

MID-CAP GROWTH EQUITY FUND

BLACKROCK®

1Q 2019
COMMENTARYInst: CMGIX • A: BMGAX • C: BMGCX • Class R: BMRRX¹ • Class K: BMGKX

- ▶ The fund posted returns of 20.76% (Institutional shares) and 20.71% (Investor A shares, without sales charge) for the first quarter of 2019.
- ▶ Stock selection in communication services, industrials, information technology (IT), and health care contributed positively to performance during the quarter. Conversely, stock selection in the consumer discretionary sector and a large overweight in communication services detracted from returns.
- ▶ The fund ended the quarter with overweight positions in communication services, health care, and real estate. Underweight positions were maintained in consumer discretionary, materials, energy, and consumer staples.

Contributors	Detractors
The top contributor to performance was stock selection in the communication services sector, most notably within the media industry. Similarly, stock selection in industrials performed well, particularly among professional services companies. Elsewhere, stock selection in the health care equipment & supplies industry added value, as did a large underweight in the health care providers & services industry.	Stock selection in the consumer discretionary sector detracted from performance, particularly in the hotels, restaurants & leisure, and textiles, apparel & luxury goods industries. A large overweight in the consumer services sectors' entertainment industry also hurt returns.

Further Insight

The fund ended the first quarter with overweight positions in communication services, health care, and real estate. Large underweights were maintained in consumer discretionary, materials, energy, and consumer staples. As always, we are focused on investing in companies with high barriers to entry, attractive unit economics, growing core markets, and the ability to replicate success globally.

Overall Morningstar Rating®:
Institutional

Rated against 555 Mid-Cap Growth Funds, as of 3/31/19, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.^{††}

Portfolio Management

Lawrence Kemp, Kathryn Mongelli,
Phil Ruvinsky

TOP 10 EQUITY HOLDINGS

(% of Net Assets as of 3/31/19)

1. Iac/Interactivecorp	2.9
2. Fair Isaac Corp	2.7
3. Align Technology Inc	2.6
4. Xilinx Inc	2.5
5. Costar Group Inc	2.4
6. MSCI Inc	2.4
7. Copart Inc.	2.3
8. Sba Communications Corp	2.3
9. Live Nation Entertainment Inc	2.2
10. Godaddy Inc	2.1

Invests at least 80% of its net assets in equity securities issued by U.S. mid-capitalization growth companies that fund management team believes have above-average earnings growth potential. Although a universal definition of mid-capitalization companies does not exist, the fund generally defines these companies as those with market capitalizations comparable in size to companies in the Russell Midcap Growth Index.

% AVERAGE ANNUAL TOTAL RETURNS AS OF 3/31/19

	1Q19 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years	Since Inception ²
Institutional	20.76	20.76	16.80	21.91	14.00	18.58	10.11
Investor A (Without Sales Charge)	20.71	20.71	16.55	21.57	13.66	18.18	9.65
Investor A (With Sales Charge)	14.37	14.37	10.43	19.40	12.44	17.55	9.39
Morningstar Mid-Cap Growth Category Avg.	18.19	18.19	8.04	14.18	8.99	15.70	—
Russell Midcap Growth ⁴	19.62	19.62	11.51	15.06	10.89	17.60	—

Expenses for Institutional shares: Total 0.90%; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) 0.80%. For Investor A shares: Total 1.26%; Net, Including Investment Related Expenses 1.05%. Institutional and Investor A shares have contractual waivers with an end date of 1/31/20 terminable upon 90 days' notice. For certain share classes, BlackRock may voluntarily agree to waive certain fees and expenses in which the adviser may discontinue at any time without notice. Expenses stated as of the fund's most recent prospectus. Data 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. All returns assume reinvestment of dividends and capital gains. Current performance may be lower or higher than that shown. Refer to blackrock.com for most recent month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 5.25% for Investor A shares. Institutional shares have no front- or back-end load. Institutional shares have limited availability and may be purchased at various minimums. See prospectus for details. Net Expenses Excluding Investment Related Expenses for Institutional shares: 0.80%; for Investor A shares: 1.05%.

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.

The opinions expressed are those of the fund's portfolio management team as of March 31, 2019, and may change as subsequent conditions vary. Information and opinions 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 is no guarantee of future results. There is no guarantee that any forecasts made will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment. Investment involves risk. Reliance upon information in this material is at the sole discretion of the reader.

¹ Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details. ² Fund inception: 12/27/96. ³ Lipper category is as of 03/31/19 and may not accurately represent the current composition of the portfolio. ⁴ The Russell Midcap Growth Index comprises mid-capitalization U.S. equities that exhibit growth characteristics. Securities in this index generally have higher price-to-book and price-to-earnings ratios, lower dividend yields and higher forecasted growth values. †† 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 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 fund was rated against the following numbers of U.S.-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- and 10-year periods, respectively. Other classes may have different performance characteristics.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the fund and are available, along with information on other BlackRock funds, by calling 800-882-0052 or from your financial professional. The prospectus should be read carefully before investing.

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04/19 — Mid-Cap Growth Equity Fund

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