

# Advantage Large Cap Growth Fund

# BlackRock®

Inst: **CMVIX** A: **BMCAAX** C: **BMCCX** R: **BMCRX<sup>1</sup>** K: **BMCKX**

## Commentary as of 12/31/23

- The fund posted returns of 14.49% (Institutional shares) and 14.42% (Investor A shares, without sales charge) for the fourth quarter of 2023.
- The fund outperformed its benchmark during the quarter, with stock selection driven by sentiment measures contributing the most. Macro-related insights also added to performance, while fundamental measures were muted.
- From a sector-positioning perspective, the fund remained largely neutral. There were slight overweight exposures to the finance and health care sectors, and slight underweight allocations to the consumer staples and information technology (IT) sectors.

Contributors	Detractors
Insights that capture market sentiment were the top contributors during the quarter. In particular, measures looking at informed investor positioning drove gains. Text-based insights gauging sentiment from conference calls and online search activity drove successful stock selection in health care stocks. Elsewhere, macro-related insights that identify historically similar regimes to today benefited from positioning in communication services and consumer discretionary stocks amid the market rally. Finally, fundamental measures looking at diverse hiring and employee satisfaction were also beneficial.	Despite certain fundamental human-capital-related insights adding to performance, quality measures that bet against companies experiencing high wage pressure detracted as they struggled to position the fund in IT stocks. Insights looking at balance sheet strength were also challenged, particularly among consumer staples companies. Finally, traditional valuation measures looking at cash flows to enterprise detracted as they motivated an unsuccessful underweight exposure to utilities.

## Further insight

Equities enjoyed strong returns during the quarter amid ebullient investor sentiment. This was spurred by a belief that policymakers had successfully brought inflation under control while avoiding a material unemployment increase and economic contraction. The results capped a year of sharp market moves, driven by swings in macroeconomic data that influenced the outlook for inflation and policy rates. However, investors ultimately focused on peak-policy and soft-landing narratives, looking past fresh bouts of volatility, notably conflict in the Middle East. Despite broad gains, breakthroughs in artificial intelligence technology meant that U.S. market performance was concentrated around mega-cap technology stocks for the year. This supported performance across growth and size styles.

## Portfolio management

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Richard Mathieson

## Top 10 holdings (%)

Microsoft	12.84
Apple	11.17
Nvidia Corporation	4.92
Amazon.com	4.87
Alphabet	4.86
Meta Platforms Inc	4.40
MasterCard	2.71
Tesla Inc	2.40
Adobe Inc	2.30
Eli Lilly and Company	2.10

## Investment approach

Invests at least 80% of its assets in equity securities or other financial instruments that are components of, or have market capitalizations similar to, the securities included in the Russell 1000 Growth® Index.

Average annual total returns (%) as of 12/31/23

	4Q23 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
Institutional	14.49	39.75	39.75	7.31	17.30	11.71
Investor A (Without Sales Charge)	14.42	39.37	39.37	7.05	17.02	11.39
Investor A (With Sales Charge)	8.42	32.05	32.05	5.14	15.76	10.80
Russell 1000 Growth <sup>2</sup>	14.16	42.68	42.68	8.86	19.50	14.86

The fund's annual total returns prior to June 12, 2017 reflect a different investment strategy. Expenses for Institutional shares: Total **0.75%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.62%**. For Investor A shares: Total **1.06%**; Net, Including Investment Related Expenses **0.87%**. Institutional and Investor A shares have contractual waivers with an end date of 06/30/2025 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](https://www.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: **0.62%**; for Investor A shares: **0.87%**.

**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. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities. 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. Commodity futures exposure is achieved through investments in, but not limited to, commodity-linked notes, swap agreements, commodity options, futures and options on futures. Investing in commodity-linked derivatives and commodity-related companies may increase volatility. Price movements are outside of the fund's control and may be influenced by weather and climate conditions, livestock disease, war, terrorism, political conflicts and economic events, interest rates, currency and exchange rates, government regulation and taxation.

The opinions expressed are those of the fund's portfolio management team as of December 31, 2023, 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.

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**1** Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details. **2** The Russell 1000 Growth Index represents performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-value ratios and higher forecasted growth values.

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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