

SEMI-ANNUAL REPORT (UNAUDITED)

BLACKROCK[®]

BlackRock FundsSM

- ▶ iShares Edge MSCI USA Momentum Factor Index Fund
- ▶ iShares Edge MSCI USA Quality Factor Index Fund
- ▶ iShares Edge MSCI USA Size Factor Index Fund
- ▶ iShares Edge MSCI USA Value Factor Index Fund

The Markets in Review

Dear Shareholder,

In the 12 months ended January 31, 2018, assets with higher risk and return potential, such as stocks and high-yield bonds, continued to deliver strong performance. The equity market advanced despite geopolitical uncertainty and relatively high valuations, while bond returns were constrained by rising interest rates.

Emerging market stocks posted the strongest performance, as accelerating growth in China, the second largest economy in the world and the most influential of all developing economies, improved the outlook for corporate profits and economic growth across most developing nations. Chinese demand for commodities and other raw materials allayed concerns about the country's banking system, leading to rising equity prices and foreign investment flows.

Rising interest rates worked against high-quality assets with more interest rate sensitivity. Consequently, the 10-year U.S. Treasury — a bellwether of the bond market — posted a modest negative return, as rising energy prices, higher wages, and steady job growth drove expectations of higher inflation and interest rate increases by the U.S. Federal Reserve (the "Fed").

The market's performance reflected reflationary expectations early in the reporting period, as investors began to sense that a global recovery was afoot. Thereafter, many countries experienced sustained and synchronized growth for the first time since the financial crisis. Growth rates and inflation are still relatively low, but they are finally rising together. Consensus expectations for global economic growth also rose, as long-anticipated fiscal stimulus and capital spending plans indicated that new sources of demand could extend the current economic cycle.

The Fed responded to these positive developments by increasing short-term interest rates three times during the year. In October 2017, the Fed also reduced its \$4.5 trillion balance sheet by \$10 billion, while setting expectations for additional modest reductions and rate hikes in 2018.

By contrast, the European Central Bank ("ECB") and the Bank of Japan ("BoJ") continued to expand their balance sheets despite nascent signs of sustained economic growth. Rising global growth and inflation, as well as limited bond supply, put steady pressure on other central banks to follow in the Fed's footsteps. In October 2017, the ECB announced plans to cut its bond purchases in half for 2018, while the BoJ reiterated its commitment to economic stimulus, as the country's inflation rate remained below 2.0%.

Rising consumer confidence and improving business sentiment are driving momentum for the U.S. economy. If the Fed maintains a measured pace of stimulus reduction, to the extent that inflation rises, it's likely to be accompanied by rising real growth and higher wages. That could lead to a favorable combination of moderately higher inflation, steadily rising interest rates, and improving growth in 2018. We continue to believe the primary risks to the economic expansion are trade protectionism, rapidly rising interest rates, and geopolitical tension.

In December 2017, Congress passed a sweeping tax reform bill. The U.S. tax overhaul is likely to accentuate the existing reflationary themes, including faster growth and rising interest rates. Changing the corporate tax rate to a flat 21% will create many winners and losers among high-and-low tax companies, while the windfall from lower taxes could boost business and consumer spending.

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

Sincerely,



Rob Kapito
President, BlackRock Advisors, LLC



Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of January 31, 2018

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	15.43%	26.41%
U.S. small cap equities (Russell 2000® Index)	11.23	17.18
International equities (MSCI Europe, Australasia, Far East Index)	12.14	27.60
Emerging market equities (MSCI Emerging Markets Index)	18.51	41.01
3-month Treasury bills (ICE BofAML 3-Month U.S. Treasury Bill Index)	0.58	0.93
U.S. Treasury securities (ICE BofAML 10-Year U.S. Treasury Index)	(2.74)	(0.47)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	(0.35)	2.15
Tax-exempt municipal bonds (S&P Municipal Bond Index)	0.01	3.41
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	1.94	6.60

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

Table of Contents

	Page
The Markets in Review	2
Semi-Annual Report:	
Fund Summaries	4
About Fund Performance	12
Disclosure of Expenses	12
Derivative Financial Instruments	12
Financial Statements:	
Schedule of Investments	13
Statements of Assets and Liabilities	31
Statements of Operations	32
Statement of Changes in Net Assets	33
Financial Highlights	35
Notes to Financial Statements	43
Trustee and Officer Information	51
Additional Information	52
Glossary of Terms Used in this Report	53

Go Paperless...

It's Easy, Economical and Green!



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

TO ENROLL IN ELECTRONIC DELIVERY:

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor. Please note that not all investment advisors, banks or brokerages may offer this service.

Shareholders Who Hold Accounts Directly with BlackRock:

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

Investment Objective

iShares Edge MSCI USA Momentum Factor Index Fund's (the "Fund") investment objective is to seek to track the investment results of an index that measures the performance of U.S. large- and mid-capitalization stocks exhibiting relatively higher momentum characteristics.

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended January 31, 2018, the Fund's Institutional Shares returned 21.82%, while Class K Shares returned 21.84%. The benchmark MSCI USA Momentum Index returned 22.06% for the same period.

Returns for the Fund's respective share classes differ from the benchmark index based on individual share-class expenses.

Describe the market environment.

Investors focused on sustained corporate earnings expansion, a subdued interest rate environment, and a healthy economic backdrop over threats from an increasingly hostile North Korea and a damaging hurricane season in the third quarter of 2017. This backdrop pushed volatility to the lowest levels in recorded history, with the CBOE Volatility Index (which shows the market's expectation of 30-day volatility) averaging a record low of 10.94 in the quarter.

Domestic rates moved modestly higher as investors balanced news on monetary, fiscal and geopolitical fronts. In the September Federal Open Market Committee ("FOMC") announcement, the committee announced they would keep interest rates unchanged and initiate their balance sheet normalization in October.

Additionally, amid short-term, hurricane-related inflationary and economic growth pressures, the FOMC found inflation to remain somewhat below 2% in the near term, and expected it to stabilize around 2% by 2019. Real gross domestic product ("GDP") growth was revised higher for 2017, from 2.2% to 2.4%. The ten-year U.S. Treasury yield ended the third quarter of 2017 two basis points higher at 2.33%.

The U.S. economy continued to demonstrate strength throughout the fourth quarter of 2017. Unemployment fell to 4.1%, the lowest level since 2000. Additional highlights that helped strengthen investor confidence in the macro picture included nominal third quarter GDP surging 4.1% year over year, real GDP increasing 2.3% year over year, and broad aggregate S&P 500 earnings growth of 6.6%.

This optimism was expressed throughout many soft indicators. For example, both the University of Michigan Consumer Sentiment Survey and the National Federation of Independent Business Small Business Optimism Index reached 13-year highs in the fourth quarter of 2017.

Describe recent portfolio activity.

During the period, as changes were made to the composition of the MSCI USA Momentum Index, the Fund purchased and sold securities to maintain its objective of replicating the risks and return of the benchmark index.

Describe portfolio positioning at period end.

The Fund remains positioned to match the risk characteristics of its benchmark index, irrespective of the market's future direction.

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

Portfolio Information

TEN LARGEST HOLDINGS

<i>Security</i>	<i>Percent of Net Assets</i>
Microsoft Corp.	5%
JPMorgan Chase & Co.	5
Apple, Inc.	4
Boeing Co.	4
NVIDIA Corp.	4
Bank of America Corp.	4
UnitedHealth Group, Inc.	4
Visa, Inc.	4
Mastercard, Inc.	3
Citigroup, Inc.	3

SECTOR ALLOCATION

<i>Sector</i>	<i>Percent of Net Assets</i>
Information Technology	38%
Financials	20
Health Care	16
Industrials	15
Consumer Discretionary	7
Short-Term Securities	2
Materials	1
Consumer Staples	1
Investment Companies	1
Real Estate ^(a)	—
Liabilities in Excess of Other Assets	(1)

^(a) Less than 1%.

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, 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.

Performance Summary for the Period Ended January 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^{(a)(b)}	
		1 Year	Since Inception ^(d)
Institutional	21.82%	43.73%	40.98%
Class K	21.84	43.79	41.04
MSCI USA Momentum Index^(c)	22.06	44.35	41.71

^(a) See "About Fund Performance" on page 12 for a detailed description of share classes, including any related fees.

^(b) The Fund generally invests at least 80% of its assets, plus the amount of any borrowing for investment purposes, in securities of the MSCI USA Momentum Index.

^(c) An index that is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum, while maintaining reasonably high trading liquidity, investment capacity and moderate index turnover.

^(d) The Fund commenced operations on December 20, 2016.

Past performance is not indicative of future results.

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

Expense Example

	Actual			Hypothetical ^(b)			Annualized Expense Ratio
	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	
Institutional	\$ 1,000.00	\$ 1,218.20	\$ 1.07	\$ 1,000.00	\$ 1,024.30	\$ 0.92	0.18%
Class K	1,000.00	1,218.40	0.84	1,000.00	1,024.45	0.77	0.15

^(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 184/365 (to reflect the one-half year period shown).

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

See "Disclosure of Expenses" on page 12 for further information on how expenses were calculated.

Investment Objective

iShares Edge MSCI USA Quality Factor Index Fund's (the "Fund") investment objective is to seek to track the investment results of an index that measures the performance of U.S. large- and mid-capitalization stocks as identified through three fundamental variables: return on equity, earnings variability and debt-to-equity.

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended January 31, 2018, the Fund's Institutional Shares returned 16.86%, while Class K Shares returned 16.77%. The benchmark MSCI USA Sector Neutral Quality Index returned 16.52% for the same period.

Returns for the Fund's respective share classes differ from the benchmark index based on individual share-class expenses.

Describe the market environment.

Investors focused on sustained corporate earnings expansion, a subdued interest rate environment, and a healthy economic backdrop over threats from an increasingly hostile North Korea and a damaging hurricane season in the third quarter of 2017. This backdrop pushed volatility to the lowest levels in recorded history, with the CBOE Volatility Index (which shows the market's expectation of 30-day volatility) averaging a record low of 10.94 in the quarter.

Domestic rates moved modestly higher as investors balanced news on monetary, fiscal and geopolitical fronts. In the September Federal Open Market Committee ("FOMC") announcement, the committee announced they would keep interest rates unchanged and initiate their balance sheet normalization in October.

Additionally, amid short-term, hurricane-related inflationary and economic growth pressures, the FOMC found inflation to remain somewhat below 2% in the near term, and expected it to stabilize around 2% by 2019. Real gross domestic product ("GDP") growth was revised higher for 2017, from 2.2% to 2.4%. The ten-year U.S. Treasury yield ended the third quarter of 2017 two basis points higher at 2.33%.

The U.S. economy continued to demonstrate strength throughout the fourth quarter of 2017. Unemployment fell to 4.1%, the lowest level since 2000. Additional highlights that helped strengthen investor confidence in the macro picture included nominal third quarter GDP surging 4.1% year over year, real GDP increasing 2.3% year over year, and broad aggregate S&P 500 earnings growth of 6.6%.

This optimism was expressed throughout many soft indicators. For example, both the University of Michigan Consumer Sentiment Survey and the National Federation of Independent Business Small Business Optimism Index reached 13-year highs in the fourth quarter of 2017.

Describe recent portfolio activity.

During the period, as changes were made to the composition of the MSCI USA Sector Neutral Quality Index, the Fund purchased and sold securities to maintain its objective of replicating the risks and return of the benchmark index.

Describe portfolio positioning at period end.

The Fund remains positioned to match the risk characteristics of its benchmark index, irrespective of the market's future direction.

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

Portfolio Information

TEN LARGEST HOLDINGS

<i>Security</i>	<i>Percent of Net Assets</i>
Apple, Inc.	5%
Altria Group, Inc.	5
Johnson & Johnson	4
Mastercard, Inc.	4
3M Co.	3
NVIDIA Corp.	3
International Business Machines Corp.	3
BlackRock, Inc.	3
Charles Schwab Corp.	3
Accenture PLC.	2

SECTOR ALLOCATION

<i>Sector</i>	<i>Percent of Net Assets</i>
Information Technology	25%
Financials	14
Health Care	13
Consumer Discretionary	13
Industrials	10
Consumer Staples	8
Energy	6
Materials	3
Utilities	3
Real Estate	3
Telecommunications Services	2
Investment Companies ^(a)	—
Short-Term Securities ^(a)	—

^(a) Less than 1%.

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, 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.

Performance Summary for the Period Ended January 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^{(a)(b)(c)}	
		1 Year	Since Inception ^(e)
Institutional	16.86%	28.54%	25.38%
Class K	16.77	28.60	25.43
MSCI USA Sector Neutral Quality Index^(d)	16.52	26.56	23.61

^(a) See "About Fund Performance" on page 12 for a detailed description of share classes, including any related fees.

^(b) The Fund generally invests at least 80% of its assets, plus the amount of any borrowing for investment purposes, in securities of the MSCI USA Sector Neutral Quality Index.

^(c) For the period from inception through September 1, 2017, the Fund was not managed to the MSCI USA Sector Neutral Quality Index and the Fund's total returns are the returns of the Fund when it inadvertently tracked the MSCI USA Quality Index.

^(d) An index that aims to capture the performance of securities that exhibit stronger quality characteristics relative to their peers within the same GICS[®] sector by identifying stocks with high quality scores based on three main fundamental variables: high return on equity, low leverage and low earnings variability.

^(e) The Fund commenced operations on December 20, 2016.

Past performance is not indicative of future results.

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

Expense Example

	Actual			Hypothetical ^(b)			Annualized Expense Ratio
	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	
Institutional	\$ 1,000.00	\$ 1,168.60	\$ 1.09	\$ 1,000.00	\$ 1,024.20	\$ 1.02	0.20%
Class K	1,000.00	1,167.70	0.82	1,000.00	1,024.45	0.77	0.15

^(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 184/365 (to reflect the one-half year period shown).

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

See "Disclosure of Expenses" on page 12 for further information on how expenses were calculated.

Investment Objective

iShares Edge MSCI USA Size Factor Index Fund's (the "Fund") investment objective is to seek to track the investment results of an index composed of U.S. large- and mid-capitalization stocks with relatively smaller average market capitalization.

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended January 31, 2018, the Fund's Institutional Shares returned 11.53%, while Class K Shares returned 11.56%. The benchmark MSCI USA Risk Weighted Index returned 11.61% for the same period.

Returns for the Fund's respective share classes differ from the benchmark index based on individual share-class expenses.

Describe the market environment.

Investors focused on sustained corporate earnings expansion, a subdued interest rate environment, and a healthy economic backdrop over threats from an increasingly hostile North Korea and a damaging hurricane season in the third quarter of 2017. This backdrop pushed volatility to the lowest levels in recorded history, with the CBOE Volatility Index (which shows the market's expectation of 30-day volatility) averaging a record low of 10.94 in the quarter.

Domestic rates moved modestly higher as investors balanced news on monetary, fiscal and geopolitical fronts. In the September Federal Open Market Committee ("FOMC") announcement, the committee announced they would keep interest rates unchanged and initiate their balance sheet normalization in October.

Additionally, amid short-term, hurricane-related inflationary and economic growth pressures, the FOMC found inflation to remain somewhat below 2% in the near term, and expected it to stabilize around 2% by 2019. Real gross domestic product ("GDP") growth was revised higher for 2017, from 2.2% to 2.4%. The ten-year U.S. Treasury yield ended the third quarter of 2017 two basis points higher at 2.33%.

The U.S. economy continued to demonstrate strength throughout the fourth quarter of 2017. Unemployment fell to 4.1%, the lowest level since 2000. Additional highlights that helped strengthen investor confidence in the macro picture included nominal third quarter GDP surging 4.1% year over year, real GDP increasing 2.3% year over year, and broad aggregate S&P 500 earnings growth of 6.6%.

This optimism was expressed throughout many soft indicators. For example, both the University of Michigan Consumer Sentiment Survey and the National Federation of Independent Business Small Business Optimism Index reached 13-year highs in the fourth quarter of 2017.

Describe recent portfolio activity.

During the period, as changes were made to the composition of the MSCI USA Risk Weighted Index, the Fund purchased and sold securities to maintain its objective of replicating the risks and return of the benchmark index.

Describe portfolio positioning at period end.

The Fund remains positioned to match the risk characteristics of its benchmark index, irrespective of the market's future direction.

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

Portfolio Information

TEN LARGEST HOLDINGS

Security	Percent of Net Assets
Republic Services, Inc.	0.5%
PepsiCo, Inc.	0.5
Coca-Cola Co.	0.4
Johnson & Johnson	0.4
Berkshire Hathaway, Inc.	0.4
Waste Management, Inc.	0.4
Dr. Pepper Snapple Group, Inc.	0.4
Travelers Cos., Inc.	0.4
Becton Dickinson & Co.	0.4
Procter & Gamble Co.	0.4

SECTOR ALLOCATION

Sector	Percent of Net Assets
Financials	17%
Industrials	15
Consumer Discretionary	14
Information Technology	13
Health Care	9
Consumer Staples	8
Utilities	7
Real Estate	7
Materials	5
Energy	3
Short-Term Securities	3
Telecommunication Services	1
Investment Companies ^(a)	—
Liabilities in Excess of Other Assets	(2)

^(a) Less than 1%.

