

As of 09/30/2024 | Class K: BDSKX | Institutional: BDSIX | Investor A: BDSAX | Investor C: BDSCX

A low cost, small-cap equity holding

Powered by innovation and a technology driven investment process

Seeks long-term capital appreciation, with a focus on risk management

Seeks capital appreciation over the long term by investing its net assets plus any borrowings for investment purposes in equity securities or other financial instruments that are components of, or have market capitalizations similar to, the securities included in the Russell 2000® Index.



Morningstar has awarded the Fund a SILVER medal (Effective 08/31/2024).†

ANNUALIZED PERFORMANCE

	1 Year	3 Year	5 Year	10 Year
With Sales Charge				
Investor A	21.46	0.31	8.31	8.43
Without Sales Charge				
Investor A	28.19	2.13	9.49	9.01
Benchmark	26.76	1.84	9.39	8.78
Morningstar Average	25.03	4.42	10.20	8.63

CALENDAR YEAR PERFORMANCE

	2019	2020	2021	2022	2023	YTD	3Q2024
Without Sales Charge							
Investor A	31.79	19.35	14.35	-20.03	16.19	11.89	8.79
Benchmark	25.52	19.96	14.82	-20.44	16.93	11.17	9.27
Morningstar Average	23.75	10.99	24.19	-16.24	16.18	10.91	8.45

Performance data shown represents past performance which 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. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Returns with sales charge reflect the deduction of current maximum initial sales charge of 5.25%. The calendar year performance shown does not reflect the deduction of the sales load. If reflected, the performance would have been lower. Please see the fund prospectus for more details.

MORNINGSTAR RANKINGS

	1 Year	3 Year	5 Year	10 Year
Morningstar Ranking	115/594	443/569	325/547	163/387
Quartile Rank	1	4	3	2

Rankings based on total return excluding sales charges, independently calculated and not combined to create an overall ranking. For periods not shown, Morningstar does not provide rankings based on synthetic performance.

KEY RISKS: The fund is actively managed and its characteristics will vary. Stock values fluctuate in price so the value of your investment can go down depending on market conditions. 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. The fund may engage in active and frequent trading, resulting in short-term capital gains or losses that could increase an investors tax liability. 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. Small cap companies may have limited product lines or markets. They may be less financially secure than larger, more established companies.

KEY FACTS

Size of Fund (Millions)	\$3,980.0M
Fund Launch Date	03/14/2013
Share Class Launch Date	03/14/2013
Morningstar Category	Small Blend
Number of Holdings	782
Benchmark	Russell 2000 Index (Gross Total Return) (USD)

ANNUAL EXPENSES

Gross Expense Ratio	0.93%
Net Expense Ratio	0.75%

The Net Expense Ratio excluding Investment Related Expenses is 0.75% Investment Related Expenses include acquired fund fees of 0.00%, and interest expense (cost of borrowing securities to seek to enhance return or reduce risk) of 0.00%, and certain other expenses, if applicable. Expenses stated as of the fund's most recent prospectus. The difference between gross and net expense ratios are due to contractual and/or voluntary waivers, if applicable. This share class has a contractual waiver with an end date of 06/30/2026 terminable upon 90 days' notice. BlackRock may agree to voluntarily waive certain fees and expenses, which the adviser may discontinue at any time without notice.

PORTFOLIO MANAGEMENT

Raffaele Savi Travis Cooke
Richard Mathieson

TOP HOLDINGS (%)²

ACI WORLDWIDE INC	0.95
BOISE CASCADE CO	0.95
FLOWERVE CORPORATION	0.94
EXLSERVICE HOLDINGS INC	0.93
COMFORT SYSTEMS USA INC	0.74
UFP INDUSTRIES INC	0.71
CORCEPT THERAPEUTICS INCORPORATED	0.71
PLAINS GP HOLDINGS LP	0.70
KITE REALTY GROUP TRUST	0.63
ONTO INNOVATION INC	0.61
Total of Portfolio	7.87

