

Capital Appreciation Fund

BlackRock®

Inst: **MAFGX** A: **MDFGX** C: **MCFGX** R: **MFRGX**¹ K: **BFGBX**

Commentary as of 06/30/24

- The fund posted returns of 7.69% (Institutional shares) and 7.64% (Investor A shares, without sales charge) for the second quarter of 2024.
- The largest contributor to relative performance was security selection in the consumer discretionary and industrials sectors, and positioning in the consumer staples sector. The largest detractor was positioning in the financials sector, along with stock selection in the communication services and real estate sectors.
- The largest exposures were in the information technology (IT), consumer discretionary, and communication services sectors. During the quarter, the fund increased its allocations to the communication services and IT sectors, and reduced its exposures to the financials and health care sectors.

Contributors

Stock selection in the consumer discretionary sector was the largest contributor to relative performance. Notably, a lack of exposure to the specialty retail industry and an underweight holding in the hotels, restaurants & leisure industry proved beneficial. In the industrials sector, a lack of exposure to the machinery and ground transportation industries boosted relative results. Lastly, no exposure to the consumer staples sector added value, notably in the beverages industry.

Detractors

The largest detractor was positioning in the financials sector, notably overweight allocations to the capital markets and financial services industries. In communication services, stock selection in the interactive media & services industry hindered performance. An overweight position in the real estate management & development industry in the real estate sector also detracted meaningfully.

Further insight

The fund emphasizes exposure to businesses with attractive and growing end markets, durable competitive advantages, and runways for growth that are underappreciated in terms of either magnitude or durability. The transformative potential of artificial intelligence and the associated swell in data center capital expenditure remain key influences on our research pipeline, while we continue to investigate investment opportunities across a host of other sectors, industries, and business models. The goal of our research process is to surface actionable investment ideas where we believe we have an edge in projecting a company's future earnings growth prospects relative to consensus expectations.

Portfolio management

Lawrence Kemp

Top 10 holdings (%)

Nvidia Corporation	13.40
Microsoft	10.58
Amazon.com	9.90
Apple	7.51
Meta Platforms Inc	5.21
Broadcom Inc	4.13
Alphabet	3.94
Intuit	3.71
Eli Lilly and Company	3.33
ASML Holding	3.29

Investment approach

Invests in a portfolio of equity securities that fund management believes have shown above-average growth rates in earnings over the long term.

Average annual total returns (%) as of 6/30/24

	2Q24 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
Institutional	7.69	22.55	36.67	6.73	15.64	14.91
Investor A (Without Sales Charge)	7.64	22.39	36.34	6.45	15.34	14.60
Investor A (With Sales Charge)	1.99	15.97	29.19	4.56	14.10	13.99
Russell 1000 Growth²	8.33	20.70	33.48	11.28	19.34	16.33

Expenses for Institutional shares: Total **0.73%**. For Investor A shares: Total **1.00%**. 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. Current performance may be lower or higher than that shown. All returns assume reinvestment of dividends and capital gains. Refer to www.blackrock.com for current 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.

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.

The opinions expressed are those of the fund's portfolio management team as of June 30, 2024, 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.

BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings.

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 comprises large- and mid-capitalization U.S. equities that exhibit growth 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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07/24 — Capital Appreciation Fund

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