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, 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.

Performance Summary for the Period Ended January 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^{(a)(b)}	
		1 Year	Since Inception ^(d)
Institutional	11.53%	21.11%	19.58%
Class K	11.56	21.17	19.63
MSCI USA Risk Weighted Index^(c)	11.61	21.41	19.92

^(a) See "About Fund Performance" on page 12 for a detailed description of share classes, including any related fees.

^(b) The Fund generally invests at least 80% of its assets, plus the amount of any borrowing for investment purposes, in securities of the MSCI USA Risk Weighted Index.

^(c) An index that seeks to emphasize stocks with lower historical return variance and tends to have a bias towards lower size and lower risk stocks.

^(d) The Fund commenced operations on December 20, 2016.

Past performance is not indicative of future results.

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

Expense Example

	Actual			Hypothetical ^(b)			Annualized Expense Ratio
	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	
Institutional	\$ 1,000.00	\$ 1,115.30	\$ 1.07	\$ 1,000.00	\$ 1,024.20	\$ 1.02	0.20%
Class K	1,000.00	1,115.60	0.80	1,000.00	1,024.45	0.77	0.15

^(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 184/365 (to reflect the one-half year period shown).

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

See "Disclosure of Expenses" on page 12 for further information on how expenses were calculated.

Investment Objective

iShares Edge MSCI USA Value Factor Index Fund's (the "Fund") investment objective is to seek to track the investment results of an index that measures the performance of U.S. large- and mid-capitalization stocks with value characteristics and relatively lower valuations.

Portfolio Management Commentary

How did the Fund perform?

For the six-month period ended January 31, 2018, the Fund's Institutional Shares returned 17.52%, while Class K Shares returned 17.54%. The benchmark MSCI USA Enhanced Value Index returned 17.70% for the same period.

Returns for the Fund's respective share classes differ from the benchmark index based on individual share-class expenses.

Describe the market environment.

Investors focused on sustained corporate earnings expansion, a subdued interest rate environment, and a healthy economic backdrop over threats from an increasingly hostile North Korea and a damaging hurricane season in the third quarter of 2017. This backdrop pushed volatility to the lowest levels in recorded history, with the CBOE Volatility Index (which shows the market's expectation of 30-day volatility) averaging a record low of 10.94 in the quarter.

Domestic rates moved modestly higher as investors balanced news on monetary, fiscal and geopolitical fronts. In the September Federal Open Market Committee ("FOMC") announcement, the committee announced they would keep interest rates unchanged and initiate their balance sheet normalization in October.

Additionally, amid short-term, hurricane-related inflationary and economic growth pressures, the FOMC found inflation to remain somewhat below 2% in the near term, and expected it to stabilize around 2% by 2019. Real gross domestic product ("GDP") growth was revised higher for 2017, from 2.2% to 2.4%. The ten-year U.S. Treasury yield ended the third quarter of 2017 two basis points higher at 2.33%.

The U.S. economy continued to demonstrate strength throughout the fourth quarter of 2017. Unemployment fell to 4.1%, the lowest level since 2000. Additional highlights that helped strengthen investor confidence in the macro picture included nominal third quarter GDP surging 4.1% year over year, real GDP increasing 2.3% year over year, and broad aggregate S&P 500 earnings growth of 6.6%.

This optimism was expressed throughout many soft indicators. For example, both the University of Michigan Consumer Sentiment Survey and the National Federation of Independent Business Small Business Optimism Index reached 13-year highs in the fourth quarter of 2017.

Describe recent portfolio activity.

During the period, as changes were made to the composition of the MSCI USA Enhanced Value Index, the Fund purchased and sold securities to maintain its objective of replicating the risks and return of the benchmark index.

Describe portfolio positioning at period end.

The Fund remains positioned to match the risk characteristics of its benchmark index, irrespective of the market's future direction.

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

Portfolio Information

TEN LARGEST HOLDINGS

<i>Security</i>	<i>Percent of Net Assets</i>
Apple, Inc.	9%
Intel Corp.	3
General Motors Co.	3
Pfizer, Inc.	3
Wal-Mart Stores, Inc.	3
Cisco Systems, Inc.	3
Bank of America Corp.	3
Gilead Sciences, Inc.	3
Chevron Corp.	3
JPMorgan Chase & Co.	3

SECTOR ALLOCATION

<i>Sector</i>	<i>Percent of Net Assets</i>
Information Technology	23%
Financials	15
Health Care	14
Consumer Discretionary	12
Industrials	10
Consumer Staples	8
Energy	6
Materials	3
Real Estate	3
Utilities	3
Telecommunication Services	2
Short-Term Securities	1
Investment Companies ^(a)	—

^(a) Less than 1%.

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, 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.

Performance Summary for the Period Ended January 31, 2018

	6-Month Total Returns	Average Annual Total Returns ^{(a)(b)}	
		1 Year	Since Inception ^(d)
Institutional	17.52%	25.43%	22.02%
Class K	17.54	25.49	22.07
MSCI USA Enhanced Value Index^(c)	17.70	25.79	22.45

^(a) See "About Fund Performance" on page 12 for a detailed description of share classes, including any related fees.

^(b) The Fund generally invests at least 80% of its assets, plus the amount of any borrowing for investment purposes, in securities of the MSCI USA Enhanced Value Index.

^(c) An index that is designed to represent the performance of securities that exhibit higher value characteristics relative to their peers within the corresponding GICS[®] sector.

^(d) The Fund commenced operations on December 20, 2016.

Past performance is not indicative of future results.

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

Expense Example

	Actual			Hypothetical ^(b)			Annualized Expense Ratio
	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	Beginning Account Value (08/01/17)	Ending Account Value (01/31/18)	Expenses Paid During the Period ^(a)	
Institutional	\$ 1,000.00	\$ 1,175.20	\$ 1.04	\$ 1,000.00	\$ 1,024.25	\$ 0.97	0.19%
Class K	1,000.00	1,175.40	0.82	1,000.00	1,024.45	0.77	0.15

^(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 184/365 (to reflect the one-half year period shown).

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

See "Disclosure of Expenses" on page 12 for further information on how expenses were calculated.

About Fund Performance

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

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

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

Disclosure of Expenses

Shareholders of the Funds may incur the following charges: (a) transactional expenses, such as sales charges; and (b) operating expenses, including investment advisory fees, service and distribution fees, including 12b-1 fees, acquired fund fees and expenses and other fund expenses. The expense examples shown on the previous pages, which are based on a hypothetical investment of \$1,000 invested on August 1, 2017 and held through January 31, 2018, are intended to assist shareholders both in calculating expenses based on an investment in each Fund and in comparing these expenses with similar costs of investing in other mutual funds.

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

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

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

Derivative Financial Instruments

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

Schedule of Investments (unaudited)

January 31, 2018

iShares Edge MSCI USA Momentum Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Common Stocks — 98.9%		
Aerospace & Defense — 5.9%		
Boeing Co.	1,786	\$ 632,905
Huntington Ingalls Industries, Inc.	72	17,103
Northrop Grumman Corp.	335	114,077
Rockwell Collins, Inc.	485	67,168
Spirit Aerosystems Holdings, Inc., Class A	327	33,472
		<u>864,725</u>
Banks — 13.3%		
Bank of America Corp.	18,790	601,280
Citigroup, Inc.	5,434	426,461
JPMorgan Chase & Co.	6,566	759,489
PNC Financial Services Group, Inc. ^(e)	896	141,586
SVB Financial Group ^(a)	100	24,655
		<u>1,953,471</u>
Beverages — 0.6%		
Constellation Brands, Inc., Class A	365	80,107
Biotechnology — 3.1%		
AbbVie, Inc.	3,727	418,244
Alnylam Pharmaceuticals, Inc. ^(a)	289	37,564
		<u>455,808</u>
Building Products — 0.2%		
Owens Corning	304	28,263
Capital Markets — 2.8%		
Ameriprise Financial, Inc.	328	55,334
BlackRock, Inc. ^(e)	246	138,203
Morgan Stanley	2,201	124,466
SEI Investments Co.	294	22,094
T. Rowe Price Group, Inc.	638	71,220
		<u>411,317</u>
Chemicals — 1.2%		
Albemarle Corp.	221	24,661
Chemours Co.	773	39,902
FMC Corp.	358	32,696
Sherwin-Williams Co.	196	81,754
		<u>179,013</u>
Commercial Services & Supplies — 1.0%		
Cintas Corp.	194	32,679
Rollins, Inc.	184	9,079
Waste Connections, Inc.	505	36,269
Waste Management, Inc.	783	69,241
		<u>147,268</u>
Communications Equipment — 0.6%		
Arista Networks, Inc. ^{(a)(b)}	136	37,511
Harris Corp.	289	46,061
		<u>83,572</u>
Consumer Finance — 1.0%		
American Express Co.	1,537	152,778
Containers & Packaging — 0.3%		
Avery Dennison Corp.	243	29,811
Packaging Corp. of America	153	19,222
		<u>49,033</u>
Diversified Financial Services — 0.5%		
Cboe Global Markets, Inc.	390	52,412
MSCI, Inc.	180	25,062
		<u>77,474</u>
Electrical Equipment — 0.7%		
AMETEK, Inc.	522	39,828

Security	Shares	Value
Electrical Equipment (continued)		
Rockwell Automation, Inc.	347	\$ 68,460
		<u>108,288</u>
Electronic Equipment, Instruments & Components — 1.7%		
Amphenol Corp., Class A	641	59,465
CDW Corp.	301	22,512
Cognex Corp.	562	35,052
FLIR Systems, Inc.	270	13,827
IPG Photonics Corp. ^(a)	147	37,037
TE Connectivity Ltd.	716	73,411
		<u>241,304</u>
Health Care Equipment & Supplies — 4.8%		
Abbott Laboratories	3,749	233,038
Align Technology, Inc. ^(a)	319	83,578
Baxter International, Inc.	945	68,068
Intuitive Surgical, Inc. ^{(a)(b)}	381	164,466
Stryker Corp.	640	105,203
Teleflex, Inc.	104	28,886
Varian Medical Systems, Inc. ^(a)	161	20,528
		<u>703,767</u>
Health Care Providers & Services — 6.7%		
Aetna, Inc.	791	147,775
Anthem, Inc.	629	155,898
Cigna Corp.	631	131,469
UnitedHealth Group, Inc.	2,293	542,936
		<u>978,078</u>
Hotels, Restaurants & Leisure — 3.9%		
Hilton Worldwide Holdings, Inc.	437	37,429
Marriott International, Inc., Class A	871	128,333
McDonald's Corp.	2,137	365,726
Vail Resorts, Inc.	77	16,829
Wyndham Worldwide Corp.	198	24,578
		<u>572,895</u>
Household Durables — 0.9%		
D.R. Horton, Inc.	819	40,172
NVR, Inc. ^(a)	15	47,672
PulteGroup, Inc.	664	21,135
Toll Brothers, Inc.	384	17,887
		<u>126,866</u>
Industrial Conglomerates — 2.8%		
3M Co.	1,393	348,947
Roper Technologies, Inc.	238	66,780
		<u>415,727</u>
Insurance — 2.4%		
Allstate Corp.	815	80,498
American Financial Group, Inc.	145	16,434
Aon PLC	586	83,312
FNF Group	595	23,193
Progressive Corp.	1,725	93,323
Reinsurance Group of America, Inc.	149	23,341
Torchmark Corp.	191	17,352
Unum Group	360	19,148
		<u>356,601</u>
Internet Software & Services — 0.4%		
CoStar Group, Inc. ^(a)	72	24,920
IAC/InterActiveCorp ^(a)	249	36,097
		<u>61,017</u>
IT Services — 11.1%		
Broadridge Financial Solutions, Inc.	247	23,813
Cognizant Technology Solutions Corp., Class A	1,213	94,590
DXC Technology Co.	495	49,277

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Momentum Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
IT Services (continued)		
Fiserv, Inc. ^(a)	344	\$ 48,449
Gartner, Inc. ^(a)	151	20,950
Global Payments, Inc.	323	36,105
Jack Henry & Associates, Inc.	160	19,946
Mastercard, Inc., Class A	2,528	427,232
PayPal Holdings, Inc. ^(a)	3,524	300,668
Square, Inc., Class A ^(a)	1,054	49,443
Total System Services, Inc.	361	32,078
Visa, Inc., Class A	4,200	521,766
		<u>1,624,317</u>
Leisure Products — 0.1%		
Polaris Industries, Inc.	122	13,787
Life Sciences Tools & Services — 1.3%		
Agilent Technologies, Inc.	810	59,478
IQVIA Holdings, Inc. ^(a)	337	34,438
Mettler-Toledo International, Inc. ^(a)	85	57,397
Waters Corp. ^(a)	154	33,204
		<u>184,517</u>
Machinery — 3.4%		
Caterpillar, Inc.	1,442	234,729
IDEX Corp.	194	27,835
Illinois Tool Works, Inc.	571	99,166
Parker-Hannifin Corp.	240	48,341
Stanley Black & Decker, Inc.	350	58,180
Xylem, Inc.	436	31,505
		<u>499,756</u>
Media — 0.1%		
Live Nation Entertainment, Inc. ^(a)	389	17,528
Personal Products — 0.4%		
Estee Lauder Cos., Inc., Class A	473	63,836
Professional Services — 0.3%		
ManpowerGroup, Inc.	137	18,000
TransUnion ^(a)	410	24,338
		<u>42,338</u>
Real Estate Investment Trusts (REITs) — 0.3%		
SBA Communications Corp. ^(a)	237	41,357
Road & Rail — 0.2%		
Old Dominion Freight Line, Inc.	161	23,578
Semiconductors & Semiconductor Equipment — 10.1%		
Applied Materials, Inc.	3,054	163,786
Broadcom Ltd.	645	159,979
Lam Research Corp.	561	107,443
Microchip Technology, Inc.	531	50,562
Micron Technology, Inc. ^(a)	3,190	139,467
NVIDIA Corp.	2,511	617,204
Texas Instruments, Inc.	1,907	209,140
Xilinx, Inc.	441	32,202
		<u>1,479,783</u>
Software — 9.9%		
Activision Blizzard, Inc.	1,343	99,556
Adobe Systems, Inc. ^(a)	1,338	267,279
ANSYS, Inc. ^(a)	211	34,108
Autodesk, Inc. ^(a)	456	52,723
Cadence Design Systems, Inc. ^(a)	857	38,445
Dell Technologies, Inc., Class V ^(a)	437	31,333
Microsoft Corp.	8,004	760,460
Red Hat, Inc. ^(a)	431	56,625
Synopsys, Inc. ^(a)	331	30,654
Take-Two Interactive Software, Inc. ^(a)	443	56,115

Security	Shares	Value
Software (continued)		
VMware, Inc., Class A ^{(a)(b)}	136	\$ 16,835
		<u>1,444,133</u>
Specialty Retail — 2.5%		
Home Depot, Inc.	1,852	372,067
Technology Hardware, Storage & Peripherals — 4.4%		
Apple, Inc.	3,886	650,633
Total Common Stocks — 98.9%		
(Cost — \$11,426,382)		<u>14,505,002</u>
Investment Companies — 0.9%		
United States — 0.9%		
iShares Edge MSCI USA Momentum Factor ETF ^(e)	1,190	132,816
Total Investment Companies — 0.9%		
(Cost — \$132,384)		<u>132,816</u>
Total Long-Term Investments — 99.8%		
(Cost — \$11,558,766)		<u>14,637,818</u>
Short-Term Securities — 1.6%		
BlackRock Cash Funds: Institutional, SL Agency Shares, 1.59% ^{(c)(d)(e)}	125,578	125,603
BlackRock Cash Funds: Treasury, SL Agency Shares, 1.28% ^{(d)(e)}	105,086	105,086
Total Short-Term Securities — 1.6%		
(Cost — \$230,687)		<u>230,689</u>
Total Investments — 101.4%		
(Cost — \$11,789,453)		<u>14,868,507</u>
Liabilities in Excess of Other Assets — (1.4%)		
		<u>(206,409)</u>
Net Assets — 100.0%		
		<u>\$14,662,098</u>

(a) Non-income producing security.

(b) Security, or a portion of the security, is on loan.

(c) Security was purchased with the cash collateral from loaned securities.

