is invested in a private investment company, Money Market Series, managed by the Manager or its affiliates. However, BIM has agreed to cap the collateral investment expenses of the Money Market Series to an annual rate of 0.04%. The investment adviser to the Money Market Series will not charge any advisory fees with respect to shares purchased by the Fund. The Money Market Series may, under certain circumstances, impose a liquidity fee of up to 2% of the value withdrawn or temporarily restrict withdrawals for up to 10 business days during a 90 day period, in the event that the private investment company's weekly liquid assets fall below certain thresholds. The Money Market Series seeks current income consistent with maintaining liquidity and preserving capital. Although the Money Market Series is not registered under the 1940 Act, its investments may follow the parameters of investments by a money market fund that is subject to Rule 2a-7 under the 1940 Act.

Notes to Financial Statements (continued)

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

Pursuant to the current securities lending agreement, the Fund retains 81% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the BlackRock Multi-Asset Complex in a calendar year exceeds a specified threshold, the Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 81% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

The share of securities lending income earned by the Fund is shown as securities lending income — affiliated — net in the Statement of Operations. For the year ended May 31, 2023, the Fund paid BIM \$1,405 for securities lending agent services.

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

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

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

Trustees and Officers: Certain trustees and/or officers of the Fund 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.

Other Transactions: The Fund may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common trustees. For the year ended May 31, 2023, the purchase and sale transactions and any net realized gains (losses) with affiliated funds in compliance with Rule 17a-7 under the 1940 Act were as follows:

<i>Fund Name</i>	<i>Purchases</i>	<i>Sales</i>	<i>Net Realized Gain (Loss)</i>
BlackRock Sustainable Advantage Large Cap Core Fund.....	\$ 177,679,512	\$ 125,323,352	\$ (8,920,623)

7. PURCHASES AND SALES

For the year ended May 31, 2023, purchases and sales of investments, excluding short-term securities, were \$1,560,262,645 and \$1,041,568,506, respectively.

8. INCOME TAX INFORMATION

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

The Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund’s U.S. federal tax returns generally remains open for a period of three years after they are filed. The statutes of limitations on the Fund’s state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Fund as of May 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 05/31/23</i>	<i>Year Ended 05/31/22</i>
BlackRock Sustainable Advantage Large Cap Core Fund		
Ordinary income	\$ 7,462,179	\$ 21,840,738
Long-term capital gains.....	—	7,400,326
	<u>\$ 7,462,179</u>	<u>\$ 29,241,064</u>

Notes to Financial Statements (continued)

As of May 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 Sustainable Advantage Large Cap Core Fund	\$ 5,580,145	\$ (38,765,691)	\$ 57,826,407	\$ 24,640,861

^(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 tax deferral of losses on wash sales, the realization for tax purposes of unrealized gains (losses) on certain futures contracts, and the timing and recognition of partnership income.

As of May 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 Sustainable Advantage Large Cap Core Fund	\$ 1,168,916,962	\$ 126,632,545	\$ (68,857,065)	\$ 57,775,480

9. BANK BORROWINGS

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

10. PRINCIPAL RISKS

In the normal course of business, the Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject the Fund to various risks, including among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate and price fluctuations. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments. The Fund’s prospectus provides details of the risks to which the Fund is subject.

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

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

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

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

Counterparty Credit Risk: The 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

Notes to Financial Statements (continued)

entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Fund to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Fund's exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statement of Assets and Liabilities, less any collateral held by the Fund.

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

With exchange-traded futures, there is less counterparty credit risk to the Fund since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency). Additionally, credit risk exists in exchange-traded futures with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Fund.

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

The Fund invests a significant portion of its assets in securities 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 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.