TOP SECTORS (%)²

	Fund	Benchmark	Active
Health Care	18.8	17.5	1.2
Industrials	17.9	17.1	0.9
Financials	16.3	18.1	-1.7
Information Technology	14.0	12.8	1.2
Consumer Discretionary	11.4	10.1	1.4
Real Estate	5.5	6.4	-0.9
Energy	5.4	5.3	0.1
Materials	3.4	4.5	-1.2
Communication	2.7	2.7	0.0
Utilities	1.7	2.8	-1.1
Consumer Staples	1.7	2.8	-1.1
Cash and/or Derivatives	1.1	0.0	1.1

RISK STATISTICS (3 YEARS)

	Fund	Benchmark
Alpha	0.02	-
Beta	0.98	-
R-Squared	99.12	-
Standard Deviation	22.23%	22.51%
Sharpe Ratio	0.05	0.04

² % of net assets represents the Fund's exposure based on the economic value of securities and is adjusted for futures, options, swaps, and convertible bonds. Allocations subject to change. Negative weightings may result from specific circumstances (including timing differences between trade and settle dates of securities purchased by the funds) and/or the use of certain financial instruments, including derivatives, which may be used to gain or reduce market exposure and/or risk management. Certain transactions the funds may utilize may give rise to a form of leverage through either (a) additional market exposure or (b) borrowing capital in an attempt to increase investment return. The use of such transactions includes certain leverage-related risks, including potential for higher volatility, greater decline of the fund's net asset value and fluctuations of dividends and distributions paid by the fund.

Price to Earnings Ratio: The price-to-earnings ratio is used to assess a company's valuation. To compute this ratio, the latest closing price is divided by the company's last fiscal year's Earnings Per Share. The ratio represents a weighted harmonic mean of the price-to-earnings ratios of its holdings with negative values being excluded from the calculation. **Price to Book Ratio:** represents the ratio of the current closing price of the share to the latest quarter's book value per share. **Average Market Cap:** The average size of the securities the fund invests in. **Effective Duration:** Measures the sensitivity of the price of a bond with embedded options to changes in interest rates, taking into account the likelihood of the bond being called, put and/or sunk prior to its final maturity date. BlackRock uses a proprietary duration model which employs certain assumptions and may differ from other fund complexes. Effective Duration is measured at the portfolio level and adjusted for leverage, hedging transactions and non-bond holdings, including derivatives. **Alpha:** A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Beta:** Beta measures the funds sensitivity to market movements beta greater than 1 is more volatile than the market beta less than 1 is less volatile than the market. **R-Squared:** R-Squared reflects the percentage of a funds movements that are explained by movements in its benchmark, showing the degree of correlation between the fund and benchmark. This figure is helpful in assessing how likely it is that beta is statistically significant. **Standard Deviation:** Standard Deviation measures the volatility of the funds returns. Higher deviation represents higher volatility. **Sharpe Ratio:** Sharpe Ratio uses a funds standard deviation and its excess return (difference between the funds return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk.

ⁱ**Analyst Driven %** is the analyst input into the overall rating assignment, including direct analyst coverage and inheritance of an analyst-rated pillar

ⁱⁱ**Data Coverage %** is available input data for rating calculation at the Pillar level

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. Investing involves risks including possible loss of principal.


†The Morningstar Medalist Rating™ is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please go to global.morningstar.com/managerdisclosures/. The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate.

The unmanaged Russell 2000 Index measures performance of the 2,000 smallest companies in the Russell 3000 Index.

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PORTFOLIO CHARACTERISTICS

Forward Price to Earnings	16.96x
Price to Book Ratio	1.96x
Average Market Capitalization (millions)	-
Effective Duration	0.00 yrs

² % of net assets represents the Fund's exposure based on the economic value of securities and is adjusted for futures, options, swaps, and convertible bonds. Allocations subject to change. Negative weightings may result from specific circumstances (including timing differences between trade and settle dates of securities purchased by the funds) and/or the use of certain financial instruments, including derivatives, which may be used to gain or reduce market exposure and/or risk management. Certain transactions the funds may utilize may give rise to a form of leverage through either (a) additional market exposure or (b) borrowing capital in an attempt to increase investment return. The use of such transactions includes certain leverage-related risks, including potential for higher volatility, greater decline of the fund's net asset value and fluctuations of dividends and distributions paid by the fund.