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

Schedule of Investments (unaudited) (continued)

iShares Edge MSCI USA Momentum Factor Index Fund

January 31, 2018

(e) During the period ended January 31, 2018, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

<i>Affiliated</i>	<i>Shares Held at 07/31/17</i>	<i>Shares Purchased</i>	<i>Shares Sold</i>	<i>Shares Held at 01/31/18</i>	<i>Value at 01/31/18</i>	<i>Income</i>	<i>Net Realized Gain (Loss) (a)</i>	<i>Change in Unrealized Appreciation (Depreciation)</i>
BlackRock Cash Funds: Institutional, SL Agency Shares	21,794	103,784 ^(b)	—	125,578	\$125,603	\$ 115 ^(c)	\$ (30)	\$ 4
BlackRock Cash Funds: Treasury, SL Agency Shares	126,013	—	(20,927) ^(d)	105,086	105,086	537	—	—
BlackRock, Inc.	—	259	(13)	246	138,203	607	199	14,768
PNC Financial Services Group, Inc.	1,369	93	(566)	896	141,586	1,721	12,445	19,753
iShares Edge MSCI USA Momentum Factor ETF	1,602	2,895	(3,307)	1,190	132,816	242	19,408	(11,724)
					<u>\$643,294</u>	<u>\$ 3,222</u>	<u>\$ 32,022</u>	<u>\$ 22,801</u>

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares purchased.

(c) 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.

(d) Represents net shares sold.

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.

Derivative Financial Instruments Categorized by Risk Exposure

For the six months ended January 31, 2018, the effect of derivative financial instruments in the Statements of Operations was as follows

	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
Net Realized Gain (Loss) from:							
Futures contracts	\$ —	\$ —	\$ 1,393	\$ —	\$ —	\$ —	\$1,393
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts	\$ —	\$ —	\$ 1,248	\$ —	\$ —	\$ —	\$1,248

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts — long	\$238,490 ^(a)

(a) Actual amounts for the period are shown due to limited outstanding derivative financial instruments as of each quarter end.

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

Fair Value Hierarchy as of Period End

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

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

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks ^(a)	\$14,505,002	\$ —	\$ —	\$14,505,002
Investment Companies	132,816	—	—	132,816
Short-Term Securities	230,689	—	—	230,689
	<u>\$14,868,507</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$14,868,507</u>

(a) See above Schedule of Investments for values in each sector.

During the six months ended January 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments (unaudited)

January 31, 2018

iShares Edge MSCI USA Quality Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Common Stocks — 99.2%		
Aerospace & Defense — 2.3%		
General Dynamics Corp.	574	\$ 127,703
Huntington Ingalls Industries, Inc.	100	23,754
Northrop Grumman Corp.	373	127,018
		278,475
Air Freight & Logistics — 0.4%		
C.H. Robinson Worldwide, Inc.	321	29,359
Expeditors International of Washington, Inc.	398	25,850
		55,209
Airlines — 0.1%		
Southwest Airlines Co.	303	18,422
Auto Components — 0.5%		
Aptiv PLC	598	56,738
Banks — 0.4%		
East West Bancorp, Inc.	724	47,719
Beverages — 0.4%		
Brown-Forman Corp., Class B	712	49,342
Biotechnology — 3.7%		
Biogen, Inc. ^(a)	469	163,123
Gilead Sciences, Inc.	2,731	228,858
Regeneron Pharmaceuticals, Inc. ^(a)	145	53,164
United Therapeutics Corp. ^(a)	101	13,029
		458,174
Building Products — 0.2%		
AO Smith Corp.	305	20,368
Capital Markets — 9.1%		
BlackRock, Inc. ^(e)	594	333,709
Charles Schwab Corp.	6,241	332,895
Eaton Vance Corp.	732	42,310
Franklin Resources, Inc.	1,719	72,903
SEI Investments Co.	912	68,537
T. Rowe Price Group, Inc.	1,749	195,241
TD Ameritrade Holding Corp.	1,307	72,917
		1,118,512
Chemicals — 2.9%		
Air Products & Chemicals, Inc.	298	50,174
Celanese Corp., Series A	219	23,687
International Flavors & Fragrances, Inc.	126	18,938
LyondellBasell Industries NV, Class A	753	90,240
Monsanto Co.	699	85,138
Sherwin-Williams Co.	201	83,839
		352,016
Commercial Services & Supplies — 0.1%		
Rollins, Inc.	236	11,644
Communications Equipment — 0.2%		
F5 Networks, Inc. ^(a)	167	24,138
Containers & Packaging — 0.2%		
Avery Dennison Corp.	154	18,893
Distributors — 0.2%		
Genuine Parts Co.	282	29,348
Diversified Telecommunication Services — 1.9%		
AT&T, Inc.	5,855	219,270
CenturyLink, Inc.	909	16,189
		235,459
Electric Utilities — 2.0%		
NextEra Energy, Inc.	1,264	200,243

Security	Shares	Value
Electric Utilities (continued)		
OGE Energy Corp.	588	\$ 18,933
Pinnacle West Capital Corp.	343	27,423
		246,599
Electrical Equipment — 0.6%		
Acuity Brands, Inc.	86	13,282
Rockwell Automation, Inc.	300	59,187
		72,469
Energy Equipment & Services — 0.9%		
Helmerich & Payne, Inc.	101	7,275
Schlumberger Ltd.	1,121	82,483
TechnipFMC PLC	455	14,769
		104,527
Food Products — 0.2%		
Campbell Soup Co.	587	27,325
Gas Utilities — 0.2%		
Atmos Energy Corp.	308	25,533
Health Care Equipment & Supplies — 2.0%		
Align Technology, Inc. ^(a)	168	44,016
Edwards Lifesciences Corp. ^(a)	465	58,860
Intuitive Surgical, Inc. ^(a)	208	89,787
ResMed, Inc.	230	23,182
Varian Medical Systems, Inc. ^(a)	198	25,245
		241,090
Health Care Providers & Services — 0.7%		
Henry Schein, Inc. ^(a)	310	23,461
McKesson Corp.	364	61,472
		84,933
Health Care Technology — 0.3%		
Cerner Corp. ^(a)	530	36,639
Hotels, Restaurants & Leisure — 1.9%		
Starbucks Corp.	4,142	235,307
Household Durables — 0.3%		
Leggett & Platt, Inc.	217	10,093
NVR, Inc. ^(a)	8	25,425
		35,518
Household Products — 1.9%		
Kimberly-Clark Corp.	1,969	230,373
Industrial Conglomerates — 3.4%		
3M Co.	1,650	413,325
Insurance — 5.0%		
Aflac, Inc.	1,875	165,375
Everest Re Group Ltd.	200	45,960
Marsh & McLennan Cos., Inc.	3,062	255,738
Principal Financial Group, Inc.	1,373	92,815
Torchmark Corp.	532	48,332
		608,220
Internet & Direct Marketing Retail — 1.5%		
Priceline Group, Inc. ^(a)	94	179,733
Internet Software & Services — 0.3%		
MercadoLibre, Inc.	90	34,839
IT Services — 11.4%		
Accenture PLC, Class A	1,830	294,081
Automatic Data Processing, Inc.	1,216	150,334
Broadridge Financial Solutions, Inc.	240	23,138
International Business Machines Corp.	2,077	340,005
Jack Henry & Associates, Inc.	175	21,816
Mastercard, Inc., Class A	2,922	493,818

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Quality Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
IT Services (continued)		
Paychex, Inc.	962	\$ 65,656
		1,388,848
Leisure Products — 0.2%		
Hasbro, Inc.	219	20,711
Life Sciences Tools & Services — 0.6%		
Mettler-Toledo International, Inc. ^(a)	70	47,268
Waters Corp. ^(a)	134	28,892
		76,160
Machinery — 1.8%		
Cummins, Inc.	312	58,656
Illinois Tool Works, Inc.	651	113,059
Middleby Corp. ^{(a)(b)}	115	15,670
Snap-on, Inc.	117	20,043
WABCO Holdings, Inc. ^(a)	104	16,057
		223,485
Media — 0.6%		
CBS Corp., Class B	700	40,327
Omnicom Group, Inc.	471	36,102
		76,429
Multi-Utilities — 0.6%		
Sempra Energy	663	70,954
Multiline Retail — 0.1%		
Nordstrom, Inc.	204	10,059
Oil, Gas & Consumable Fuels — 5.1%		
Chevron Corp.	1,753	219,739
Concho Resources, Inc. ^(a)	161	25,348
Exxon Mobil Corp.	2,920	254,916
Marathon Petroleum Corp.	448	31,033
Phillips 66	421	43,110
Valero Energy Corp.	488	46,833
		620,979
Personal Products — 0.7%		
Estee Lauder Cos., Inc., Class A	595	80,301
Pharmaceuticals — 6.0%		
Bristol-Myers Squibb Co.	3,219	201,510
Johnson & Johnson	3,864	533,966
		735,476
Professional Services — 0.1%		
Robert Half International, Inc.	301	17,422
Real Estate Investment Trusts (REITs) — 2.2%		
Camden Property Trust	259	22,419
Federal Realty Investment Trust	178	21,502
Liberty Property Trust	414	17,144
National Retail Properties, Inc.	415	16,467
Public Storage	681	133,313
Realty Income Corp. ^(b)	650	34,573
Regency Centers Corp.	372	23,403
		268,821
Real Estate Management & Development — 0.5%		
CBRE Group, Inc., Class A ^(a)	868	39,659
Jones Lang LaSalle, Inc.	147	22,983
		62,642
Road & Rail — 0.2%		
JB Hunt Transport Services, Inc.	193	23,320
Semiconductors & Semiconductor Equipment — 7.1%		
Applied Materials, Inc.	2,422	129,892
KLA-Tencor Corp.	348	38,210

Security	Shares	Value
Semiconductors & Semiconductor Equipment (continued)		
Maxim Integrated Products, Inc.	550	\$ 33,550
NVIDIA Corp.	1,408	346,086
Skyworks Solutions, Inc.	383	37,232
Texas Instruments, Inc.	2,592	284,265
		869,235
Software — 1.1%		
Intuit, Inc.	783	131,466
Specialty Retail — 4.9%		
Best Buy Co., Inc.	548	40,037
Gap, Inc.	482	16,022
Lowe's Cos., Inc.	1,802	188,723
O'Reilly Automotive, Inc. ^(a)	251	66,437
Ross Stores, Inc.	1,084	89,311
TJX Cos., Inc.	1,878	150,841
Tractor Supply Co.	306	23,333
Ulta Salon Cosmetics & Fragrance, Inc. ^(a)	134	29,761
		604,465
Technology Hardware, Storage & Peripherals — 4.7%		
Apple, Inc.	3,412	571,271
Textiles, Apparel & Luxury Goods — 2.5%		
lululemon athletica, Inc. ^(a)	211	16,502
Michael Kors Holdings Ltd. ^(a)	403	26,598
NIKE, Inc., Class B	3,040	207,389
VF Corp.	735	59,638
		310,127
Tobacco — 4.5%		
Altria Group, Inc.	7,872	553,716
Trading Companies & Distributors — 0.5%		
Fastenal Co.	652	35,834
W.W. Grainger, Inc.	98	26,427
		62,261
Total Common Stocks — 99.2%		
(Cost — \$10,187,590)		12,129,035
Investment Companies — 0.4%		
iShares Edge MSCI USA Quality Factor ETF ^(e)	630	54,615
Total Investment Companies — 0.4%		
(Cost — \$51,342)		54,615
Total Long-Term Investments — 99.6%		
(Cost — \$10,238,932)		12,183,650
Short-Term Securities — 0.6%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares,		
1.59% ^{(c)(d)(e)}	43,498	43,507
BlackRock Cash Funds: Treasury,		
SL Agency Shares,		
1.28% ^{(d)(e)}	31,362	31,362
Total Short-Term Securities — 0.6%		
(Cost — \$74,865)		74,869
Total Investments — 100.2%		
(Cost — \$10,313,797)		12,258,519
Liabilities in Excess of Other Assets — (0.2%)		
		(26,217)
Net Assets — 100.0%		
		\$12,232,302

^(a) Non-income producing security.

^(b) Security, or a portion of the security, is on loan.

January 31, 2018

(c) Security was purchased with the cash collateral from loaned securities.

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

(e) During the period ended January 31, 2018, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended were as follows:

<i>Affiliated</i>	<i>Shares Held at 07/31/17</i>	<i>Shares Purchased</i>	<i>Shares Sold</i>	<i>Shares Held at 01/31/18</i>	<i>Value at 01/31/18</i>	<i>Income</i>	<i>Net Realized Gain (Loss) (a)</i>	<i>Change in Unrealized Appreciation (Depreciation)</i>
BlackRock Cash Funds: Institutional, SL Agency Shares	—	43,498 ^(b)	—	43,498	\$ 43,507	\$ 49 ^(c)	\$ (10)	\$ 4
BlackRock Cash Funds: Treasury, SL Agency Shares	4,171	27,191 ^(b)	—	31,362	31,362	155	—	—
BlackRock, Inc.	—	614	(20)	594	333,709	1,535	305	81,124
iShares Edge MSCI USA Quality Factor ETF	261	1,703	(1,334)	630	54,615	455	4,315	3,051
					<u>\$463,193</u>	<u>\$ 2,194</u>	<u>\$ 4,610</u>	<u>\$ 84,179</u>

(a) Includes net capital gain distributions, if applicable.

(b) Represents net shares purchased.

(c) Represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

For Fund compliance purposes, the Fund's 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.

Fair Value Hierarchy as of Period End

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

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

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks ^(a)	\$12,129,035	\$ —	\$ —	\$12,129,035
Investment Companies	54,615	—	—	54,615
Short-Term Securities	74,869	—	—	74,869
	<u>\$12,258,519</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$12,258,519</u>

(a) See above Schedule of Investments for values in each sector.

During the six months ended January 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments (unaudited)

January 31, 2018

iShares Edge MSCI USA Size Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Common Stocks — 99.3%		
Aerospace & Defense — 2.5%		
Arconic, Inc.	246	\$ 7,395
Boeing Co.	60	21,262
General Dynamics Corp.	131	29,145
Huntington Ingalls Industries, Inc.	46	10,927
L3 Technologies, Inc.	113	24,008
Lockheed Martin Corp.	106	37,614
Northrop Grumman Corp.	104	35,415
Raytheon Co.	149	31,132
Rockwell Collins, Inc.	181	25,067
Spirit Aerosystems Holdings, Inc., Class A	194	19,858
Textron, Inc.	261	15,371
TransDigm Group, Inc.	56	17,747
United Technologies Corp.	206	28,430
		303,371
Air Freight & Logistics — 1.0%		
C.H. Robinson Worldwide, Inc.	273	24,969
Expeditors International of Washington, Inc.	530	34,488
FedEx Corp.	78	20,473
United Parcel Service, Inc., Class B	271	34,504
		114,434
Airlines — 0.3%		
American Airlines Group, Inc.	138	7,496
Delta Air Lines, Inc.	222	12,660
Southwest Airlines Co.	156	9,485
United Continental Holdings, Inc. ^(a)	130	8,816
		38,457
Auto Components — 0.7%		
Aptiv PLC	117	11,101
Autoliv, Inc.	107	16,286
BorgWarner, Inc.	169	9,508
Goodyear Tire & Rubber Co.	325	11,317
Johnson Controls International PLC	475	18,626
Lear Corp.	88	16,996
		83,834
Automobiles — 0.3%		
Ford Motor Co.	1,387	15,226
General Motors Co.	290	12,299
Harley-Davidson, Inc.	196	9,498
Tesla, Inc. ^{(a)(b)}	11	3,898
		40,921
Banks — 3.0%		
Bank of America Corp.	390	12,480
BB&T Corp.	448	24,725
CIT Group, Inc.	272	13,788
Citigroup, Inc.	209	16,402
Citizens Financial Group, Inc.	347	15,927
Comerica, Inc.	128	12,188
East West Bancorp, Inc.	194	12,787
Fifth Third Bancorp	448	14,829
First Republic Bank	181	16,209
Huntington Bancshares, Inc.	1,010	16,358
JPMorgan Chase & Co.	187	21,630
KeyCorp	689	14,745
M&T Bank Corp.	125	23,847
PNC Financial Services Group, Inc. ^(e)	161	25,441
Regions Financial Corp.	697	13,423
Signature Bank ^(a)	94	14,476
SunTrust Banks, Inc.	250	17,675
SVB Financial Group ^(a)	28	6,903
U.S. Bancorp	497	28,399

