

# BlackRock Mid-Cap Growth Equity Fund (CMGIX)

Seeking higher returns from mid-sized companies



Overall Morningstar Rating™



Morningstar Analyst Rating™

*1 Overall Ratings are determined monthly and subject to change. Past performance is no guarantee of future results.*

*The Mid-Cap Growth Equity Fund was rated against the following numbers of US domiciled Mid Cap Growth funds over the following time periods: 555 in the last 3 years, 495 in the last 5 years and 352 in the last 10 years. With respect to these Mid Cap Growth funds, the fund received a Morningstar rating of 5, 5 and 5 stars for the 3, 5, 10 year periods, respectively. Other classes may have different performance characteristics. Analyst rating as of 3/31/2019.*

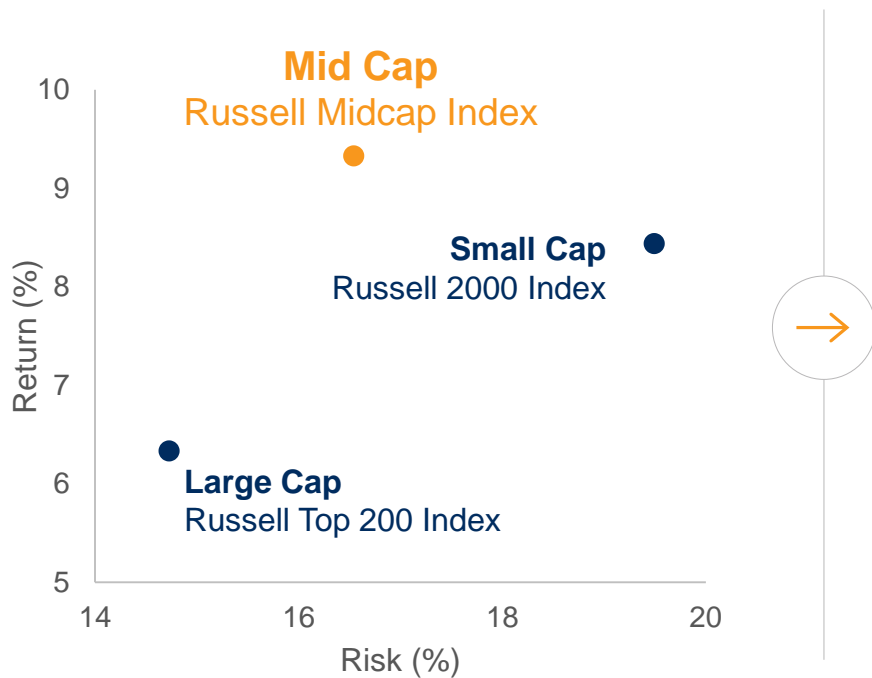
ALL FUND PERFORMANCE AND DATA BASED ON INSTITUTIONAL SHARES, ALL OTHER SHARE CLASSES WILL VARY.

# 20 years of superior returns

Mid Caps have delivered better returns over the long term, with less risk than Small Caps.

## Mid Caps delivered better risk-adjusted returns

20 year risk/return statistics



	Return (%)	Risk (%)	Sharpe Ratio
<b>Large Cap</b>	6.33	14.73	0.30
<b>Mid Cap</b>	<b>9.33</b>	<b>16.54</b>	<b>0.44</b>
<b>Small Cap</b>	8.44	19.49	0.33

Source: BlackRock for 20-year period ending 31 March 2019. Shown for illustrative purposes only. **Past performance is not indicative of future returns. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Index performance is not representative of the performance of the fund. Past performance does not guarantee future results.**

# Mid Caps get less attention

Despite the historically superior long term returns of Mid Caps, they tend to get less attention. Reduced research coverage creates more opportunities for skilled managers to find undervalued growth companies.

