

2024 Semi-Annual Financial Statements and Additional Information (Unaudited)

BlackRock FundsSM

- BlackRock Wealth Liquid Environmentally Aware Fund

Table of Contents

	Page
Schedule of Investments	3
Statement of Assets and Liabilities	7
Statement of Operations	9
Statements of Changes in Net Assets	10
Financial Highlights	11
Notes to Financial Statements	16
Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement	22
Additional Information	25
Glossary of Terms Used in This Report	27

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Schedule of Investments (unaudited)

September 30, 2024

BlackRock Wealth Liquid Environmentally Aware Fund

(Percentages shown are based on Net Assets)

Security	Par (000)	Value
Certificates of Deposit		
Domestic — 1.4%		
Bank of America NA		
5.45%, 10/02/24 USD	10,000	\$ 9,999,988
(1-day SOFR + 0.22%), 5.06%, 11/14/24 ^(a)	16,000	16,000,000
5.75%, 11/14/24	12,000	12,000,000
5.15%, 01/22/25	6,600	6,600,000
5.22%, 02/06/25	5,516	5,516,000
Citibank NA, (1-day SOFR at 0.00% Floor + 0.27%), 5.10%, 06/20/25 ^(a)	6,000	6,000,000
		56,115,988
Yankee — 12.2%^(b)		
Bank of Montreal, Chicago		
5.80%, 11/12/24	8,000	8,000,000
5.60%, 11/29/24	9,000	9,000,000
5.50%, 12/06/24	7,000	7,000,000
5.50%, 06/11/25	7,000	7,000,000
Bank of Nova Scotia (The), Houston		
5.80%, 11/08/24	7,000	7,000,000
(1-day SOFR at 0.00% Floor + 0.30%), 5.14%, 02/21/25 ^(a)	5,750	5,750,000
BNP Paribas SA, New York		
5.45%, 10/01/24	8,000	8,000,000
(1-day SOFR + 0.21%), 5.05%, 11/26/24 ^(a)	9,000	9,000,000
5.23%, 12/18/24	10,000	10,000,000
5.28%, 12/31/24	6,000	6,000,000
Canadian Imperial Bank of Commerce, New York		
5.17%, 02/07/25	11,000	11,000,000
(1-day SOFR + 0.26%), 5.10%, 06/04/25 ^(a)	15,000	15,000,000
Commonwealth Bank of Australia, New York, 5.70%, 11/27/24	10,000	10,000,000
Credit Industriel et Commercial, New York, 5.50%, 05/12/25	8,000	8,000,000
Mitsubishi UFJ Trust & Banking Corp., New York, (1-day SOFR + 0.20%), 5.03%, 10/01/24 ^(a)	15,000	15,000,000
Mizuho Bank Ltd., New York, (1-day SOFR + 0.25%), 5.08%, 11/06/24 ^(a)	15,000	14,999,999
MUFG Bank Ltd., New York		
4.85%, 10/01/24	75,000	75,000,000
(1-day SOFR + 0.24%), 5.07%, 02/20/25 ^(a)	15,000	15,000,000
Nordea Bank Abp, New York, (1-day SOFR + 0.20%), 5.04%, 02/14/25 ^(a)	13,000	12,999,967
Standard Chartered Bank, New York, 5.35%, 04/10/25	14,000	14,000,000
Sumitomo Mitsui Banking Corp., New York ^(a)		
(1-day SOFR + 0.24%), 5.08%, 02/05/25	16,000	16,000,000
(1-day SOFR + 0.23%), 5.07%, 03/05/25	19,500	19,500,000
Sumitomo Mitsui Trust Bank Ltd., New York		
5.41%, 10/21/24	8,500	8,500,000
5.21%, 02/05/25	15,000	15,000,000
Svenska Handelsbanken AB, New York		
(1-day SOFR at 0.00% Floor + 0.20%), 5.03%, 10/03/24 ^(a)	10,000	10,000,000
5.40%, 10/16/24	6,000	5,999,996
(1-day SOFR at 0.00% Floor + 0.27%), 5.10%, 02/05/25 ^(a)	12,000	12,000,000
5.35%, 04/09/25	10,000	10,000,254
Swedbank AB, New York		
5.34%, 04/09/25	10,000	10,000,000
(1-day SOFR + 0.25%), 5.08%, 06/05/25 ^(a)	15,000	15,000,000
Toronto-Dominion Bank (The), New York		
6.00%, 10/02/24	8,000	8,000,000
5.15%, 12/31/24	6,000	6,000,000