Security	Shares	Value
Banks (continued)		
Wells Fargo & Co.	375	\$ 24,667
Zions Bancorporation	197	10,644
		357,543
Beverages — 2.0%		
Brown-Forman Corp., Class B	424	29,383
Coca-Cola Co.	1,101	52,444
Constellation Brands, Inc., Class A	99	21,728
Dr. Pepper Snapple Group, Inc.	382	45,592
Molson Coors Brewing Co., Class B	199	16,720
Monster Beverage Corp. ^(a)	197	13,441
PepsiCo, Inc.	443	53,293
		232,601
Biotechnology — 0.9%		
AbbVie, Inc.	112	12,569
Alexion Pharmaceuticals, Inc. ^(a)	40	4,773
Alkermes PLC ^(a)	58	3,316
Alnylam Pharmaceuticals, Inc. ^(a)	20	2,599
Amgen, Inc.	84	15,628
Biogen, Inc. ^(a)	20	6,956
BioMarin Pharmaceutical, Inc. ^(a)	79	7,128
Celgene Corp. ^(a)	88	8,902
Gilead Sciences, Inc.	170	14,330
Incyte Corp. ^(a)	30	2,709
Regeneron Pharmaceuticals, Inc. ^(a)	15	5,500
Seattle Genetics, Inc. ^(a)	84	4,393
TESARO, Inc. ^{(a)(b)}	30	2,024
United Therapeutics Corp. ^(a)	59	7,611
Vertex Pharmaceuticals, Inc. ^(a)	32	5,340
		103,778
Building Products — 1.0%		
Allegion PLC	265	22,819
AO Smith Corp.	307	20,501
Fortune Brands Home & Security, Inc.	297	21,066
Lennox International, Inc.	111	24,188
Masco Corp.	385	17,239
Owens Corning	175	16,270
		122,083
Capital Markets — 2.5%		
Affiliated Managers Group, Inc.	55	10,980
Ameriprise Financial, Inc.	68	11,472
Bank of New York Mellon Corp.	357	20,242
BlackRock, Inc. ^(e)	44	24,719
Charles Schwab Corp.	206	10,988
CME Group, Inc.	140	21,487
E*Trade Financial Corp. ^(a)	201	10,593
Eaton Vance Corp.	321	18,554
Franklin Resources, Inc.	395	16,794
Goldman Sachs Group, Inc.	61	16,341
Invesco Ltd.	375	13,549
Morgan Stanley	230	13,006
Northern Trust Corp.	171	18,022
Raymond James Financial, Inc.	166	16,001
SEI Investments Co.	249	18,712
State Street Corp.	161	17,737
T. Rowe Price Group, Inc.	252	28,131
TD Ameritrade Holding Corp.	238	13,278
		300,606
Chemicals — 2.8%		
Air Products & Chemicals, Inc.	160	26,939
Albemarle Corp.	62	6,919
Axalta Coating Systems Ltd. ^(a)	341	10,741
Celanese Corp., Series A	142	15,359

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Size Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Chemicals (continued)		
CF Industries Holdings, Inc.	149	\$ 6,324
Chemours Co.	131	6,762
DowDuPont, Inc.	232	17,534
Eastman Chemical Co.	197	19,538
Ecolab, Inc.	265	36,485
FMC Corp.	111	10,138
International Flavors & Fragrances, Inc.	162	24,349
LyondellBasell Industries NV, Class A	106	12,703
Monsanto Co.	214	26,065
Mosaic Co.	384	10,510
PPG Industries, Inc.	199	23,627
Praxair, Inc.	208	33,590
Sherwin-Williams Co.	51	21,273
WR Grace & Co.	274	20,227
		329,083
Commercial Services & Supplies — 1.7%		
Cintas Corp.	167	28,131
Iron Mountain, Inc.	377	13,206
Republic Services, Inc.	798	54,971
Rollins, Inc.	533	26,298
Stericycle, Inc. ^(a)	187	14,093
Waste Connections, Inc.	341	24,491
Waste Management, Inc.	517	45,718
		206,908
Communications Equipment — 1.0%		
Arista Networks, Inc. ^(a)	28	7,723
Cisco Systems, Inc.	487	20,271
CommScope Holding Co., Inc. ^(a)	157	6,065
F5 Networks, Inc. ^(a)	132	19,079
Harris Corp.	133	21,198
Juniper Networks, Inc.	485	12,683
Motorola Solutions, Inc.	195	19,395
Palo Alto Networks, Inc. ^(a)	46	7,262
		113,676
Construction & Engineering — 0.2%		
Fluor Corp.	247	15,054
Jacobs Engineering Group, Inc.	212	14,725
		29,779
Construction Materials — 0.2%		
Martin Marietta Materials, Inc.	46	10,496
Vulcan Materials Co.	102	13,946
		24,442
Consumer Finance — 0.7%		
Ally Financial, Inc.	422	12,593
American Express Co.	205	20,377
Capital One Financial Corp.	148	15,386
Discover Financial Services	251	20,030
Synchrony Financial	299	11,864
		80,250
Containers & Packaging — 1.0%		
Avery Dennison Corp.	233	28,584
Ball Corp.	473	18,145
Crown Holdings, Inc. ^(a)	386	22,407
Packaging Corp. of America	124	15,578
Sealed Air Corp.	386	18,277
WestRock Co.	217	14,459
		117,450
Distributors — 0.3%		
Genuine Parts Co.	220	22,896
LKQ Corp. ^(a)	435	18,325
		41,221

Security	Shares	Value
Diversified Consumer Services — 0.1%		
H&R Block, Inc.	303	\$ 8,068
Diversified Financial Services — 1.9%		
Berkshire Hathaway, Inc., Class B ^(a)	222	47,592
Cboe Global Markets, Inc.	233	31,313
Intercontinental Exchange, Inc.	300	22,152
Leucadia National Corp.	517	14,022
Moody's Corp.	128	20,709
MSCI, Inc.	170	23,669
Nasdaq, Inc.	337	27,267
S&P Global, Inc.	133	24,086
Voya Financial, Inc.	226	11,732
		222,542
Diversified Telecommunication Services — 0.8%		
AT&T, Inc.	900	33,742
CenturyLink, Inc.	557	9,920
SBA Communications Corp. ^(a)	99	17,276
Verizon Communications, Inc.	581	31,415
Zayo Group Holdings, Inc. ^(a)	184	6,753
		99,106
Electric Utilities — 3.4%		
American Electric Power Co., Inc.	422	29,025
Duke Energy Corp.	406	31,871
Edison International	421	26,325
Entergy Corp.	334	26,283
Eversource Energy	515	32,491
Exelon Corp.	518	19,948
FirstEnergy Corp.	530	17,437
NextEra Energy, Inc.	238	37,704
OGE Energy Corp.	707	22,765
Pinnacle West Capital Corp.	369	29,502
PPL Corp.	809	25,815
Southern Co.	757	34,148
Westar Energy, Inc.	502	25,933
Xcel Energy, Inc.	770	35,189
		394,436
Electrical Equipment — 0.9%		
Acuity Brands, Inc.	50	7,722
AMETEK, Inc.	321	24,569
Eaton Corp. PLC	206	17,298
Emerson Electric Co.	289	20,875
Rockwell Automation, Inc.	91	17,953
Sensata Technologies Holding NV ^{(a)(b)}	289	16,256
		104,673
Electronic Equipment, Instruments & Components — 1.6%		
Amphenol Corp., Class A	354	32,841
Arrow Electronics, Inc. ^(a)	186	15,129
Avnet, Inc.	489	20,782
CDW Corp.	212	15,855
Cognex Corp.	114	7,110
Corning, Inc.	600	18,732
Flex Ltd. ^(a)	920	16,587
FLIR Systems, Inc.	313	16,029
IPG Photonics Corp. ^(a)	42	10,582
TE Connectivity Ltd.	226	23,172
Trimble, Inc. ^(a)	207	9,129
		185,948
Energy Equipment & Services — 0.5%		
Baker Hughes a GE Co.	287	9,227
Halliburton Co.	218	11,706
Helmerich & Payne, Inc.	64	4,610
National Oilwell Varco, Inc.	238	8,730

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Size Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Energy Equipment & Services (continued)		
Schlumberger Ltd.	254	\$ 18,689
TechnipFMC PLC	320	10,420
		63,382
Food & Staples Retailing — 1.2%		
Costco Wholesale Corp.	155	30,205
CVS Health Corp.	303	23,843
Kroger Co.	495	15,058
Sysco Corp.	477	29,989
Wal-Mart Stores, Inc.	240	25,584
Walgreens Boots Alliance, Inc.	265	19,944
		144,623
Food Products — 2.6%		
Archer-Daniels-Midland Co.	374	16,063
Bunge Ltd.	161	12,788
Campbell Soup Co.	410	19,086
Conagra Brands, Inc.	614	23,332
General Mills, Inc.	593	34,685
Hershey Co.	216	23,831
Hormel Foods Corp.	633	21,765
Ingredion, Inc.	155	22,264
J.M. Smucker Co.	176	22,333
Kellogg Co.	508	34,600
Kraft Heinz Co.	118	9,250
McCormick & Co., Inc.	278	30,238
Mondelez International, Inc., Class A	485	21,534
Tyson Foods, Inc., Class A	170	12,939
		304,708
Gas Utilities — 0.5%		
Atmos Energy Corp.	392	32,497
UGI Corp.	562	25,768
		58,265
Health Care Equipment & Supplies — 3.7%		
Abbott Laboratories	410	25,486
Align Technology, Inc. ^(a)	39	10,218
Baxter International, Inc.	444	31,981
Becton Dickinson & Co.	180	43,729
Boston Scientific Corp. ^(a)	723	20,243
Cooper Cos., Inc.	77	18,840
Danaher Corp.	416	42,132
Dentsply Sirona, Inc.	276	16,784
Edwards Lifesciences Corp. ^(a)	94	11,899
Hologic, Inc. ^(a)	459	19,599
IDEXX Laboratories, Inc. ^(a)	61	11,409
Intuitive Surgical, Inc. ^(a)	65	28,059
Medtronic PLC	376	32,295
ResMed, Inc.	193	19,452
Stryker Corp.	211	34,684
Teleflex, Inc.	78	21,665
Varian Medical Systems, Inc. ^{(a)(b)}	261	33,277
Zimmer Biomet Holdings, Inc.	156	19,831
		441,583
Health Care Providers & Services — 2.9%		
Aetna, Inc.	100	18,682
AmerisourceBergen Corp.	186	18,539
Anthem, Inc.	84	20,819
Cardinal Health, Inc.	312	22,398
Centene Corp. ^(a)	91	9,759
Cigna Corp.	80	16,668
DaVita, Inc. ^(a)	313	24,427
Envision Healthcare Corp. ^(a)	117	4,211
Express Scripts Holding Co. ^(a)	295	23,358
HCA Healthcare, Inc. ^(a)	238	24,076

Security	Shares	Value
Health Care Providers & Services (continued)		
Henry Schein, Inc. ^(a)	319	\$ 24,218
Humana, Inc.	45	12,682
Laboratory Corp. of America Holdings ^(a)	176	30,712
McKesson Corp.	79	13,342
Quest Diagnostics, Inc.	293	31,005
UnitedHealth Group, Inc.	128	30,308
Universal Health Services, Inc., Class B	179	21,748
		346,952
Health Care Technology — 0.2%		
Cerner Corp. ^(a)	216	15,001
Veeva Systems, Inc., Class A ^(a)	85	5,343
		20,344
Hotels, Restaurants & Leisure — 2.6%		
Aramark	712	32,662
Carnival Corp.	321	22,987
Chipotle Mexican Grill, Inc. ^(a)	30	9,743
Darden Restaurants, Inc.	259	24,825
Domino's Pizza, Inc.	55	11,927
Hilton Worldwide Holdings, Inc.	235	20,128
Las Vegas Sands Corp.	121	9,380
Marriott International, Inc., Class A	132	19,449
McDonald's Corp.	209	35,768
MGM Resorts International	254	9,258
Norwegian Cruise Line Holdings Ltd. ^(a)	167	10,143
Royal Caribbean Cruises Ltd.	85	11,352
Starbucks Corp.	396	22,497
Vail Resorts, Inc.	96	20,982
Wyndham Worldwide Corp.	143	17,750
Wynn Resorts Ltd.	27	4,471
Yum! Brands, Inc.	254	21,486
		304,808
Household Durables — 1.4%		
D.R. Horton, Inc.	273	13,391
Garmin Ltd.	226	14,224
Leggett & Platt, Inc.	578	26,929
Lennar Corp., Class A	244	15,289
Mohawk Industries, Inc. ^(a)	93	26,139
Newell Brands, Inc.	383	10,126
NVR, Inc. ^(a)	8	25,425
PulteGroup, Inc.	414	13,178
Toll Brothers, Inc.	308	14,347
Whirlpool Corp.	61	11,067
		170,115
Household Products — 1.8%		
Church & Dwight Co., Inc.	797	38,982
Clorox Co.	294	41,657
Colgate-Palmolive Co.	521	38,679
Kimberly-Clark Corp.	317	37,089
Procter & Gamble Co.	499	43,084
Spectrum Brands Holdings, Inc.	159	18,835
		218,326
Independent Power and Renewable Electricity Producers — 0.3%		
AES Corp.	1,280	14,808
Vistra Energy Corp. ^(a)	962	18,759
		33,567
Industrial Conglomerates — 1.0%		
3M Co.	159	39,829
General Electric Co.	939	15,200
Honeywell International, Inc.	183	29,220
Roper Technologies, Inc.	107	30,023
		114,272

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Size Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Insurance — 8.3%		
Aflac, Inc.	452	\$ 39,866
Alleghany Corp. ^(a)	48	30,130
Allstate Corp.	356	35,162
American Financial Group, Inc.	355	40,236
American International Group, Inc.	367	23,459
Aon PLC	250	35,543
Arch Capital Group Ltd. ^(a)	416	37,831
Arthur J Gallagher & Co.	563	38,464
Assurant, Inc.	181	16,558
Athene Holding Ltd., Class A ^(a)	253	12,690
Axis Capital Holdings Ltd.	658	33,299
Brighthouse Financial, Inc. ^(a)	225	14,459
Chubb Ltd.	273	42,629
Cincinnati Financial Corp.	444	34,144
Everest Re Group Ltd.	148	34,010
FNF Group	567	22,102
Hartford Financial Services Group, Inc.	448	26,324
Lincoln National Corp.	119	9,853
Loews Corp.	688	35,587
Markel Corp. ^(a)	35	40,169
Marsh & McLennan Cos., Inc.	485	40,507
MetLife, Inc.	252	12,114
Principal Financial Group, Inc.	246	16,630
Progressive Corp.	644	34,840
Prudential Financial, Inc.	132	15,684
Reinsurance Group of America, Inc.	225	35,246
RenaissanceRe Holdings Ltd.	328	41,702
Torchmark Corp.	435	39,520
Travelers Cos., Inc.	297	44,526
Unum Group	292	15,531
W.R. Berkley Corp.	555	40,504
Willis Towers Watson PLC	167	26,799
XL Group Ltd.	604	22,251
		988,369
Internet & Direct Marketing Retail — 0.6%		
Amazon.com, Inc. ^(a)	10	14,509
Expedia, Inc.	64	8,193
Liberty Interactive Corp QVC Group, Series A ^(a)	774	21,770
Netflix, Inc. ^(a)	24	6,487
Priceline Group, Inc. ^(a)	6	11,472
TripAdvisor, Inc. ^(a)	164	5,686
		68,117
Internet Software & Services — 1.2%		
Akamai Technologies, Inc. ^(a)	151	10,116
Alphabet, Inc., Class A ^(a)	14	16,551
Alphabet, Inc., Class C ^(a)	11	12,869
CoStar Group, Inc. ^(a)	46	15,921
eBay, Inc. ^(a)	306	12,458
Facebook, Inc., Class A ^(a)	102	19,063
IAC/InterActiveCorp ^(a)	84	12,178
MercadoLibre, Inc.	23	8,903
Twitter, Inc. ^(a)	104	2,684
VeriSign, Inc. ^{(a)(b)}	161	18,502
Zillow Group, Inc., Class C ^{(a)(b)}	188	8,358
		137,603
IT Services — 4.5%		
Accenture PLC, Class A	148	23,784
Alliance Data Systems Corp.	47	12,063
Automatic Data Processing, Inc.	217	26,828
Broadridge Financial Solutions, Inc.	305	29,405
Cognizant Technology Solutions Corp., Class A	208	16,220
DXC Technology Co.	69	6,869
Fidelity National Information Services, Inc.	299	30,606