## Overlooked by institutions

*Average number of research analysts covering the company*

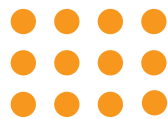
### S&P 500 top 10 companies

32

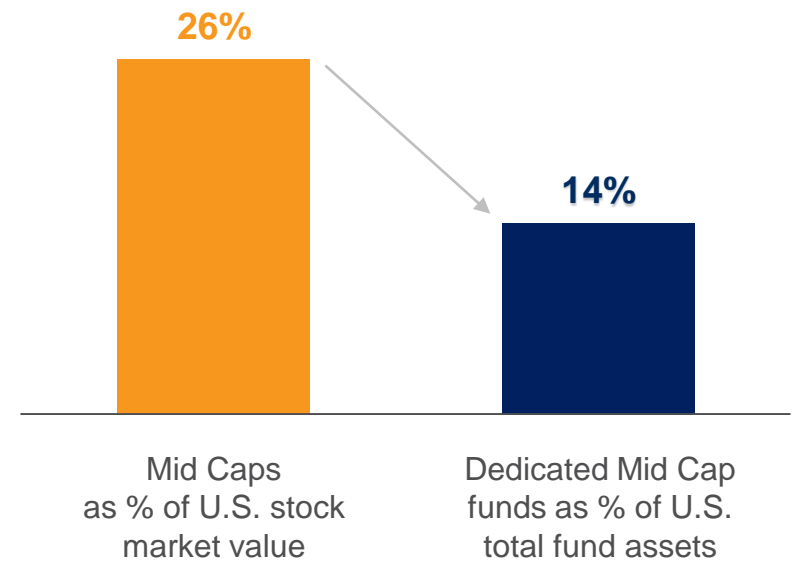


### S&P Mid Cap 400 top 10 companies

12



## Overlooked by investors



**Left:** Source FactSet. Average Number of Analyst as of 31 March 2019. **Right:** Source Morningstar, BlackRock. Data as of 31 March 2019. US Market Cap represented by total market cap of Russell 1000 Index (Large Cap), Russell Midcap Index (Mid Cap), and Russell 2000 Index (Small Cap). Mid Cap Fund Assets represented by sum of total AUM in Morningstar Mid Value, Mid Growth, and Mid Blend categories.

# BlackRock Mid-Cap Growth Equity Fund

The fund seeks long term growth by investing in mid-sized companies with sustainable, high growth. The fund adopts a diversified approach to growth investing, seeking consistent outperformance over time.



## Portfolio philosophy

- ✓ Invest in mid-sized companies with sustainable, high growth
- ✓ Risk management anchors portfolio construction
- ✓ High conviction strategy



## Portfolio characteristics

### Higher EPS growth (5 year)

25.3% vs. 17.5% for the Russell Midcap Growth Index

### Strong performance across markets

Upside / Downside Capture is 106% / 89% (5 year)

### High active share

87.7% Active Share, concentrated portfolio of 67 holdings

Portfolio characteristics as of 31 March 2019.

Outperformed **97%** of peers over last 5 years<sup>2</sup> and is priced in the **least expensive** quartile

All information as of 31 March 2019. Past performance is no guarantee of future results. See Disclosures and Important Notes slides for more information on ratings and rankings

EPS showcases the rate at which a company has grown its profitability. Upside / Downside Capture shows whether a given fund has outperformed—gained more or lost less than—a broad market benchmark during periods of market strength or weakness and by how much. Active Share is a percentage of holdings in a portfolio that differs from the benchmark index.

# Diversified by company growth profile

CMGIX invests across three company growth profiles, seeking diversified business models for consistent outperformance through market cycles.

BlackRock Mid-Cap  
Growth Equity Fund  
(CMGIX)



## High growth companies taking market share

### Align Technologies (ALGN)



Medical device company that sells patented Invisalign™. Strong brand with global expansion opportunities.

## Cash generating companies with strong, stable growth

### SBA Communications (SBAC)



Owner/operator of cell phone towers. Surging demand in a concentrated industry means pricing power and strong cash flow.

## Companies benefitting from a catalyst

### Vulcan Materials (VMC)



Producer of asphalt, concrete and gravel products likely to benefit from increased infrastructure spending.

Data from April 2014 to December 2018.

Source: BlackRock. Portfolio characteristics and holdings are subject to change. Allocation subject to change.