Security	Par (000)	Value
Yankee (continued)		
(1-day SOFR + 0.20%), 5.03%, 03/07/25 ^(a) . USD	20,000	\$ 20,000,000
5.10%, 08/25/25	12,000	12,000,000
(1-day SOFR + 0.35%), 5.18%, 09/22/25 ^(a)	10,000	10,000,000
Westpac Banking Corp., New York		
5.25%, 01/22/25	7,000	7,000,000
(1-day SOFR at 0.00% Floor + 0.30%), 5.14%, 01/31/25 ^(a)	3,000	3,000,000
5.40%, 06/06/25	17,000	16,999,853
		472,750,069
Total Certificates of Deposit — 13.6%		
(Cost: \$528,866,057)		528,866,057
Commercial Paper		
ABN AMRO Funding USA LLC ^(c)		
4.77%, 01/13/25	7,500	7,387,333
4.54%, 04/21/25 ^(d)	9,000	8,757,600
Alinghi Funding Co. LLC		
4.94%, 10/04/24 ^{(c)(d)}	30,000	29,986,633
4.84%, 12/06/24 ^(c)	20,000	19,802,733
4.75%, 01/08/25 ^(d)	16,000	15,765,480
4.67%, 02/07/25 ^{(c)(d)}	20,000	19,620,167
Antalis SA, 4.93%, 10/10/24 ^(d)	10,000	9,986,425
ANZ New Zealand International Ltd., 4.59%, 02/28/25 ^(d)	12,000	11,746,000
Aquitaine Funding Co. LLC		
4.93%, 10/02/24 ^(c)	17,000	16,997,705
4.95%, 10/10/24 ^(d)	20,000	19,974,150
4.95%, 10/11/24 ^(c)	21,500	21,469,124
4.96%, 10/17/24 ^(c)	20,000	19,956,622
4.96%, 10/18/24 ^(d)	10,000	9,976,956
4.99%, 11/01/24 ^(d)	46,000	45,789,725
Australia & New Zealand Banking Group Ltd. ^(d)		
(1-day SOFR + 0.55%), 5.39%, 10/11/24 ^(a)	12,150	12,151,412
4.70%, 12/16/24	15,000	14,832,166
4.64%, 01/06/25 ^(c)	12,000	11,843,507
4.62%, 01/14/25	6,000	5,914,250
Bank of America Securities, Inc., 4.77%, 01/17/25 ^(c)	5,000	4,922,000
Bank of Montreal, 4.91%, 11/06/24 ^(c)	7,500	7,458,900
Bank of New York Mellon (The), (1-day SOFR + 0.35%), 5.18%, 05/09/25 ^(a)	7,000	7,000,000
Barton Capital SA, 4.94%, 10/18/24 ^{(c)(d)}	3,500	3,491,191
BNG Bank NV ^(d)		
4.85%, 10/21/24	10,000	9,973,111
4.56%, 01/31/25	10,000	9,838,011
BPCE SA ^(d)		
4.69%, 01/31/25	12,000	11,788,127
4.60%, 03/03/25 ^(c)	12,000	11,751,630
(1-day SOFR + 0.25%), 5.09%, 03/03/25 ^(a)	12,000	12,000,000
Britannia Funding Co. LLC ^{(c)(d)}		
4.91%, 10/03/24	15,000	14,995,534
4.92%, 10/04/24	30,000	29,986,950
4.92%, 11/19/24	9,000	8,936,055
4.71%, 02/12/25	15,000	14,720,833
Caisse des Depots et Consignations, 4.87%, 11/08/24 ^(d)	10,000	9,946,008
Canadian Imperial Bank of Commerce, 4.47%, 04/09/25 ^{(c)(d)}	10,000	9,736,111
CDP Financial, Inc., 4.45%, 04/28/25 ^(d)	19,000	18,446,266
Chariot Funding LLC ^(d)		
4.91%, 10/09/24 ^(c)	17,500	17,479,156
4.92%, 10/18/24 ^(c)	13,000	12,967,157
(1-day SOFR + 0.28%), 5.11%, 01/17/25 ^(a)	10,000	10,000,000