Security	Shares	Value
IT Services (continued)		
First Data Corp., Class A ^(a)	496	\$ 8,779
Fiserv, Inc. ^(a)	276	38,872
FleetCor Technologies, Inc. ^(a)	65	13,812
Gartner, Inc. ^(a)	176	24,418
Global Payments, Inc.	165	18,444
International Business Machines Corp.	150	24,555
Jack Henry & Associates, Inc.	336	41,886
Leidos Holdings, Inc.	216	14,386
Mastercard, Inc., Class A	213	35,997
Paychex, Inc.	411	28,051
PayPal Holdings, Inc. ^(a)	98	8,361
Sabre Corp.	677	14,082
Square, Inc., Class A ^{(a)(b)}	160	7,506
Total System Services, Inc.	262	23,281
Visa, Inc., Class A	339	42,114
Western Union Co.	954	19,854
Worldpay, Inc., Class A ^(a)	292	23,450
		533,623
Leisure Products — 0.2%		
Hasbro, Inc.	132	12,483
Mattel, Inc.	264	4,198
Polaris Industries, Inc.	70	7,911
		24,592
Life Sciences Tools & Services — 1.2%		
Agilent Technologies, Inc.	313	23,057
Illumina, Inc. ^(a)	32	7,445
IQVIA Holdings, Inc. ^(a)	184	18,803
Mettler-Toledo International, Inc. ^(a)	41	27,686
Thermo Fisher Scientific, Inc.	149	33,392
Waters Corp. ^(a)	125	26,951
		137,334
Machinery — 3.0%		
AGCO Corp.	190	13,798
Caterpillar, Inc.	99	16,115
Cummins, Inc.	89	16,732
Deere & Co.	106	17,640
Dover Corp.	155	16,463
Flowserve Corp.	240	10,877
Fortive Corp.	129	9,807
IDEX Corp.	223	31,996
Illinois Tool Works, Inc.	164	28,482
Ingersoll-Rand PLC	222	21,008
Middleby Corp. ^{(a)(b)}	109	14,852
PACCAR, Inc.	233	17,372
Parker-Hannifin Corp.	105	21,149
Pentair PLC	203	14,514
Snap-on, Inc.	135	23,127
Stanley Black & Decker, Inc.	181	30,088
WABCO Holdings, Inc. ^(a)	89	13,741
Wabtec Corp.	173	14,020
Xylem, Inc.	349	25,291
		357,072
Media — 3.6%		
CBS Corp., Class B	311	17,917
Charter Communications, Inc., Class A ^{(a)(b)}	49	18,485
Comcast Corp., Class A	641	27,262
Discovery Communications, Inc., Class A ^{(a)(b)}	577	14,465
Discovery Communications, Inc., Class C ^(a)	622	14,841
DISH Network Corp., Class A ^(a)	252	11,819
IHS Markit Ltd. ^(a)	408	19,474
Interpublic Group of Cos., Inc.	1,013	22,196
Liberty Broadband Corp., Class C ^(a)	187	17,868

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Size Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Media (continued)		
Liberty Global PLC, Class A ^(a)	362	\$ 13,532
Liberty Global PLC, Class C ^(a)	283	10,120
Liberty Media Corp-Liberty Formula One, Class C ^{(a)(b)}	197	7,425
Liberty Media Corp. — Liberty SiriusXM, Class A ^(a)	452	20,345
Liberty Media Corp. — Liberty SiriusXM, Class C ^(a)	444	19,896
Live Nation Entertainment, Inc. ^(a)	383	17,258
News Corp., Class A	784	13,414
Omnicom Group, Inc.	479	36,715
Scripps Networks Interactive, Inc., Class A	133	11,703
Sirius XM Holdings, Inc. ^(b)	4,521	27,629
Time Warner, Inc.	219	20,882
Twenty-First Century Fox, Inc., Class A	499	18,413
Twenty-First Century Fox, Inc., Class B	470	17,150
Viacom, Inc., Class B	236	7,887
Walt Disney Co.	233	25,320
		432,016
Metals & Mining — 0.2%		
Freeport-McMoRan, Inc. ^(a)	89	1,736
Newmont Mining Corp.	122	4,942
Nucor Corp.	176	11,785
Steel Dynamics, Inc.	201	9,171
		27,634
Multi-Utilities — 2.8%		
Alliant Energy Corp.	608	24,168
Ameren Corp.	445	25,200
CenterPoint Energy, Inc.	974	27,476
CMS Energy Corp.	644	28,819
Consolidated Edison, Inc.	381	30,617
Dominion Energy, Inc.	417	31,875
DTE Energy Co.	326	34,439
NiSource, Inc.	668	16,511
PG&E Corp.	475	20,154
Public Service Enterprise Group, Inc.	479	24,846
SCANA Corp.	422	17,150
Sempra Energy	251	26,862
WEC Energy Group, Inc.	467	30,028
		338,145
Multiline Retail — 0.7%		
Dollar General Corp.	151	15,571
Dollar Tree, Inc. ^(a)	128	14,720
Kohl's Corp.	127	8,226
Macy's, Inc.	281	7,292
Nordstrom, Inc.	192	9,468
Target Corp.	300	22,641
		77,918
Oil, Gas & Consumable Fuels — 2.4%		
Anadarko Petroleum Corp.	122	7,326
Andeavor	87	9,410
Antero Resources Corp. ^(a)	370	7,209
Apache Corp.	140	6,282
Cabot Oil & Gas Corp.	264	6,956
Cheniere Energy, Inc. ^(a)	108	6,109
Chevron Corp.	149	18,677
Cimarex Energy Co.	83	9,313
Concho Resources, Inc. ^(a)	51	8,029
ConocoPhillips	156	9,174
Continental Resources, Inc. ^(a)	53	2,943
Devon Energy Corp.	148	6,123
Diamondback Energy, Inc. ^(a)	66	8,283
EOG Resources, Inc.	103	11,845
EQT Corp.	179	9,718
Exxon Mobil Corp.	349	30,468

Security	Shares	Value
Oil, Gas & Consumable Fuels (continued)		
Hess Corp.	110	\$ 5,556
HollyFrontier Corp.	146	7,002
Kinder Morgan, Inc.	422	7,606
Marathon Oil Corp.	155	2,819
Marathon Petroleum Corp.	123	8,520
Newfield Exploration Co. ^(a)	174	5,509
Noble Energy, Inc.	256	7,813
Occidental Petroleum Corp.	262	19,642
ONEOK, Inc.	89	5,239
Parsley Energy, Inc., Class A ^(a)	109	2,572
Phillips 66	161	16,486
Pioneer Natural Resources Co.	64	11,706
Plains GP Holdings LP, Class A ^(a)	206	4,384
Range Resources Corp.	239	3,406
Targa Resources Corp.	45	2,160
Valero Energy Corp.	137	13,148
Williams Cos., Inc.	108	3,390
		284,823
Paper & Forest Products — 0.2%		
International Paper Co.	315	19,864
Personal Products — 0.2%		
Coty, Inc., Class A	337	6,628
Estee Lauder Cos., Inc., Class A	175	23,618
		30,246
Pharmaceuticals — 1.7%		
Allergan PLC	60	10,816
Bristol-Myers Squibb Co.	219	13,709
Eli Lilly & Co.	234	19,059
Jazz Pharmaceuticals PLC ^(a)	55	8,016
Johnson & Johnson	348	48,090
Merck & Co., Inc.	455	26,959
Mylan NV ^(a)	143	6,128
Perrigo Co. PLC	83	7,521
Pfizer, Inc.	841	31,188
Zoetis, Inc.	340	26,088
		197,574
Professional Services — 0.8%		
Equifax, Inc.	117	14,617
ManpowerGroup, Inc.	106	13,927
Nielsen Holdings PLC	472	17,695
Robert Half International, Inc.	211	12,213
TransUnion ^(a)	154	9,141
Verisk Analytics, Inc. ^(a)	280	28,014
		95,607
Real Estate Investment Trusts (REITs) — 6.7%		
AGNC Investment Corp.	2,055	38,632
Alexandria Real Estate Equities, Inc.	192	24,902
American Tower Corp.	177	26,143
Annaly Capital Management, Inc.	3,080	32,474
AvalonBay Communities, Inc.	168	28,627
Boston Properties, Inc.	216	26,721
Brixmor Property Group, Inc.	960	15,581
Camden Property Trust	280	24,237
Colony NorthStar, Inc., Class A	805	7,229
Crown Castle International Corp.	255	28,756
Digital Realty Trust, Inc.	172	19,255
Duke Realty Corp.	788	20,811
Equinix, Inc.	50	22,760
Equity Residential	447	27,540
Essex Property Trust, Inc.	110	25,628
Extra Space Storage, Inc. ^(b)	186	15,527
Federal Realty Investment Trust	228	27,542

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Size Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Real Estate Investment Trusts (REITs) (continued)		
GGP, Inc.	624	\$ 14,371
HCP, Inc.	442	10,643
Host Hotels & Resorts, Inc.	585	12,145
Invitation Homes, Inc.	690	15,518
Kimco Realty Corp.	995	15,830
Liberty Property Trust	538	22,279
Macerich Co.	243	15,691
Mid-America Apartment Communities, Inc.	194	18,502
National Retail Properties, Inc.	409	16,229
Prologis, Inc.	357	23,244
Public Storage	109	21,338
Realty Income Corp. ^(b)	294	15,638
Regency Centers Corp.	390	24,535
Simon Property Group, Inc.	155	25,322
SL Green Realty Corp.	194	19,501
UDR, Inc.	728	26,594
Ventas, Inc.	259	14,496
VEREIT, Inc.	1,943	13,990
Vornado Realty Trust	308	22,077
Welltower, Inc.	242	14,513
Weyerhaeuser Co.	421	15,804
		790,625
Real Estate Management & Development — 0.2%		
CBRE Group, Inc., Class A ^(a)	307	14,073
Jones Lang LaSalle, Inc.	61	9,537
		23,610
Road & Rail — 1.1%		
AMERCO	42	15,333
CSX Corp.	180	10,219
JB Hunt Transport Services, Inc.	184	22,233
Kansas City Southern	124	14,028
Knight-Swift Transportation Holdings, Inc. ^(b)	235	11,750
Norfolk Southern Corp.	109	16,446
Old Dominion Freight Line, Inc.	116	16,988
Union Pacific Corp.	149	19,892
		126,889
Semiconductors & Semiconductor Equipment — 1.5%		
Advanced Micro Devices, Inc. ^(a)	209	2,872
Analog Devices, Inc.	159	14,609
Applied Materials, Inc.	195	10,458
Broadcom Ltd.	25	6,201
Intel Corp.	371	17,908
KLA-Tencor Corp.	108	11,858
Lam Research Corp.	56	10,725
Marvell Technology Group Ltd.	340	7,932
Maxim Integrated Products, Inc.	255	15,555
Microchip Technology, Inc. ^(b)	167	15,902
Micron Technology, Inc. ^(a)	99	4,328
NVIDIA Corp.	23	5,653
Qorvo, Inc. ^{(a)(b)}	49	3,517
QUALCOMM, Inc.	157	10,715
Skyworks Solutions, Inc.	65	6,319
Texas Instruments, Inc.	200	21,934
Xilinx, Inc.	249	18,182
		184,668
Software — 3.1%		
Activision Blizzard, Inc.	174	12,899
Adobe Systems, Inc. ^(a)	100	19,976
ANSYS, Inc. ^(a)	154	24,894
Autodesk, Inc. ^(a)	66	7,631
CA, Inc.	637	22,872
Cadence Design Systems, Inc. ^(a)	468	20,994

Security	Shares	Value
Software (continued)		
CDK Global, Inc.	299	\$ 21,316
Citrix Systems, Inc. ^(a)	189	17,532
Dell Technologies, Inc., Class V ^(a)	88	6,310
Electronic Arts, Inc. ^(a)	101	12,823
Fortinet, Inc. ^(a)	213	9,806
Intuit, Inc.	128	21,491
Microsoft Corp.	193	18,337
Oracle Corp.	379	19,553
Red Hat, Inc. ^(a)	103	13,532
salesforce.com, Inc. ^(a)	118	13,441
ServiceNow, Inc. ^(a)	62	9,230
Splunk, Inc. ^(a)	33	3,048
SS&C Technologies Holdings, Inc.	420	21,118
Symantec Corp.	484	13,207
Synopsys, Inc. ^(a)	310	28,709
Take-Two Interactive Software, Inc. ^(a)	112	14,187
VMware, Inc., Class A ^{(a)(b)}	89	11,017
Workday, Inc., Class A ^(a)	53	6,354
		370,277
Specialty Retail — 2.2%		
Advance Auto Parts, Inc.	107	12,518
AutoNation, Inc. ^(a)	210	12,646
AutoZone, Inc. ^(a)	36	27,556
Best Buy Co., Inc.	105	7,671
CarMax, Inc. ^(a)	140	9,992
Gap, Inc.	245	8,144
Home Depot, Inc.	188	37,769
L Brands, Inc.	181	9,066
Lowe's Cos., Inc.	287	30,057
O'Reilly Automotive, Inc. ^(a)	61	16,146
Ross Stores, Inc.	263	21,669
Tiffany & Co.	115	12,265
TJX Cos., Inc.	407	32,770
Tractor Supply Co.	171	13,039
Ulta Salon Cosmetics & Fragrance, Inc. ^(a)	56	12,438
		263,746
Technology Hardware, Storage & Peripherals — 0.6%		
Apple, Inc.	79	13,227
Hewlett Packard Enterprise Co.	534	8,774
HP, Inc.	443	10,331
NetApp, Inc.	162	9,963
Seagate Technology PLC	96	5,299
Western Digital Corp.	55	4,894
Xerox Corp.	425	14,505
		66,993
Textiles, Apparel & Luxury Goods — 0.9%		
Hanesbrands, Inc.	514	11,164
lululemon athletica, Inc. ^(a)	90	7,039
Michael Kors Holdings Ltd. ^(a)	65	4,290
NIKE, Inc., Class B	289	19,716
PVH Corp.	88	13,647
Ralph Lauren Corp.	69	7,887
Tapestry, Inc.	276	12,983
Under Armour, Inc., Class A ^{(a)(b)}	367	5,087
Under Armour, Inc., Class C ^{(a)(b)}	605	7,787
VF Corp.	237	19,230
		108,830
Thriffs & Mortgage Finance — 0.4%		
New York Community Bancorp, Inc.	1,617	22,911
People's United Financial, Inc.	1,259	24,764
		47,675

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Size Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Tobacco — 0.5%		
Altria Group, Inc.	444	\$ 31,302
Philip Morris International, Inc.	288	30,882
		<u>62,184</u>
Trading Companies & Distributors — 0.4%		
Fastenal Co.	342	18,851
HD Supply Holdings, Inc. ^(a)	203	7,895
United Rentals, Inc. ^(a)	26	4,709
W.W. Grainger, Inc.	82	22,112
		<u>53,567</u>
Transportation Infrastructure — 0.1%		
Macquarie Infrastructure Corp.	260	17,317
Water Utilities — 0.3%		
American Water Works Co., Inc.	400	33,351
Wireless Telecommunication Services — 0.2%		
Sprint Corp. ^{(a)(b)}	709	3,784
T-Mobile U.S., Inc. ^(a)	240	15,624
		<u>19,408</u>
Total Common Stocks — 99.3%		
(Cost — \$10,057,707)		<u>11,795,832</u>
Investment Companies — 0.3%		
iShares Edge MSCI USA Size Factor ETF ^(e)	408	35,402
Total Investment Companies — 0.3%		
(Cost — \$ 34,714)		<u>35,402</u>
Total Long-Term Investments — 99.6%		
(Cost — \$10,092,421)		<u>11,831,234</u>

Security	Shares	Value
Short-Term Securities — 2.5%		
BlackRock Cash Funds: Institutional, SL Agency Shares, 1.59% ^{(c)(d)(e)}	260,881	\$ 260,933
BlackRock Cash Funds: Treasury, SL Agency Shares, 1.28% ^{(d)(e)}	41,894	41,894
Total Short-Term Securities — 2.5%		
(Cost — \$302,817)		<u>302,827</u>
Total Investments — 102.1%		
(Cost — \$10,395,238)		12,134,061
Liabilities in Excess of Other Assets — (2.1)%		
		<u>(251,769)</u>
Net Assets — 100.0%		
		<u>\$11,882,292</u>

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

(e) During the period ended January 31, 2018, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated	Shares Held at 07/31/17	Shares Purchased	Shares Sold	Shares Held at 01/31/18	Value at 01/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares	204,556	56,325 ^(b)	—	260,881	\$260,933	\$ 644 ^(c)	\$ (23)	\$ 10
BlackRock Cash Funds: Treasury, SL Agency Shares	38,164	3,730 ^(b)	—	41,894	41,894	359	—	—
BlackRock, Inc.	44	—	—	44	24,719	220	—	5,952
PNC Financial Services Group, Inc.	179	—	(18)	161	25,441	255	405	4,512
iShares Edge MSCI USA Size Factor ETF	51	1,111	(754)	408	35,402	250	991	480
					<u>\$388,389</u>	<u>\$ 1,728</u>	<u>\$ 1,373</u>	<u>\$ 10,954</u>

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

For Fund compliance purposes, the Fund's 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.

January 31, 2018

Fair Value Hierarchy as of Period End

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

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

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks ^(a)	\$11,795,832	\$ —	\$ —	\$11,795,832
Investment Companies	35,402	—	—	35,402
Short-Term Securities	302,827	—	—	302,827
	<u>\$12,134,061</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$12,134,061</u>

^(a) See above Schedule of Investments for values in each sector.

During the six months ended January 31, 2018, there were no transfers between levels.

See notes to financial statements.