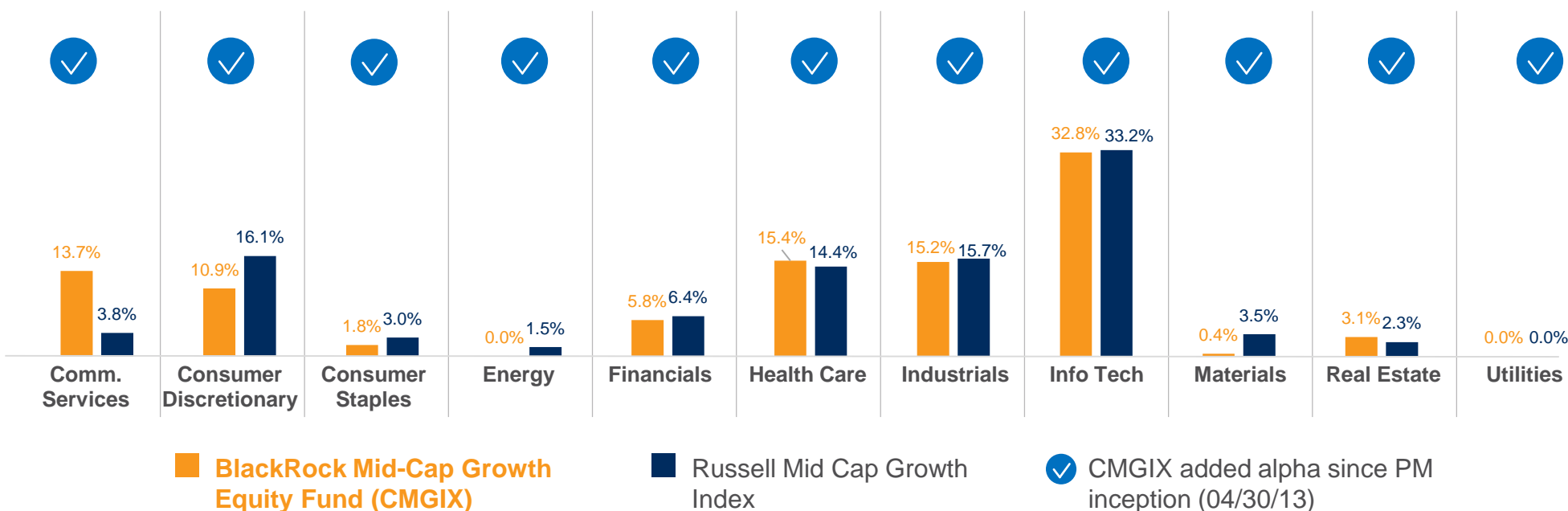
# Diversified sources of outperformance



CMGIX has delivered outperformance in 11 of 11 sectors. Beware of funds that generate outperformance from a concentrated number of bets.

## Generated alpha in 11 out of 11 sectors

Sector Allocation (% NAV)



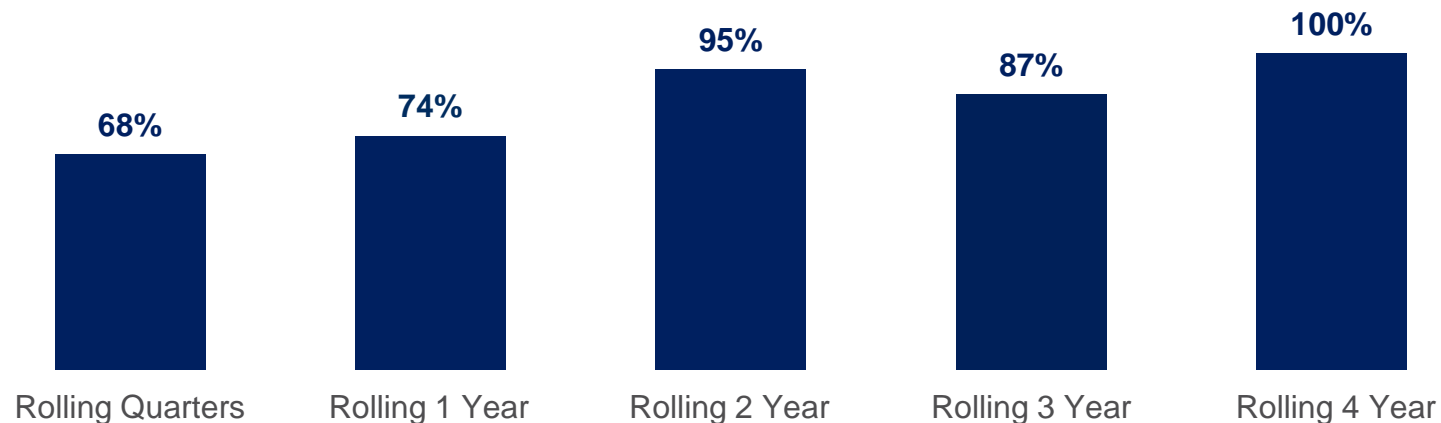
Sources: BlackRock as of 31 March 2019. **Past performance is no guarantee of future results.** Portfolio characteristics are those of the BlackRock Mid-Cap Growth Equity Fund managed in the BlackRock Mid-Cap Growth style. Portfolio characteristics are subject to change. The Benchmark is the Russell Midcap Growth Index. It is not possible to invest directly in an unmanaged index.