Schedule of Investments (unaudited) (continued)

September 30, 2024

BlackRock Wealth Liquid Environmentally Aware Fund

(Percentages shown are based on Net Assets)

Security	Par (000)	Value
Commercial Paper (continued)		
Columbia Funding Co. LLC		
4.90%, 10/01/24 ^(d) USD	24,250	\$ 24,250,000
4.80%, 01/16/25 ^(d)	23,000	22,653,142
4.67%, 03/04/25 ^(d)	9,000	8,819,050
4.64%, 03/26/25 ^(c)	20,000	19,560,000
4.64%, 03/27/25 ^(c)	9,000	8,804,857
Commonwealth Bank of Australia ^{(a)(d)}		
(1-day SOFR + 0.17%), 5.01%, 12/23/24 .	17,000	16,999,993
(1-day SOFR + 0.20%), 5.04%, 01/21/25 .	12,000	12,000,000
(1-day SOFR + 0.30%), 5.14%, 01/31/25 .	5,000	5,000,000
DNB Bank ASA ^(d)		
4.80%, 12/05/24 ^(c)	10,000	9,905,208
4.66%, 01/22/25 ^(c)	12,900	12,700,983
4.58%, 02/24/25 ^(c)	37,500	36,743,984
4.49%, 04/01/25	10,000	9,741,156
Endeavour Funding Co. LLC, 4.72%, 02/04/25 ^{(c)(d)}	30,500	29,952,250
Gotham Funding Corp.		
4.91%, 10/09/24 ^(d)	10,000	9,988,111
4.91%, 11/14/24 ^(c)	8,000	7,949,058
Hydro-Quebec ^(c)		
4.83%, 11/06/24 ^(d)	36,800	36,607,168
4.76%, 12/03/24	35,000	34,712,738
4.74%, 12/10/24 ^(d)	35,000	34,652,236
ING US Funding LLC		
4.88%, 10/02/24 ^{(c)(d)}	22,000	21,996,715
(1-day SOFR + 0.24%), 5.07%, 10/31/24 ^(a)	5,000	5,000,000
4.63%, 02/18/25 ^(d)	18,100	17,738,905
(1-day SOFR + 0.26%), 5.09%, 06/05/25 ^{(a)(d)}	14,000	14,000,000
JP Morgan Securities LLC, (1-day SOFR + 0.33%), 5.16%, 01/06/25 ^(a)	14,000	14,000,000
Liberty Street Funding LLC ^(c)		
4.84%, 12/05/24 ^(d)	19,500	19,322,198
4.77%, 01/06/25	10,500	10,349,206
4.71%, 01/27/25	12,500	12,310,708
4.59%, 03/17/25	10,500	10,283,248
Mackinac Funding Co. LLC		
4.93%, 10/16/24 ^(d)	19,500	19,457,831
4.79%, 01/07/25 ^{(c)(d)}	28,000	27,626,729
4.76%, 01/16/25 ^(d)	15,500	15,255,832
4.61%, 03/11/25 ^(c)	6,500	6,362,792
Macquarie Bank Ltd.		
(1-day SOFR + 0.19%), 5.02%, 10/07/24 ^{(a)(d)}	7,500	7,499,935
4.96%, 10/17/24 ^(c)	7,500	7,482,267
4.77%, 01/13/25 ^{(c)(d)}	7,500	7,387,333
4.74%, 01/17/25 ^(c)	10,000	9,843,400
4.71%, 01/21/25 ^{(c)(d)}	18,870	18,563,551
4.62%, 02/12/25 ^(c)	9,000	8,836,855
(1-day SOFR + 0.27%), 5.10%, 02/18/25 ^{(a)(d)}	8,000	8,000,000
4.58%, 03/03/25 ^{(c)(d)}	15,000	14,676,703
(1-day SOFR + 0.24%), 5.07%, 03/28/25 ^{(a)(d)}	7,000	7,000,000
National Australia Bank Ltd. ^(d)		
4.88%, 10/04/24 ^(c)	13,000	12,994,486
(1-day SOFR + 0.21%), 5.05%, 10/15/24 ^(a)	28,000	27,999,937
(1-day SOFR + 0.19%), 5.03%, 10/21/24 ^(a)	11,500	11,500,000
(1-day SOFR + 0.28%), 5.12%, 06/27/25 ^(a)	12,000	12,001,701
National Bank of Canada, 4.52%, 04/16/25 ^{(c)(d)}	12,000	11,669,040
National Westminster Bank plc, 4.89%, 10/03/24 ^(d)	30,000	29,991,958
Old Line Funding LLC, 4.62%, 02/14/25 ^{(c)(d)} . .	11,000	10,785,989
Ontario Teachers' Finance Trust, 4.39%, 05/01/25 ^(d)	10,500	10,196,398
Oversea-Chinese Banking Corp. Ltd. ^(d)		
4.93%, 10/22/24 ^(c)	11,500	11,464,245