Schedule of Investments (unaudited)

January 31, 2018

iShares Edge MSCI USA Value Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Common Stocks — 99.1%		
Aerospace & Defense — 0.2%		
Spirit Aerosystems Holdings, Inc., Class A	190	\$ 19,448
Air Freight & Logistics — 1.2%		
FedEx Corp.	567	148,826
Airlines — 3.0%		
American Airlines Group, Inc.	1,442	78,330
Delta Air Lines, Inc.	2,383	135,283
Southwest Airlines Co.	1,434	87,187
United Continental Holdings, Inc. ^(a)	1,000	67,820
		368,620
Auto Components — 1.1%		
BorgWarner, Inc.	527	29,649
Goodyear Tire & Rubber Co.	1,313	45,719
Lear Corp.	307	59,294
		134,662
Automobiles — 5.3%		
Ford Motor Co.	21,495	235,800
General Motors Co.	9,530	404,167
		639,967
Banks — 8.8%		
Bank of America Corp.	11,217	358,944
CIT Group, Inc.	159	8,060
Citigroup, Inc.	3,889	305,209
Citizens Financial Group, Inc.	595	27,311
JPMorgan Chase & Co.	2,708	313,234
Regions Financial Corp.	1,188	22,845
SunTrust Banks, Inc.	415	29,340
		1,064,943
Biotechnology — 2.9%		
Gilead Sciences, Inc.	3,986	334,027
United Therapeutics Corp. ^(a)	98	12,642
		346,669
Building Products — 0.2%		
Owens Corning	214	19,896
Capital Markets — 1.4%		
Goldman Sachs Group, Inc.	378	101,262
Morgan Stanley	1,312	74,194
		175,456
Chemicals — 1.5%		
Celanese Corp., Series A	183	19,793
Eastman Chemical Co.	302	29,952
LyondellBasell Industries NV, Class A	868	104,021
Mosaic Co.	985	26,891
		180,657
Communications Equipment — 3.3%		
Cisco Systems, Inc.	9,105	378,222
Juniper Networks, Inc.	764	19,978
		398,200
Construction & Engineering — 1.0%		
Fluor Corp.	758	46,011
Jacobs Engineering Group, Inc.	1,149	79,809
		125,820
Consumer Finance — 0.8%		
Ally Financial, Inc.	837	24,918
Capital One Financial Corp.	748	77,762
		102,680
Containers & Packaging — 0.3%		
WestRock Co.	567	37,779

Security	Shares	Value
Diversified Financial Services — 0.2%		
Leucadia National Corp.	234	\$ 6,334
Voya Financial, Inc.	414	21,491
		27,825
Diversified Telecommunication Services — 1.9%		
AT&T, Inc.	5,643	211,330
CenturyLink, Inc.	1,269	22,601
		233,931
Electric Utilities — 2.0%		
Entergy Corp.	481	37,850
Exelon Corp.	3,747	144,297
FirstEnergy Corp.	1,128	37,111
PG&E Corp.	526	22,318
		241,576
Electronic Equipment, Instruments & Components — 0.8%		
Arrow Electronics, Inc. ^(a)	181	14,723
Avnet, Inc.	217	9,222
Corning, Inc.	1,830	57,133
Flex Ltd. ^(a)	1,041	18,748
		99,826
Energy Equipment & Services — 0.6%		
Baker Hughes a GE Co.	644	20,705
National Oilwell Varco, Inc.	586	21,494
TechnipFMC PLC	864	28,045
		70,244
Food & Staples Retailing — 6.0%		
CVS Health Corp.	2,401	188,935
Kroger Co.	2,411	73,198
Wal-Mart Stores, Inc.	3,665	390,689
Walgreens Boots Alliance, Inc.	996	74,959
		727,781
Food Products — 1.9%		
Archer-Daniels-Midland Co.	1,847	79,329
Bunge Ltd.	584	46,387
Ingredion, Inc.	96	13,789
J.M. Smucker Co.	240	30,454
Tyson Foods, Inc., Class A	814	61,953
		231,912
Health Care Providers & Services — 6.0%		
Aetna, Inc.	643	120,125
AmerisourceBergen Corp.	408	40,665
Anthem, Inc.	550	136,317
Cardinal Health, Inc.	554	39,772
Centene Corp. ^(a)	458	49,116
Cigna Corp.	476	99,175
DaVita, Inc. ^(a)	142	11,082
Envision Healthcare Corp. ^(a)	261	9,393
Express Scripts Holding Co. ^(a)	1,610	127,480
McKesson Corp.	460	77,685
Universal Health Services, Inc., Class B	179	21,748
		732,558
Hotels, Restaurants & Leisure — 0.7%		
Carnival Corp.	1,216	87,078
Household Durables — 0.4%		
Whirlpool Corp.	253	45,899
Independent Power and Renewable Electricity Producers — 0.2%		
AES Corp.	1,881	21,744
Insurance — 3.1%		
Aflac, Inc.	324	28,577
American International Group, Inc.	1,374	87,762

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Value Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Insurance (continued)		
Athene Holding Ltd., Class A ^(a)	94	\$ 4,715
Axis Capital Holdings Ltd.	72	3,638
Brighthouse Financial, Inc. ^(a)	184	11,824
Everest Re Group Ltd.	32	7,354
Hartford Financial Services Group, Inc.	378	22,211
Lincoln National Corp.	325	26,910
Loews Corp.	295	15,237
MetLife, Inc.	1,364	65,567
Prudential Financial, Inc.	634	75,332
Unum Group	239	12,712
XL Group Ltd.	296	10,905
		372,744
IT Services — 1.4%		
Alliance Data Systems Corp.	42	10,780
DXC Technology Co.	492	48,979
International Business Machines Corp.	712	116,554
		176,313
Machinery — 1.4%		
AGCO Corp.	597	43,354
Cummins, Inc.	668	125,584
		168,938
Media — 0.8%		
Discovery Communications, Inc., Class A ^{(a)(b)}	291	7,295
Discovery Communications, Inc., Class C ^(a)	397	9,473
News Corp., Class A	2,184	37,368
Viacom, Inc., Class B	1,123	37,531
		91,667
Metals & Mining — 1.3%		
Freeport-McMoRan, Inc. ^(a)	2,996	58,422
Newmont Mining Corp.	954	38,646
Nucor Corp.	578	38,703
Steel Dynamics, Inc.	364	16,526
		152,297
Multi-Utilities — 0.6%		
Public Service Enterprise Group, Inc.	1,154	59,858
SCANA Corp.	204	8,291
		68,149
Multiline Retail — 2.0%		
Kohl's Corp.	1,004	65,029
Macy's, Inc.	1,575	40,871
Nordstrom, Inc.	365	17,998
Target Corp.	1,667	125,392
		249,290
Oil, Gas & Consumable Fuels — 5.3%		
Andeavor	289	31,258
Antero Resources Corp. ^(a)	404	7,850
Chevron Corp.	2,612	327,414
HollyFrontier Corp.	349	16,738
Marathon Petroleum Corp.	887	61,443
Phillips 66	642	65,741
Plains GP Holdings LP, Class A ^(a)	196	4,171
Range Resources Corp.	240	3,420
Valero Energy Corp.	1,257	120,634
		638,669
Paper & Forest Products — 0.3%		
International Paper Co.	515	32,373
Personal Products — 0.1%		
Coty, Inc., Class A	655	12,845

Security	Shares	Value
Pharmaceuticals — 5.1%		
Allergan PLC	792	\$ 142,766
Mylan NV ^(a)	1,435	61,490
Perrigo Co. PLC	230	20,842
Pfizer, Inc.	10,625	393,550
		618,648
Professional Services — 0.2%		
ManpowerGroup, Inc.	225	29,563
Real Estate Investment Trusts (REITs) — 3.0%		
AGNC Investment Corp.	650	12,214
Annaly Capital Management, Inc.	1,628	17,159
Colony NorthStar, Inc., Class A	2,733	24,542
HCP, Inc.	1,755	42,260
Host Hotels & Resorts, Inc.	9,143	189,809
National Retail Properties, Inc.	481	19,086
VEREIT, Inc.	8,022	57,758
		362,828
Road & Rail — 2.0%		
AMERCO	25	9,127
Knight-Swift Transportation Holdings, Inc. ^(b)	187	9,311
Norfolk Southern Corp.	1,501	226,471
		244,909
Semiconductors & Semiconductor Equipment — 6.0%		
Intel Corp.	8,423	405,483
Lam Research Corp.	215	41,177
Micron Technology, Inc. ^(a)	3,315	144,932
Qorvo, Inc. ^{(a)(b)}	268	19,234
QUALCOMM, Inc.	1,814	123,806
		734,632
Software — 0.3%		
CA, Inc.	529	18,965
Dell Technologies, Inc., Class V ^(a)	177	12,691
		31,656
Specialty Retail — 1.1%		
Best Buy Co., Inc.	1,443	105,426
Gap, Inc.	1,021	33,938
		139,364
Technology Hardware, Storage & Peripherals — 11.6%		
Apple, Inc.	6,655	1,114,247
Hewlett Packard Enterprise Co.	4,446	72,914
HP, Inc.	2,718	63,384
NetApp, Inc.	621	38,191
Seagate Technology PLC	661	36,487
Western Digital Corp.	722	64,244
Xerox Corp.	606	20,683
		1,410,150
Textiles, Apparel & Luxury Goods — 0.7%		
Michael Kors Holdings Ltd. ^(a)	471	31,086
PVH Corp.	244	37,839
Ralph Lauren Corp.	125	14,289
		83,214
Trading Companies & Distributors — 1.1%		
United Rentals, Inc. ^(a)	712	128,950
Total Common Stocks		
(Cost — \$9,975,480) — 99.1%		12,031,196

Schedule of Investments (unaudited) (continued)

January 31, 2018

iShares Edge MSCI USA Value Factor Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Investment Companies — 0.4%		
iShares Edge MSCI USA Value Factor ETF ^(e)	552	\$ 48,173
Total Investment Companies — 0.4%		
(Cost — \$43,814)		48,173
Total Long-Term Investments		
(Cost — \$10,019,294) — 99.5%	12,079,369	

Security	Shares	Value
Short-Term Securities		
BlackRock Cash Funds: Institutional, SL Agency Shares, 1.59% ^{(c)(d)(e)}	35,628	\$ 35,635
BlackRock Cash Funds: Treasury, SL Agency Shares, 1.28% ^{(d)(e)}	34,527	34,527
Total Short-Term Securities		
(Cost — \$70,161) — 0.6%		70,162
Total Investments		
(Cost — \$10,089,455) — 100.1%		12,149,531
Liabilities in Excess of Other Assets — (0.1)%		(12,111)
Net Assets — 100.0%		\$12,137,420

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

(e) During the period ended January 31, 2018, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated	Shares Held at 07/31/17	Shares Purchased	Shares Sold	Shares Held at 01/31/18	Value at 01/31/18	Income	Net Realized Gain (Loss) ^(a)	Change in Unrealized Appreciation (Depreciation)
BlackRock Cash Funds: Institutional, SL Agency Shares	—	35,628 ^(b)	—	35,628	\$ 35,635	\$ 14 ^(c)	\$ (1)	\$ 1
BlackRock Cash Funds: Treasury, SL Agency Shares	8,233	26,294 ^(b)	—	34,527	34,527	155	—	—
iShares Edge MSCI USA Value Factor ETF	694	1,706	(1,848)	552	48,173	845	9,921	3,195
					<u>\$118,335</u>	<u>\$ 1,014</u>	<u>\$ 9,920</u>	<u>\$ 3,196</u>

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

For Fund compliance purposes, the Fund's 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.

Derivative Financial Instruments Categorized by Risk Exposure

For the six months ended January 31, 2018, the effect of derivative financial instruments in the Statements 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	—	—	\$ 6,255	—	—	—	\$6,255

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts — long	\$140,345 ^(a)

(a) Actual amounts for the period are shown due to limited outstanding derivative financial instruments as of each quarter end.

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

January 31, 2018

Fair Value Hierarchy as of Period End

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

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

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments:				
Common Stocks ^(a)	\$12,031,196	\$ —	\$ —	\$12,031,196
Investment Companies	48,173	—	—	48,173
Short-Term Securities	70,162	—	—	70,162
	<u>\$12,149,531</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$12,149,531</u>

^(a) See above Schedule of Investments for values in each sector.

During the six months ended January 31, 2018, there were no transfers between levels.

See notes to financial statements

Statements of Assets and Liabilities (unaudited)

January 31, 2018

	iShares Edge MSCI USA Momentum Factor Index Fund	iShares Edge MSCI USA Quality Factor Index Fund	iShares Edge MSCI USA Size Factor Index Fund	iShares Edge MSCI USA Value Factor Index Fund
ASSETS				
Investments at value — unaffiliated ^(a)	\$14,225,213	\$12,129,035	\$11,745,672	\$12,031,196
Investments at value — affiliated ^(b)	643,294	129,484	388,389	118,335
Cash	—	—	—	32
Receivables:				
Investment adviser	30,456	30,952	29,649	30,959
Dividends — unaffiliated	8,718	11,003	7,571	11,764
Capital shares sold	2,672	—	—	—
Dividends — affiliated	117	39	166	73
Securities lending income — affiliated	14	8	95	5
Investments sold	—	—	62	59
Prepaid expenses	22,573	22,569	22,566	22,567
Total assets	14,933,057	12,323,090	12,194,170	12,214,990
LIABILITIES				
Cash collateral on securities loaned at value ^(c)	125,606	43,512	260,946	35,633
Payables:				
Investments purchased	89,502	—	—	—
Professional fees	19,445	25,823	22,531	18,965
Offering costs payable	16,824	2,919	6,576	3,820
Printing fees	12,942	12,708	12,904	12,925
Trustees' and Officer's fees	2,981	2,968	2,930	2,975
Capital shares redeemed	905	—	—	—
Other accrued expenses	2,754	2,858	5,991	3,252
Total liabilities	270,959	90,788	311,878	77,570
NET ASSETS	\$14,662,098	\$12,232,302	\$11,882,292	\$12,137,420
NET ASSETS CONSIST OF				
Paid-in capital	\$10,946,561	\$10,022,961	\$ 9,996,493	\$ 9,996,449
Undistributed net investment income	7,857	7,181	5,507	12,041
Accumulated net realized gain	628,626	257,438	141,469	68,854
Net unrealized appreciation (depreciation)	3,079,054	1,944,722	1,738,823	2,060,076
NET ASSETS	\$14,662,098	\$12,232,302	\$11,882,292	\$12,137,420
NET ASSET VALUE				
Institutional:				
Net assets	\$ 1,089,020	\$ 122,017	\$ 118,816	\$ 121,370
Shares outstanding ^(d)	79,790	10,000	10,000	10,000
Net asset value	\$ 13.65	\$ 12.20	\$ 11.88	\$ 12.14
Class K:				
Net assets	\$13,573,078	\$12,110,285	\$11,763,476	\$12,016,050
Shares outstanding ^(d)	994,370	992,435	990,000	990,000
Net asset value	\$ 13.65	\$ 12.20	\$ 11.88	\$ 12.14
(a) Investments at cost — unaffiliated	\$11,194,937	\$10,187,590	\$10,021,166	\$ 9,975,480
(b) Investments at cost — affiliated	\$ 594,516	\$ 126,207	\$ 374,072	\$ 113,975
(c) Securities loaned at value	\$ 122,983	\$ 42,797	\$ 256,565	\$ 35,840
(d) Unlimited number of shares authorized, \$0.001 par value.				

See notes to financial statements.

Statements of Operations (unaudited)

Six Months Ended January 31, 2018

	iShares Edge MSCI USA Momentum Factor Index Fund	iShares Edge MSCI USA Quality Factor Index Fund	iShares Edge MSCI USA Size Factor Index Fund	iShares Edge MSCI USA Value Factor Index Fund
INVESTMENT INCOME				
Dividends — unaffiliated	\$ 87,704	\$ 116,033	\$ 109,687	\$ 137,905
Dividends — affiliated	3,107	2,145	1,084	1,000
Securities lending income — affiliated — net	115	49	644	14
Foreign taxes withheld	(32)	(5)	(21)	—
Total investment income	<u>90,894</u>	<u>118,222</u>	<u>111,394</u>	<u>138,919</u>
EXPENSES				
Offering	24,700	24,700	24,700	24,700
Professional	22,908	22,632	22,724	22,632
Registration	11,638	11,638	11,638	11,638
Investment advisory	5,207	4,668	4,518	4,515
Printing	4,140	4,324	4,140	4,140
Trustees and Officer	4,048	4,048	4,048	4,048
Custodian	920	552	1,288	644
Transfer agent — class specific	43	37	43	31
Miscellaneous	4,009	4,005	4,004	4,006
Total expenses	<u>77,613</u>	<u>76,604</u>	<u>77,103</u>	<u>76,354</u>
Less:				
Fees waived and/or reimbursed by the Manager	(67,588)	(67,599)	(68,375)	(67,641)
Transfer agent fees waived and/or reimbursed — class specific	(8)	(11)	(15)	(10)
Total expenses after fees waived and/or reimbursed	<u>10,017</u>	<u>8,994</u>	<u>8,713</u>	<u>8,703</u>
Net investment income	<u>80,877</u>	<u>109,228</u>	<u>102,681</u>	<u>130,216</u>
REALIZED AND UNREALIZED GAIN (LOSS)				
Net realized gain (loss) from:				
Investments — unaffiliated	610,963	485,901	163,914	69,751
Investments — affiliated	32,022	4,610	1,373	9,920
Futures contracts	1,393	—	—	6,255
	<u>644,378</u>	<u>490,511</u>	<u>165,287</u>	<u>85,926</u>
Net change in unrealized appreciation (depreciation) on:				
Investments — unaffiliated	1,856,358	1,133,779	961,340	1,609,138
Investments — affiliated	22,801	84,179	10,954	3,196
Futures contracts	1,248	—	—	—
	<u>1,880,407</u>	<u>1,217,958</u>	<u>972,294</u>	<u>1,612,334</u>
Net realized and unrealized gain	<u>2,524,785</u>	<u>1,708,469</u>	<u>1,137,581</u>	<u>1,698,260</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$2,605,662</u>	<u>\$1,817,697</u>	<u>\$1,240,262</u>	<u>\$1,828,476</u>

See notes to financial statements.