# Consistency of outperformance

Even skilled active managers have periods of underperformance – so goes the adage “Be patient, or be passive.” Stay invested in the markets by seeking managers with more consistent returns.



## Percent of rolling periods that CMGIX outperformed the Russell Mid Cap Growth Index



Number of observations

63

54

41

30

17

Performance as of 3/31/19. Performance is not annualized for periods less than one year. The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Refer to website [www.blackrock.com](http://www.blackrock.com) to obtain performance data current to the most recent month end. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Total annual operating expenses as stated in this fund's most recent prospectus are: Institutional, 0.90%.

Morningstar Category: Mid Cap Growth. Rankings based on total return excluding sales charges, independently calculated and not combined to create an overall ranking. See Important Notes for additional ranking information. Source: BlackRock and Morningstar.

# BlackRock Mid-Cap Growth Equity Fund

BlackRock Mid-Cap Growth Equity Fund (CMGIX)



## Morningstar percentile ranking



	BlackRock Mid-Cap Growth Equity Fund (CMGIX)	Morningstar Mid-Cap Growth Category Average
Higher return (5 year)	14.00%	9.41%
Higher Sharpe Ratio (5 year)	0.91	0.62
Lower fees (Inst. Shares)	0.80%	1.20%
Better upside / downside capture	106% / 89%	97% / 105%

Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. All returns assume reinvestment of all dividend and capital gain distributions. Refer to blackrock.com for current month-end performance. **Standardized performance as of 3/31/19 for CMGIX is as follows: 1yr 16.80%, 5yr 14.00%, 10yr 18.58%.** Investment returns reflect total fund operating expenses, net of all fees, waivers, and/or expense reimbursement. Expenses stated as of the fund's most recent prospectus: Institutional Shares Total/Net, Including Investment Related expenses are 0.90%/0.80% and have contractual waivers with an end date of 1/31/20 terminable upon 90 days' notice. Data table source: Morningstar. Data is from 3/31/19.



# BlackRock Large Cap Focus Growth Fund

BlackRock Large Cap  
Focus Growth Fund  
(MALHX)



Same team, same philosophy as the Mid-Cap Growth Fund. The fund seeks long term growth by investing in large cap companies with sustainable, high growth. The fund adopts a diversified approach to growth investing, seeking consistent outperformance over time.



## Portfolio philosophy

- ✓ Invests in large cap companies with sustainable, high growth
- ✓ Risk management anchors portfolio construction
- ✓ High conviction strategy



## Portfolio characteristics

### Higher EPS growth (5 year)

34.7% vs. 23.8% for the Russell 1000 Growth Index

### Strong performance across markets

Upside / Downside Capture is 108% / 99% (5 year)

### High active share

68.6% Active Share, concentrated portfolio of 45 holdings

Portfolio characteristics as of 31 March 2019.

All information as of 31 March 2019. Past performance is no guarantee of future results. **Standardized performance as of 3/31/19 for MALHX is as follows: 1yr 13.67%, 5yr 14.35%, 10yr 16.92%.** See Disclosures and Important Notes slides for more information on ratings and rankings

EPS showcases the rate at which a company has grown its profitability. Upside / Downside Capture shows whether a given fund has outperformed—gained more or lost less than—a broad market benchmark during periods of market strength or weakness and by how much. Active Share is a percentage of holdings in a portfolio that differs from the benchmark index.