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SUSTAINABILITY CHARACTERISTICS

Sustainability Characteristics provide investors with specific non-traditional metrics. Alongside other metrics and information, these enable investors to evaluate funds on certain environmental, social and governance characteristics. Sustainability Characteristics do not provide an indication of current or future performance nor do they represent the potential risk and reward profile of a fund. They are provided for transparency and for information purposes only. Sustainability Characteristics should not be considered solely or in isolation, but instead are one type of information that investors may wish to consider when assessing a fund.

This fund does not seek to follow a sustainable, impact or ESG investment strategy. The metrics do not change the fund's investment objective or constrain the fund's investable universe, and there is no indication that a sustainable, impact or ESG investment strategy will be adopted by the fund. For more information regarding the fund's investment strategy, please see the fund's prospectus.

MSCI ESG Fund Rating (AAA-CCC)	BBB	MSCI ESG Quality Score (0-10)	5.53
MSCI ESG Quality Score - Peer Percentile	18.91%	MSCI ESG % Coverage	94.90%
Fund Lipper Global Classification	Equity US Sm&Mid Cap	MSCI Weighted Average Carbon Intensity (Tons CO2E/\$M SALES)	89.56
Funds in Peer Group	1,449	MSCI Weighted Average Carbon Intensity % Coverage	95.29%

All data is from MSCI ESG Fund Ratings as of **21-Sep-2024**, based on holdings as of **31-Mar-2024**. As such, the fund's sustainable characteristics may differ from MSCI ESG Fund Ratings from time to time.

To be included in MSCI ESG Fund Ratings, 65% (or 50% for bond funds and money market funds) of the fund's gross weight must come from securities with ESG coverage by MSCI ESG Research (certain cash positions and other asset types deemed not relevant for ESG analysis by MSCI are removed prior to calculating a fund's gross weight; the absolute values of short positions are included but treated as uncovered), the fund's holdings date must be less than one year old, and the fund must have at least ten securities.

ESG GLOSSARY:

MSCI ESG Fund Rating (AAA-CCC): The MSCI ESG Rating is calculated as a direct mapping of ESG Quality Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

MSCI ESG Quality Score - Peer Percentile: The fund's ESG Percentile compared to its Lipper peer group.

Fund Lipper Global Classification: The fund peer group as defined by the Lipper Global Classification.

Funds in Peer Group: The number of funds from the relevant Lipper Global Classification peer group that are also in ESG coverage.

MSCI ESG Quality Score (0-10): The MSCI ESG Quality Score (0 - 10) for funds is calculated using the weighted average of the ESG scores of fund holdings. MSCI rates underlying holdings according to their exposure to industry specific ESG risks and their ability to manage those risks relative to peers.

MSCI ESG % Coverage: Percentage of the fund's holdings for which the MSCI ESG ratings data is available. The MSCI ESG Fund Rating, MSCI ESG Quality Score and MSCI ESG Quality Score – Peer Percentile metrics are displayed for funds with at least 65% coverage (or 50% for bond funds and money market funds).

MSCI Weighted Average Carbon Intensity (Tons CO2E/\$M SALES): Measures a fund's exposure to carbon intensive companies. This figure represents the estimated greenhouse gas emissions per \$1 million in sales across the fund's holdings. This allows for comparisons between funds of different sizes.

MSCI Weighted Average Carbon Intensity % Coverage: Percentage of the fund's holdings for which MSCI Carbon Intensity data is available. The MSCI Weighted Average Carbon Intensity metric is displayed for funds with any coverage. Funds with low coverage may not fully represent the fund's carbon characteristics given the lack of coverage.

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