Statements of Changes in Net Assets

	iShares Edge MSCI USA Momentum Factor Index Fund		iShares Edge MSCI USA Quality Factor Index Fund	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17	Six Months Ended 01/31/18 (unaudited)	Period from 12/31/16 ^(a) to 07/31/17
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 80,877	\$ 86,791	\$ 109,228	\$ 105,272
Net realized gain	644,378	754,112	490,511	186,305
Net change in unrealized appreciation (depreciation)	1,880,407	1,198,647	1,217,958	726,764
Net increase in net assets resulting from operations	<u>2,605,662</u>	<u>2,039,550</u>	<u>1,817,697</u>	<u>1,018,341</u>
DISTRIBUTIONS TO SHAREHOLDERS^(b)				
From net investment income:				
Institutional	(1,127)	(743)	(1,153)	(902)
Class K	(85,375)	(76,367)	(116,847)	(92,099)
From net realized gain:				
Institutional	(12,134)	—	(4,184)	—
Class K	(757,730)	—	(415,194)	—
Decrease in net assets resulting from distributions to shareholders	<u>(856,366)</u>	<u>(77,110)</u>	<u>(537,378)</u>	<u>(93,001)</u>
CAPITAL SHARE TRANSACTIONS				
Net increase in net assets derived from capital share transactions	<u>944,362</u>	<u>10,006,000</u>	<u>1,253</u>	<u>10,025,390</u>
NET ASSETS				
Total increase in net assets	2,693,658	11,968,440	1,281,572	10,950,730
Beginning of period	11,968,440	—	10,950,730	—
End of period	<u>\$14,662,098</u>	<u>\$11,968,440</u>	<u>\$12,232,302</u>	<u>\$10,950,730</u>
Undistributed net investment income, end of period	<u>\$ 7,857</u>	<u>\$ 13,482</u>	<u>\$ 7,181</u>	<u>\$ 15,953</u>

^(a) Commencement of operations.

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

See notes to financial statements.

Statements of Changes in Net Assets (continued)

	iShares Edge MSCI USA Size Factor Index Fund		iShares Edge MSCI USA Value Factor Index Fund	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/16
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	\$ 102,681	\$ 117,022	\$ 130,216	\$ 139,402
Net realized gain	165,287	64,299	85,926	33,122
Net change in unrealized appreciation (depreciation)	972,294	766,529	1,612,334	447,742
Net increase in net assets resulting from operations	<u>1,240,262</u>	<u>947,850</u>	<u>1,828,476</u>	<u>620,266</u>
DISTRIBUTIONS TO SHAREHOLDERS^(b)				
From net investment income:				
Institutional	(1,116)	(1,008)	(1,353)	(1,210)
Class K	(113,086)	(102,493)	(136,149)	(122,416)
From net realized gain:				
Institutional	(881)	—	(502)	—
Class K	(87,236)	—	(49,692)	—
Decrease in net assets resulting from distributions to shareholders	<u>(202,319)</u>	<u>(103,501)</u>	<u>(187,696)</u>	<u>(123,626)</u>
CAPITAL SHARE TRANSACTIONS				
Net increase in net assets derived from capital share transactions	<u>—</u>	<u>10,000,000</u>	<u>—</u>	<u>10,000,000</u>
NET ASSETS				
Total increase in net assets	1,037,943	10,844,349	1,640,780	10,496,640
Beginning of period	10,844,349	—	10,496,640	—
End of period	<u>\$11,882,292</u>	<u>\$10,844,349</u>	<u>\$12,137,420</u>	<u>\$10,496,640</u>
Undistributed net investment income, end of period	<u>\$ 5,507</u>	<u>\$ 17,028</u>	<u>\$ 12,041</u>	<u>\$ 19,327</u>

^(a) Commencement of operations.

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

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

iShares Edge MSCI USA Momentum Factor Index Fund		
Institutional		
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	<u>\$11.96</u>	<u>\$10.00</u>
Net investment income ^(b)	0.07	0.08
Net realized and unrealized gain	<u>2.46</u>	<u>1.95</u>
Net increase from investment operations	<u>2.53</u>	<u>2.03</u>
Distributions: ^(c)		
From net investment income	(0.08)	(0.07)
From net realized gain	<u>(0.76)</u>	<u>—</u>
Total distributions	<u>(0.84)</u>	<u>(0.07)</u>
Net asset value, end of period	<u>\$13.65</u>	<u>\$11.96</u>
Total Return ^{(d)(e)}		
Based on net asset value	<u>21.82%</u>	<u>20.40%</u>
Ratios to Average Net Assets ^(f)		
Total expenses	<u>1.03%</u> ^(g)	<u>1.38%</u> ^(h)
Total expenses after fees waived and/or reimbursed	<u>0.18%</u>	<u>0.20%</u>
Net investment income	<u>1.08%</u>	<u>1.25%</u>
Supplemental Data		
Net assets, end of period (000)	<u>\$1,089</u>	<u>\$ 126</u>
Portfolio turnover rate	<u>59%</u>	<u>68%</u>

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) Annualized.

^(g) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.22%.

^(h) Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.85%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

iShares Edge MSCI USA Momentum Factor Index Fund (continued)

	Class K	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	\$ 11.96	\$ 10.00
Net investment income ^(b)	0.08	0.09
Net realized and unrealized gain	2.46	1.95
Net increase from investment operations	2.54	2.04
Distributions: ^(c)		
From net investment income	(0.09)	(0.08)
From net realized gain	(0.76)	—
Total distributions	(0.85)	(0.08)
Net asset value, end of period	\$ 13.65	\$ 11.96
Total Return ^{(d)(e)}		
Based on net asset value	<u>21.84%</u>	<u>20.43%</u>
Ratios to Average Net Assets ^(f)		
Total expenses	<u>1.01%</u> ^(g)	<u>1.28%</u> ^(h)
Total expenses after fees waived and/or reimbursed	<u>0.15%</u>	<u>0.15%</u>
Net investment income	<u>1.25%</u>	<u>1.30%</u>
Supplemental Data		
Net assets, end of period (000)	<u>\$13,573</u>	<u>\$11,843</u>
Portfolio turnover rate	<u>59%</u>	<u>68%</u>

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) Annualized.

^(g) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.20%.

^(h) Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.75%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	iShares Edge MSCI USA Quality Factor Index Fund	
	Institutional	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	<u>\$10.92</u>	<u>\$10.00</u>
Net investment income ^(b)	0.11	0.10
Net realized and unrealized gain	1.71	0.91
Net increase (decrease) from investment operations	<u>1.82</u>	<u>1.01</u>
Distributions^(c)		
From net investment income	(0.12)	(0.09)
From net realized gain	(0.42)	—
Total distributions	<u>(0.54)</u>	<u>(0.09)</u>
Net asset value, end of period	<u>\$12.20</u>	<u>\$10.92</u>
Total Return^{(d)(e)(f)}		
Based on net asset value	<u>16.86%</u>	<u>10.12%</u>
Ratios to Average Net Assets^(g)		
Total expenses	<u>1.16%^(h)</u>	<u>1.42%⁽ⁱ⁾</u>
Total expenses after fees waived and/or reimbursed	<u>0.20%</u>	<u>0.20%</u>
Net investment income	<u>1.83%</u>	<u>1.59%</u>
Supplemental Data		
Net assets, end of period (000)	<u>\$ 122</u>	<u>\$ 109</u>
Portfolio turnover rate	<u>51%</u>	<u>18%</u>

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) For the period from commencement of operations through September 1, 2017, the Fund was not managed to the MSCI USA Sector Neutral Quality Index and the Fund's total returns are the returns of the Fund when it inadvertently tracked the MSCI USA Quality Index.

^(g) Annualized.

^(h) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.20%.

⁽ⁱ⁾ Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.90%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

iShares Edge MSCI USA Quality Factor Index Fund (continued)

	Class K	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	\$ 10.93	\$ 10.00
Net investment income ^(b)	0.11	0.11
Net realized and unrealized gain	1.70	0.91
Net increase from investment operations	1.81	1.02
Distributions^(c)		
From net investment income	(0.12)	(0.09)
From net realized gain	(0.42)	—
Total distributions	(0.54)	(0.09)
Net asset value, end of period	\$ 12.20	\$ 10.93
Total Return^{(d)(e)(f)}		
Based on net asset value	16.77%	10.25%
Ratios to Average Net Assets^(g)		
Total expenses	1.10% ^(h)	1.32% ⁽ⁱ⁾
Total expenses after fees waived and/or reimbursed	0.15%	0.15%
Net investment income	1.88%	1.64%
Supplemental Data		
Net assets, end of period (000)	\$12,110	\$10,841
Portfolio turnover rate	51%	18%

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) For the period from commencement through September 1, 2017, the Fund was not managed to the MSCI USA Sector Neutral Quality Index and the Fund's total returns are the returns of the Fund when it inadvertently tracked the MSCI USA Quality Index.

^(g) Annualized.

^(h) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.31%.

⁽ⁱ⁾ Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.80%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	iShares Edge MSCI USA Size Factor Index Fund	
	Institutional	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	<u>\$10.84</u>	<u>\$10.00</u>
Net investment income ^(b)	0.10	0.11
Net realized and unrealized gain	1.14	0.83
Net increase from investment operations	<u>1.24</u>	<u>0.94</u>
Distributions^(c)		
From net investment income	(0.11)	(0.10)
From net realized gain	(0.09)	—
Total distributions	<u>(0.20)</u>	<u>(0.10)</u>
Net asset value, end of period	<u>\$11.88</u>	<u>\$10.84</u>
Total Return^{(d)(e)}		
Based on net asset value	<u>11.53%</u>	<u>9.44%</u>
Ratios to Average Net Assets^(f)		
Total expenses	<u>1.21%^(g)</u>	<u>1.50%^(h)</u>
Total expenses after fees waived and/or reimbursed	<u>0.20%</u>	<u>0.20%</u>
Net investment income	<u>1.77%</u>	<u>1.79%</u>
Supplemental Data		
Net assets, end of period (000)	<u>\$ 119</u>	<u>\$ 108</u>
Portfolio turnover rate	<u>21%</u>	<u>9%</u>

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) Annualized.

^(g) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.43%.

^(h) Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.99%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

iShares Edge MSCI USA Size Factor Index Fund (continued)

	Class K	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	\$ 10.84	\$ 10.00
Net investment income ^(b)	0.10	0.11
Net realized and unrealized gain	1.14	0.83
Net increase from investment operations	1.24	0.94
Distributions^(c)		
From net investment income	(0.11)	(0.10)
From net realized gain	(0.09)	—
Total distributions	(0.20)	(0.10)
Net asset value, end of period	\$ 11.88	\$ 10.84
Total Return^{(d)(e)}		
Based on net asset value	11.56%	9.47%
Ratios to Average Net Assets^(f)		
Total expenses	1.15% ^(g)	1.40% ^(h)
Total expenses after fees waived and/or reimbursed	0.15%	0.15%
Net investment income	1.83%	1.74%
Supplemental Data		
Net assets, end of period (000)	\$11,763	\$10,736
Portfolio turnover rate	21%	9%

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) Annualized.

^(g) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.36%.

^(h) Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.89%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	iShares Edge MSCI USA Value Factor Index Fund	
	Institutional	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	<u>\$10.50</u>	<u>\$10.00</u>
Net investment income ^(b)	0.13	0.14
Net realized and unrealized gain	1.70	0.48
Net increase from investment operations	<u>1.83</u>	<u>0.62</u>
Distributions^(c)		
From net investment income	(0.14)	(0.12)
From net realized gain	(0.05)	—
Total distributions	<u>(0.19)</u>	<u>(0.12)</u>
Net asset value, end of period	<u>\$12.14</u>	<u>\$10.50</u>
Total Return^{(d)(e)}		
Based on net asset value	<u>17.52%</u>	<u>6.24%</u>
Ratios to Average Net Assets^(f)		
Total expenses	<u>1.18%^(g)</u>	<u>1.47%^(h)</u>
Total expenses after fees waived and/or reimbursed	<u>0.19%</u>	<u>0.20%</u>
Net investment income	<u>2.27%</u>	<u>2.18%</u>
Supplemental Data		
Net assets, end of period (000)	<u>\$ 121</u>	<u>\$ 105</u>
Portfolio turnover rate	<u>9%</u>	<u>10%</u>

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) Annualized.

^(g) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.40%.

^(h) Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.97%.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

iShares Edge MSCI USA Value Factor Index Fund (continued)

	Class K	
	Six Months Ended 01/31/18 (unaudited)	Period from 12/20/16 ^(a) to 07/31/17
Net asset value, beginning of period	\$ 10.50	\$ 10.00
Net investment income ^(b)	0.13	0.14
Net realized and unrealized gain	1.70	0.48
Net increase from investment operations	1.83	0.62
Distributions^(c)		
From net investment income	(0.14)	(0.12)
From net realized gain	(0.05)	—
Total distributions	(0.19)	(0.12)
Net asset value, end of period	\$ 12.14	\$ 10.50
Total Return^{(d)(e)}		
Based on net asset value	17.54%	6.27%
Ratios to Average Net Assets^(f)		
Total expenses	1.14% ^(g)	1.37% ^(h)
Total expenses after fees waived and/or reimbursed	0.15%	0.15%
Net investment income	2.31%	2.23%
Supplemental Data		
Net assets, end of period (000)	\$12,016	\$10,392
Portfolio turnover rate	9%	10%

^(a) Commencement of operations.

^(b) Based on average shares outstanding.

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

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

^(e) Aggregate total return.

^(f) Annualized.

^(g) Offering costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.35%.

^(h) Audit, offering and organization costs were not annualized in the calculation of the expense ratios. If these expenses were annualized, the total expenses would have been 1.87%.

See 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. The following are referred to herein collectively as the “Funds” or individually as a “Fund”:

<i>Fund Name</i>	<i>Herein Referred To As</i>	<i>Diversification Classification</i>
iShares Edge MSCI USA Momentum Factor Index Fund	Momentum Factor Index Fund	Diversified
iShares Edge MSCI USA Quality Factor Index Fund	Quality Factor Index Fund	Non-diversified
iShares Edge MSCI USA Size Factor Index Fund	Size Factor Index Fund	Diversified
iShares Edge MSCI USA Value Factor Index Fund	Value Factor Index Fund	Diversified

Each Fund offers multiple classes of shares. All classes of shares have identical voting, dividend, liquidation and other rights and are subject to the same terms and conditions. Institutional and Class K Shares are sold without a sales charge and only to certain eligible investors.

<i>Share Class</i>	<i>Initial Sales Charge</i>	<i>CDSC</i>	<i>Conversion Privilege</i>
Institutional and Class K Shares	No	No	None

The Funds, together with certain other registered investment companies advised by BlackRock Fund Advisors (the “Manager”) or its affiliates, are included in a complex of open-end funds referred to as the Equity-Liquidity 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. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the “trade dates”). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

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

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

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

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

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

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

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

- Equity investments traded on a recognized securities exchange are valued at the official closing price each day, if available. For equity investments traded on more than one exchange, the official closing price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.
- Investments in open-end U.S. mutual funds are valued at net asset value (“NAV”) each business day.
- Futures contracts traded on exchanges are valued at their last sale price.