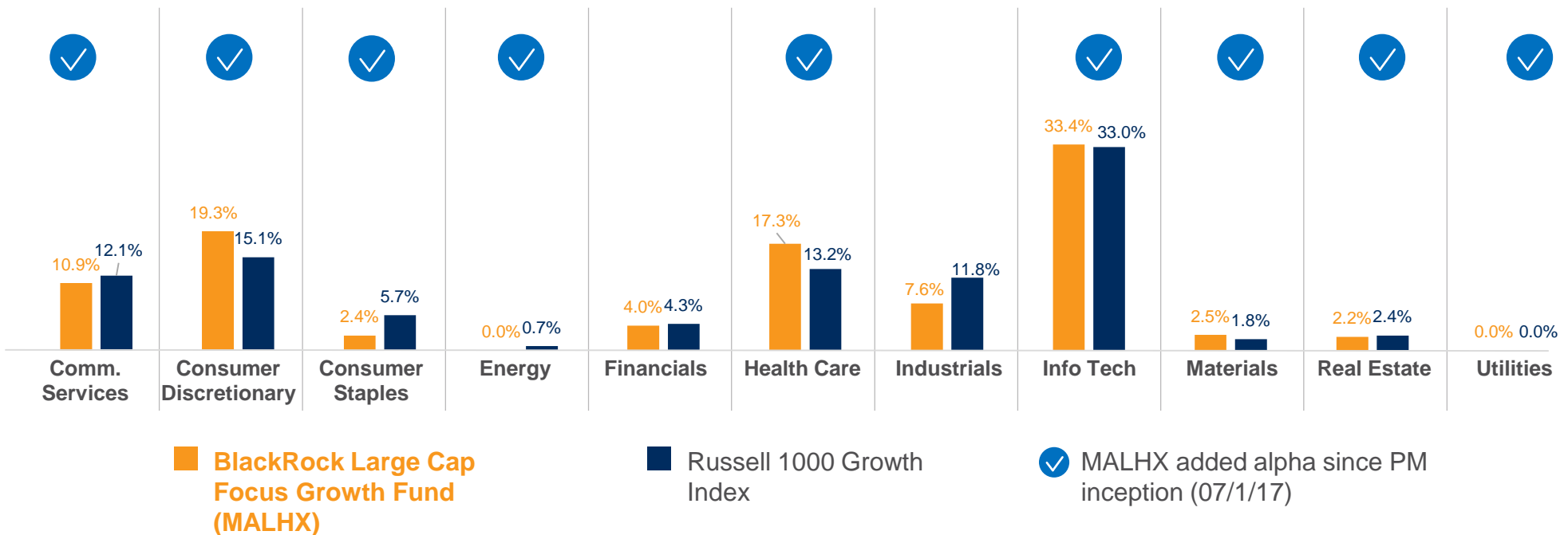
# Diversified sources of outperformance



MALHX has delivered outperformance in 9 of 11 sectors. Beware of funds that generate outperformance from a concentrated number of bets.

## Generated alpha in 9 out of 11 sectors

Sector Allocation (% NAV)



Sources: BlackRock as of 31 March 2019. **Past performance is no guarantee of future results.** Portfolio characteristics are those of the BlackRock Large Cap Focus Growth Fund managed in the BlackRock Large Cap Focus Growth style. Portfolio characteristics are subject to change. The Benchmark is the Russell 1000 Growth Index. It is not possible to invest directly in an unmanaged index.

# BlackRock's U.S. Growth Platform

BlackRock Mid-Cap Growth Equity Fund (CMGIX)



BlackRock's U.S. Growth Investment Team deploys a similar, high conviction process across three portfolios in the growth universe: Mid Cap, Large Cap and Large Cap Focus.



**Lawrence G. Kemp, CFA**  
Managing Director, Portfolio Manager

**\$19.3 billion** assets under management

## Mid Cap Growth

## Large Growth



BlackRock Mid-Cap Growth Equity Fund



**3**

**percentile**  
Morningstar 5-year ranked<sup>1</sup> 10/495



BlackRock Large Cap Focus Growth Fund



**11**

**percentile**  
Morningstar 5-year ranked<sup>1</sup> 100/1,114



BlackRock Capital Appreciation Fund



**19**

**percentile**  
Morningstar 5-year ranked<sup>1</sup> 189/1,114

Source: Morningstar. Performance as of 3/31/19. Portfolio characteristics and holdings are subject to change. Allocation subject to change. The performance data quoted represents past performance. **Past performance does not guarantee future results.** The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Refer to website [www.blackrock.com](http://www.blackrock.com) to obtain performance data current to the most recent month end. See important notes for more information.

<sup>1</sup> The Mid-Cap Growth Equity Fund was rated against the following numbers of US domiciled Mid Cap Growth funds over the following time periods: 555 in the last 3 years, 495 in the last 5 years and 352 in the last 10 years. With respect to these Mid Cap Growth funds, the fund received a Morningstar rating of 5, 5 and 5 stars for the 3, 5, 10 year periods, respectively. The Large Cap Focus Growth Fund was rated against the following numbers of US domiciled Large Growth funds over the following time periods: 1,256 in the last 3 years, 1,114 in the last 5 years and 805 in the last 10 years. With respect to these Large Growth funds, the fund received a Morningstar rating of 4, 5 and 3 stars for the 3, 5, 10 year periods, respectively. The Capital Appreciation Fund was rated against the following numbers of US domiciled Large Growth funds over the following time periods: 1,256 in the last 3 years, 1,114 in the last 5 years and 805 in the last 10 years. With respect to these Large Growth funds, the fund received a Morningstar rating of 4 and 4 for the 3 and 5 year periods, respectively. Other classes may have different performance characteristics.