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

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

Fund Name / Share Class	Year Ended 05/31/23		Year Ended 05/31/22	
	Shares	Amounts	Shares	Amounts
BlackRock Sustainable Advantage Large Cap Core Fund				
Institutional				
Shares sold.....	27,477,339	\$ 462,704,297	22,401,014	\$ 433,102,412
Shares issued in reinvestment of distributions	326,135	5,359,669	987,104	19,227,460
Shares redeemed.....	(19,331,211)	(326,057,488)	(8,327,746)	(155,912,488)
	<u>8,472,263</u>	<u>\$ 142,006,478</u>	<u>15,060,372</u>	<u>\$ 296,417,384</u>
Investor A				
Shares sold.....	1,317,241	\$ 21,813,567	3,807,995	\$ 72,909,985
Shares issued in reinvestment of distributions	54,999	899,860	260,181	5,021,108
Shares redeemed.....	(2,110,809)	(35,038,794)	(1,089,541)	(20,325,261)
	<u>(738,569)</u>	<u>\$ (12,325,367)</u>	<u>2,978,635</u>	<u>\$ 57,605,832</u>
Investor C				
Shares sold.....	82,857	\$ 1,365,627	490,519	\$ 9,376,214
Shares issued in reinvestment of distributions	2,357	38,608	56,304	1,069,691
Shares redeemed and automatic conversion of shares.....	(330,585)	(5,386,661)	(149,620)	(2,783,724)
	<u>(245,371)</u>	<u>\$ (3,982,426)</u>	<u>397,203</u>	<u>\$ 7,662,181</u>

Notes to Financial Statements (continued)

<i>Fund Name / Share Class (continued)</i>	Year Ended 05/31/23		Year Ended 05/31/22	
	<i>Shares</i>	<i>Amounts</i>	<i>Shares</i>	<i>Amounts</i>
BlackRock Sustainable Advantage Large Cap Core Fund (continued)				
Class K				
Shares sold.....	28,721,427	\$ 485,286,754	2,864,204	\$ 54,465,461
Shares issued in reinvestment of distributions	52,760	866,810	142,260	2,764,281
Shares redeemed.....	(5,292,945)	(87,911,087)	(375,248)	(7,043,257)
	<u>23,481,242</u>	<u>\$ 398,242,477</u>	<u>2,631,216</u>	<u>\$ 50,186,485</u>
	<u>30,969,565</u>	<u>\$ 523,941,162</u>	<u>21,067,426</u>	<u>\$ 411,871,882</u>

12. 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 Shareholders of BlackRock Sustainable Advantage Large Cap Core Fund and the Board of Trustees of BlackRock FundsSM:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of BlackRock Sustainable Advantage Large Cap Core Fund of BlackRock FundsSM (the "Fund"), including the schedule of investments, as of May 31, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of May 31, 2023, and 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 then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of May 31, 2023, by correspondence with custodians or counterparties; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP
Boston, Massachusetts
July 21, 2023

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

Important Tax Information (unaudited)

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

<i>Fund Name</i>	<i>Qualified Dividend Income</i>
BlackRock Sustainable Advantage Large Cap Core Fund	\$ 13,458,577

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 May 31, 2023:

<i>Fund Name</i>	<i>Federal Obligation Interest</i>
BlackRock Sustainable Advantage Large Cap Core Fund	\$ 83,804

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 following percentage, or maximum percentage allowable by law, of ordinary income distributions paid during the fiscal year ended May 31, 2023 qualified for the dividends-received deduction for corporate shareholders:

<i>Fund Name</i>	<i>Dividends-Received Deduction</i>
BlackRock Sustainable Advantage Large Cap Core Fund	100.00%

The Fund hereby designates the following amounts, or maximum amounts 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 May 31, 2023:

<i>Fund Name</i>	<i>Interest Related Dividends</i>
BlackRock Sustainable Advantage Large Cap Core Fund	\$ 356,800

Disclosure of Investment 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 "Agreement") between the Trust, on behalf of BlackRock Sustainable Advantage Large Cap Core Fund (the "Fund"), and BlackRock Advisors, LLC (the "Manager" or "BlackRock"), the Fund's investment advisor.