If events (e.g., a company announcement, market volatility or a natural disaster) occur that are expected to materially affect the value of such investments, or in the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a

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

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately-held companies or funds. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with each Fund's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

4. SECURITIES AND OTHER INVESTMENTS

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

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

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

Notes to Financial Statements (unaudited) (continued)

As of period end, the following table is a summary of the Funds' securities lending agreements by counterparty, which are subject to offset under an MSLA:

	Securities Loaned at Value	Cash Collateral Received ^(a)	Net Amount
Momentum Factor Index Fund			
Citigroup Global Markets, Inc.	\$ 16,835	\$ (16,835)	\$ —
Credit Suisse Securities (USA) LLC	37,512	(37,512)	—
Jefferies LLC	68,636	(68,636)	—
	<u>\$ 122,983</u>	<u>\$ (122,983)</u>	<u>\$ —</u>
Quality Factor Index Fund			
JPMorgan Securities LLC	\$ 15,670	\$ (15,670)	\$ —
Morgan Stanley	27,127	(27,127)	—
	<u>\$ 42,797</u>	<u>\$ (42,797)</u>	<u>\$ —</u>
Size Factor Index Fund			
Citigroup Global Markets, Inc.	\$ 55,918	\$ (55,918)	\$ —
Credit Suisse Securities (USA) LLC	11,290	(11,290)	—
Jefferies LLC	22,002	(22,002)	—
JPMorgan Securities LLC	102,937	(102,937)	—
Morgan Stanley	49,953	(49,953)	—
SG Americas Securities LLC	14,465	(14,465)	—
	<u>\$ 256,565</u>	<u>\$ (256,565)</u>	<u>\$ —</u>
Value Factor Index Fund			
Citigroup Global Markets, Inc.	\$ 9,311	\$ (9,104)	\$ 207 ^(b)
JPMorgan Securities LLC	7,295	(7,295)	—
Jefferies LLC	19,234	(19,234)	—
	<u>\$ 35,840</u>	<u>\$ (35,633)</u>	<u>\$ 207</u>

^(a) Cash collateral with a value of \$125,606, \$43,512, \$260,946 and \$35,633 respectively, has been received in connection with securities lending agreements. Collateral received in excess of the value of securities loaned from the individual counterparty is not shown for financial reporting purposes in the table above.

^(b) The market value of the loaned securities is determined as of January 31, 2018. Additional collateral is delivered to the Fund on the next business day in accordance with the MSLA. The net amount would be subject to the borrower default indemnity in the event of default by the counterparty.

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

5. DERIVATIVE FINANCIAL INSTRUMENTS

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

Futures contracts are agreements between the Funds 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 Funds are 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.

Securities deposited as initial margin are designated in the Schedules of Investments and cash deposited, if any, is shown as cash pledged for futures contracts in the Statements of Assets and Liabilities. Pursuant to the contract, the Funds agree 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 Statements of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statements 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, foreign currency exchange rates or underlying assets.

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate of BlackRock, Inc. ("BlackRock") for 1940 Act purposes.

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

Notes to Financial Statements (unaudited) (continued)

For such services, each Fund pays the Manager a monthly fee at an annual rate equal to 0.08% of the average daily value of each Fund's net assets.

Service and Distribution Fees: The Trust, on behalf of the Funds, entered into a Distribution Agreement and a Distribution and Service Plan with BlackRock Investments, LLC ("BRIL"), an affiliate of the Manager.

BRIL and broker-dealers, pursuant to sub-agreements with BRIL, provide shareholder servicing and distribution services to the Funds.

Transfer Agent: Pursuant to written agreements, certain financial intermediaries, some of which may be affiliates, provide the Funds with sub-accounting, recordkeeping, sub-transfer agency and other administrative services with respect to sub-accounts they service. 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 six months ended January 31, 2018, the following table shows the class specific transfer agent fees borne directly by each class of each Fund:

	<i>Institutional</i>	<i>Class K</i>	<i>Total</i>
Momentum Factor Index Fund	\$ 37	\$ 6	\$ 43
Quality Factor Index Fund	31	6	37
Size Factor Index Fund	37	6	43
Value Factor Index Fund	25	6	31

Expense Limitations, Waivers, Reimbursements and Recoupments: With respect to each Fund, the Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver"). The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation will be reduced by the amount of the affiliated money market fund waiver. These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended January 31, 2018, the amounts waived were as follows:

	<i>Amount Waived</i>
Momentum Factor Index Fund	\$ 36
Quality Factor Index Fund	10
Size Factor Index Fund	12
Value Factor Index Fund	14

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of each Fund's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through November 30, 2018. The contractual agreement may be terminated upon 90 days' notice by a majority of the independent 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 a Fund. These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended January 31, 2018, the amounts waived in investment advisory fees pursuant to these arrangements were as follows:

	<i>Amount Waived</i>
Momentum Factor Index Fund	\$ 26
Quality Factor Index Fund	16
Size Factor Index Fund	7
Value Factor Index Fund	32

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

	<i>Institutional</i>	<i>Class K</i>
Momentum Factor Index Fund	0.20%	0.15%
Quality Factor Index Fund	0.20	0.15
Size Factor Index Fund	0.20	0.15
Value Factor Index Fund	0.20	0.15

The Manager has agreed not to reduce or discontinue these contractual expense limitations through November 30, 2027, 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 Funds.

These amounts waived and/or reimbursed are included in fees waived and/or reimbursed by the Manager and transfer agent fees waived and/or reimbursed — class specific, respectively, in the Statements of Operations. For the six months ended January 31, 2018, the amounts waived and/or reimbursed by the Manager were as follows:

	<i>Fees Waived by the Manager</i>	<i>Other Expenses Reimbursed by the Manager</i>
Momentum Factor Index Fund	\$ 5,145	\$ 62,381
Quality Factor Index Fund	4,642	62,931
Size Factor Index Fund	4,499	63,857
Value Factor Index Fund	4,469	63,126

Notes to Financial Statements (unaudited) (continued)

For the six months ended January 31, 2018, class specific expense waivers and/or reimbursements were as follows:

<i>Transfer Agent Fees Waived and/or Reimbursed</i>	<i>Institutional</i>	<i>Class K</i>	<i>Total</i>
Momentum Factor Index Fund	\$ 2	\$ 6	\$ 8
Quality Factor Index Fund	5	6	11
Size Factor Index Fund	9	6	15
Value Factor Index Fund	4	6	10

With respect to the contractual expense limitation, if during a Fund's fiscal year the operating expenses of a share class, that at any time during the prior two fiscal years received a waiver and/or reimbursement from the Manager, are less than the 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) each 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 a 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.

On January 31, 2018, the fund level and class specific waivers and/or reimbursements subject to possible future recoupment under the expense limitation agreement are as follows:

	<i>Expiring July 31,</i>		
	<i>2018</i>	<i>2019</i>	<i>2020</i>
Momentum Factor Index Fund			
Fund Level	\$ —	\$103,860	\$67,526
Institutional	—	36	2
Class K	—	437	6
Quality Factor Index Fund			
Fund Level	—	103,609	67,573
Institutional	—	37	5
Class K	—	437	6
Size Factor Index Fund			
Fund Level	—	107,909	68,356
Institutional	—	37	9
Class K	—	437	6
Value Factor Index Fund			
Fund Level	—	104,346	67,595
Institutional	—	38	4
Class K	—	437	6

Securities Lending: The U.S. Securities and Exchange Commission ("SEC") has issued an exemptive order which permits BTC, an affiliate of the Manager, to serve as securities lending agent for the Funds, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending. The Funds are responsible for fees in connection with the investment of cash collateral received for securities on loan (the "collateral investment fees"). The cash collateral is invested in a money market fund managed by the Manager or its affiliates. However, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees the Funds bear to an annual rate of 0.04%. Such money market fund shares will not be subject to a sales load, distribution fee or service fee. The money market fund in which the cash collateral has been invested may, under certain circumstances, impose a liquidity fee of up to 2% of the value redeemed or temporarily restrict redemptions for up to 10 business days during a 90 day period, in the event that the money market fund's weekly liquid assets fall below certain thresholds.

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

Pursuant to a securities lending agreement, each Fund retains 71.5% of securities lending income, and this amount retained can never be less than 65% of the total of securities lending income plus the collateral investment fees.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the Equity-Liquidity Complex in a calendar year exceeds a specified threshold, each Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 75% of securities lending income, and this amount retained can never be less than 65% of the total of securities lending income plus the collateral investment fees.

Notes to Financial Statements (unaudited) (continued)

The share of securities lending income earned by each Fund is shown as securities lending income — affiliated — net in the Statements of Operations. For the six months ended January 31, 2018, each Fund paid BTC the following amounts for securities lending agent services:

	<i>Momentum Factor Index Fund</i>	<i>Quality Factor Index Fund</i>	<i>Size Factor Index Fund</i>	<i>Value Factor Index Fund</i>
BTC	\$ 40	\$ 17	\$ 225	\$ 5

Interfund Lending: In accordance with an exemptive order (the “Order”) from the SEC each 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 each Fund’s investment policies and restrictions. Each 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 period ended January 31, 2018, the Funds did not participate in the Interfund Lending Program.

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

7. PURCHASES AND SALES

For the six months ended January 31, 2018, purchases and sales of investments, excluding short-term securities, were as follows:

	<i>Momentum Factor Index Fund</i>	<i>Quality Factor Index Fund</i>	<i>Size Factor Index Fund</i>	<i>Value Factor Index Fund</i>
Purchases	\$ 8,059,971	\$ 5,854,115	\$ 2,375,217	\$ 993,911
Sales	7,628,970	6,294,447	2,391,512	1,071,913

8. INCOME TAX INFORMATION

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

Each Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Fund’s U.S. federal tax returns generally remains open for the period ended July 31, 2017.

Management has analyzed tax laws and regulations and their application to the Funds as of January 31, 2018, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Funds’ financial statements.

As of January 31, 2018, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	<i>Momentum Factor Index Fund</i>	<i>Quality Factor Index Fund</i>	<i>Size Factor Index Fund</i>	<i>Value Factor Index Fund</i>
Tax cost	\$ 11,789,507	\$ 10,313,797	\$ 10,395,480	\$ 10,090,067
Gross unrealized appreciation	3,094,619	2,014,521	1,981,531	2,228,732
Gross unrealized depreciation	(15,619)	(69,799)	(242,950)	(169,268)
Net unrealized appreciation (depreciation)	\$ 3,079,000	\$ 1,944,722	\$ 1,738,581	\$ 2,059,464

9. BANK BORROWINGS

The Trust, on behalf of the Funds, along with certain other funds managed by the Manager and its affiliates (“Participating Funds”), is a party to a 364-day, \$2.1 billion credit agreement with a group of lenders. Under this agreement, the Funds may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Funds, can borrow up to an aggregate commitment amount of \$1.6 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 0.12% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) one-month LIBOR (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum or (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed. The agreement expires in April 2018 unless extended or renewed. Participating Funds paid administration, legal and arrangement fees, which, if applicable, are included in miscellaneous expenses in the Statements of Operations. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the six months ended January 31, 2018, the Funds did not borrow under the credit agreement.

10. PRINCIPAL RISKS

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

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

Valuation Risk: The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. A Fund may invest in illiquid investments and may experience difficulty in selling those investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause each Fund's NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of a Fund may lose value, regardless of the individual results of the securities and other instruments in which a Fund invests.

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

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

With exchange-traded futures, there is less counterparty credit risk to the Funds 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, a 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 Funds.

Concentration Risk: As of period end, Momentum Factor Index Fund and Quality Factor Index Fund invested a significant portion of their assets in securities in the Information Technology sector. Changes in economic conditions affecting such sector would have a greater impact on the Funds and could affect the value, income and/or liquidity of positions in such securities.

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

	Six Months Ended		Period from 12/20/16 ^(a)	
	01/31/18		to 07/31/17	
	Shares	Amount	Shares	Amount
Momentum Factor Index Fund				
Institutional				
Shares sold	75,336	\$964,367	10,502	\$ 106,000
Shares issued in reinvestment of distributions	377	4,774	—	—
Shares redeemed	(6,425)	(83,044)	—	—
Net increase	69,288	\$886,097	10,502	\$ 106,000
Class K				
Shares sold	4,323	\$ 57,665	990,000	\$ 9,900,000
Shares issued in reinvestment of distributions	47	600	—	—
Shares redeemed	—	—	—	—
Net increase	4,370	58,265	990,000	9,900,000
Total Increase	73,658	\$944,362	1,000,502	\$10,006,000

Notes to Financial Statements (unaudited) (continued)

	Six Months Ended 01/31/18		Period from 12/20/16 ^(a) to 07/31/17	
	Shares	Amount	Shares	Amount
Quality Factor Index Fund				
Institutional				
Shares sold	—	\$ —	10,000	\$ 100,000
Shares issued in reinvestment of distributions	—	—	—	—
Shares redeemed	—	—	—	—
Net increase	—	\$ —	10,000	\$ 100,000
Class K				
Shares sold	—	\$ —	992,317	\$ 9,925,275
Shares issued in reinvestment of distributions	108	1,253	10	115
Shares redeemed	—	—	—	—
Net increase	108	1,253	992,327	9,925,390
Total Increase	108	\$ 1,253	1,002,327	\$10,025,390
Size Factor Index Fund				
Institutional				
Shares sold	—	\$ —	10,014	\$ 100,150
Shares issued in reinvestment of distributions	—	—	—	—
Shares redeemed	—	—	(14)	(150)
Net increase	—	\$ —	10,000	\$ 100,000
Class K				
Shares sold	—	\$ —	990,000	\$ 9,900,000
Shares issued in reinvestment of distributions	—	—	—	—
Shares redeemed	—	—	—	—
Net increase	—	—	990,000	9,900,000
Total Increase	—	\$ —	1,000,000	\$10,000,000
Value Factor Index Fund				
Institutional				
Shares sold	—	\$ —	10,000	\$ 100,000
Shares issued in reinvestment of distributions	—	—	—	—
Shares redeemed	—	—	—	—
Net increase	—	\$ —	10,000	\$ 100,000
Class K				
Shares sold	—	\$ —	990,000	\$ 9,900,000
Shares issued in reinvestment of distributions	—	—	—	—
Shares redeemed	—	—	—	—
Net increase	—	—	990,000	9,900,000
Total Increase	—	\$ —	1,000,000	\$10,000,000

^(a) Commencement of operations.

As of January 31, 2018, shares owned by BlackRock HoldCo 2, Inc., an affiliate of the Funds, were as follows:

	Institutional	Class K
Momentum Factor Index Fund	10,000	990,000
Quality Factor Index Fund	10,000	990,000
Size Factor Index Fund	10,000	990,000
Value Factor Index Fund	10,000	990,000

12. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Funds 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.

Trustee and Officer Information

Rodney D. Johnson, Chair of the Board^(a) and Trustee
Mark Stalnecker, Chair Elect of the Board^(a) and Trustee
Susan J. Carter, Trustee
Collette Chilton, Trustee
Neil A. Cotty, Trustee
Cynthia A. Montgomery, Trustee
Joseph P. Platt, Trustee
Robert C. Robb, Jr., Trustee
Kenneth L. Urish, Trustee
Claire A. Walton, Trustee
Frederick W. Winter, Trustee
Barbara G. Novick, Trustee
John M. Perlowski, Trustee, President and Chief Executive Officer
Thomas Callahan, Vice President
Jennifer McGovern, Vice President
Neal J. Andrews, Chief Financial Officer
Jay M. Fife, Treasurer
Charles Park, Chief Compliance Officer
Fernanda Piedra, Anti-Money Laundering Compliance Officer
Benjamin Archibald, Secretary

^(a) Mr. Stalnecker was approved as Chair Elect of the Board effective January 1, 2018. It is expected that, effective January 1, 2019, Mr. Stalnecker will assume the position of Chair of the Board and Mr. Johnson will retire as Chair of the Board.

Effective February 22, 2018, Barbara G. Novick resigned, and Robert Fairbairn was appointed, as an Interested Trustee of the Trust.

Investment Adviser

BlackRock Fund Advisors
San Francisco, CA 94105

Accounting Agent and Custodian

State Street Bank and Trust Company
Boston, MA 02111

Transfer Agent

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

Distributor

BlackRock Investments, LLC
New York, NY 10022

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Philadelphia, PA 19103

Legal Counsel

Sidley Austin LLP
New York, NY 10019

Address of the Trust

100 Bellevue Parkway
Wilmington, DE 19809

Additional Information

General Information

Householding

The Funds will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called “householding” and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be 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 Funds at (800) 537-4942.

Availability of Quarterly Schedule of Investments

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room or how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 537-4942.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available upon request and without charge, (1) by calling (800) 537-4942; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

Availability of Proxy Voting Record

Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com>; or by calling (800) 537-4942; and (2) on the SEC's website at <http://www.sec.gov>.

BlackRock's Mutual Fund Family

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

Shareholder Privileges

Account Information

Call us at (800) 537-4942 from 8:00 AM to 6:00 PM ET on any business day to get information about your account balances, recent transactions and share prices. You can also reach us on the Web at <http://www.blackrock.com>.

Automatic Investment Plans

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

Systematic Withdrawal Plans

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

Retirement Plans

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

BlackRock Privacy Principles

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

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

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

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

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

Glossary of Terms Used in this Report

ETF	Exchange Traded Fund
MSCI	Morgan Stanley Capital International

THIS PAGE INTENTIONALLY LEFT BLANK.

THIS PAGE INTENTIONALLY LEFT BLANK.

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 a Fund unless preceded or accompanied by that 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.

Go paperless. . .



It's Easy, Economical and Green!

Go to www.blackrock.com/edelivery