# Top 10 Active Weights (% NAV)

Security Name	Sector	Active Weight
IAC INTERACTIVE	Communication Services	2.4%
FAIR ISAAC CORP	Information Technology	2.4%
COPART INC	Industrials	1.9%
COSTAR GROUP INC	Industrials	1.9%
LIVE NATION ENTERTAINMENT INC	Communication Services	1.9%
ALIGN TECHNOLOGY INC	Health Care	1.9%
MSCI INC	Financials	1.8%
LAMB WESTON HOLDINGS INC	Consumer Staples	1.8%
ANGI HOMESERVICES INC CLASS A	Information Technology	1.8%
TELEFLEX INC	Health Care	1.8%

# Disclosures

1 The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure (excluding any applicable sales charges) that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to [global.morningstar.com/manager](http://global.morningstar.com/manager) disclosures. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause Analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

2 The Mid-Cap Growth Equity Fund was rated against the following numbers of US domiciled Mid Cap Growth funds over the following time periods: 555 in the last 3 years, 495 in the last 5 years and 352 in the last 10 years. **With respect to these Mid Cap Growth funds, the fund received a Morningstar rating of 5, 5 and 5 stars for the 3, 5, 10 year periods, respectively.** The Large Cap Focus Growth Fund was rated against the following numbers of US domiciled Large Growth funds over the following time periods: 1,256 in the last 3 years, 1,114 in the last 5 years and 805 in the last 10 years. **With respect to these Large Growth funds, the fund received a Morningstar rating of 4, 5 and 3 stars for the 3, 5, 10 year periods, respectively.** The Capital Appreciation Fund was rated against the following numbers of US domiciled Large Growth funds over the following time periods: 1,256 in the last 3 years, 1,114 in the last 5 years and 805 in the last 10 years. **With respect to these Large Growth funds, the fund received a Morningstar rating of 4 and 4 for the 3 and 5 year periods, respectively.** The fund does not have 10 year data available yet. Other classes may have different performance characteristics.

Source: Morningstar. As of 3/31/2019. Morningstar Category: Mid Cap Growth for Mid-Cap Growth Equity Fund; Large Growth for Large Cap Focus Growth Fund; Large Growth for Capital Appreciation Fund. Rankings are based on total return excluding sales charges, independently calculated and not combined to create an overall ranking. Mid-Cap Growth Equity Fund was ranked 1yr, 36/615; 3yr, 22/555; 5yr, 10/495; 10yr, 14/352. Large Cap Focus Growth Fund was ranked 1yr, 329/1,397, 3yr, 142/1,256, 5yr, 100/1,114, 10yr, 218/805. Capital Appreciation Fund was ranked 1yr, 411/1,397, 3yr, 168/1,256, 5yr, 189/1,114.

# Important notes

*Russell 1000 Growth Index – contains those securities in the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index tend to exhibit higher price-to-book and price-to-earnings ratios, lower dividend yields, and higher forecasted growth rates.*

*There is no assurance that a mutual fund will achieve its investment objective. Funds are subject to market risk, which is the possibility that the market values of securities owned by the fund will decline and that the value of fund shares may therefore be less than what you paid for them. Accordingly, you can lose money investing in these funds.*

*Important Risks: The fund is actively managed and its characteristics will vary. Holdings shown should not be deemed as a recommendation to buy or sell securities. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. Investing in mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. Performance may be attributable to unusually high IPO profits. There is no guarantee this level of performance will be repeated. IPO securities have no trading history and the price may be volatile.*

***Please consider the investment objectives, risks, charges and expenses of the funds carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the funds and are available, along with information on other BlackRock funds, by calling 800-882-0052 or at [www.blackrock.com](http://www.blackrock.com). The prospectus and, if available, the summary prospectus should be read carefully before investing.***

*The opinions presented are those of Lawrence G. Kemp, CFA, Managing Director and Portfolio Manager, Fundamental Large Cap Growth portfolios, as of December 2018 and may change as subsequent conditions vary. Individual portfolio managers for BlackRock may have opinions and / or make investment decisions that may, in certain respects, not be consistent with the information contained in this presentation. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and nonproprietary sources deemed by BlackRock® to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. Past performance does not guarantee future results. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.*

FOR MORE INFORMATION: [www.blackrock.com](http://www.blackrock.com)

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MAY LOSE VALUE