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 Agreement 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 Agreement. In considering the renewal of the Agreement, 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 Agreement, 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) the use of brokerage commissions and 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 Agreement. 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 Agreement 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 Agreement 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 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.

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 Morningstar Category ("Morningstar Category"). 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 noted that for the one-, three- and five-year periods reported, the Fund ranked in the fourth, first and first quartiles, respectively, against its Morningstar Category. The Board noted that BlackRock believes that the Morningstar Category is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Morningstar Category during the applicable period.

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).

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,

Disclosure of Investment Advisory Agreement (continued)

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 Agreement 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 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.

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 Agreement, 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 Agreement between the Manager and the Trust, on behalf of 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 Agreement were fair and reasonable and in the best interest of the Fund and its shareholders. In arriving at its decision to approve the Agreement, 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 167 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 167 Portfolios	None
Collette Chilton 1958	Trustee (Since 2015)	Chief Investment Officer, Williams College since 2006; Chief Investment Officer, Lucent Asset Management Corporation from 1998 to 2006; Director, Boys and Girls Club of Boston since 2017; Director, B1 Capital since 2018; Director, David and Lucile Packard Foundation since 2020.	28 RICs consisting of 167 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 167 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 167 Portfolios	None

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
Henry R. Keizer 1956	Trustee (Since 2019)	Director, Park Indemnity Ltd. (captive insurer) from 2010 to 2022.	28 RICs consisting of 167 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 167 Portfolios	None
Donald C. Opatrny 1952	Trustee (Since 2019)	Chair of the Board of Phoenix Art Museum since 2022 and Trustee thereof since 2018; Chair of the Investment Committee of The Arizona Community Foundation since 2022 and trustee thereof since 2020; Director, Athena Capital Advisors LLC (investment management firm) from 2013 to 2020; 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 167 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 167 Portfolios	None

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
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 167 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 ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past 5 Years
Robert Fairbairn 1965	Trustee (Since 2018)	Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares [®] businesses from 2012 to 2016.	98 RICs consisting of 268 Portfolios	None
John M. Perowski ^(e) 1964	Trustee (Since 2015) President and Chief Executive Officer (Since 2010)	Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009.	100 RICs consisting of 270 Portfolios	None

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

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

^(c) Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. Furthermore, effective January 1, 2019, three BlackRock Fund Complexes were realigned and consolidated into two BlackRock Fund Complexes. As a result, although the chart shows the year that each Independent Trustee joined the Board, certain Independent Trustees first became members of the boards of other BlackRock-advised Funds, legacy MLIM funds or legacy BlackRock funds as follows: Cynthia A. Montgomery, 1994; Kenneth L. Urish, 1999; Lena G. Goldberg, 2016; Henry R. Keizer, 2016; Donald C. Opatry, 2015.

^(d) Mr. Fairbairn and Mr. Perowski 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. Perowski are also board members of the BlackRock Fixed-Income Complex.

^(e) Mr. Perowski 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.
Charles Park 1967	Chief Compliance Officer (Since 2014)	Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares [®] Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares [®] exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012.
Lisa Belle 1968	Anti-Money Laundering Compliance Officer (Since 2019)	Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012.
Janey Ahn 1975	Secretary (Since 2019)	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017.

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

^(b) Officers of the Trust serve at the pleasure of the Board.

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

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

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

Additional Information

Tailored Shareholder Reports for Mutual Funds and ETFs

Effective January 24, 2023, the SEC adopted rule and form amendments to require 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.

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.

BlackRock Privacy Principles (continued)

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

Accounting Agent and Custodian

State Street Bank and Trust Company
Boston, MA 02114

Transfer Agent

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

Distributor

BlackRock Investments, LLC
New York, NY 10001

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Boston, MA 02116

Legal Counsel

Sidley Austin LLP
New York, NY 10019

Address of the Fund

100 Bellevue Parkway
Wilmington, DE 19809

Glossary of Terms Used in this Report

Portfolio Abbreviation

S&P Standard & Poor's

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Want to know more?

blackrock.com | 800-441-7762

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

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