Security	Par (000)	Value
Commercial Paper (continued)		
(1-day SOFR + 0.20%), 5.04%, 01/21/25 ^(a) USD	10,000	\$ 10,000,000
PSP Capital, Inc., 4.64%, 01/24/25 ^{(c)(d)}	20,500	20,171,260
Royal Bank of Canada ^(d)		
4.88%, 11/06/24 ^(c)	6,000	5,967,120
(1-day SOFR + 0.35%), 5.19%, 01/21/25 ^(a)	12,000	12,000,000
(1-day SOFR + 0.25%), 5.09%, 02/18/25 ^(a)	11,000	11,000,000
4.48%, 04/09/25	12,000	11,683,333
Skandinaviska Enskilda Banken AB, (1-day SOFR + 0.20%), 5.03%, 10/01/24 ^{(a)(d)}	13,000	13,000,000
Svenska Handelsbanken AB, 4.88%, 10/21/24 ^(c)	10,000	9,970,722
UBS AG ^{(a)(d)}		
(1-day SOFR + 0.30%), 5.17%, 02/05/25	9,000	9,000,000
(1-day SOFR + 0.40%), 5.28%, 08/06/25	10,000	10,000,000
United Overseas Bank Ltd. ^{(a)(d)}		
(1-day SOFR + 0.18%), 5.01%, 10/24/24	14,050	14,050,000
(1-day SOFR + 0.20%), 5.03%, 01/22/25	8,000	8,000,000
Versailles Commercial Paper LLC ^{(c)(d)}		
4.93%, 10/11/24	11,000	10,983,561
4.77%, 01/17/25	15,000	14,784,000
Westpac Banking Corp. ^(d)		
4.85%, 11/07/24 ^(c)	6,500	6,463,925
4.82%, 11/14/24	9,000	8,940,600
Westpac Securities NZ Ltd. ^{(c)(d)}		
4.88%, 11/15/24	14,425	14,329,434
4.45%, 05/16/25	9,000	8,704,333
Total Commercial Paper — 38.4% (Cost: \$1,489,081,212)		1,489,081,212
Corporate Bonds		
Beverages — 0.1%		
PepsiCo, Inc., (SOFR Index + 0.40%), 5.26%, 11/12/24 ^(a)	5,530	5,530,000
Total Corporate Bonds — 0.1% (Cost: \$5,530,000)		5,530,000
Municipal Bonds		
Colorado — 0.4%^(a)		
Colorado Housing & Finance Authority, Series 2021C-2, RB, VRDN (Federal Home Loan Bank SBPA), 4.85%, 10/07/24	8,365	8,365,000
Colorado Housing & Finance Authority, Series 2021M-2, RB, VRDN (Barclays Bank plc SBPA), 4.86%, 10/07/24	7,230	7,230,000
Total Municipal Bonds — 0.4% (Cost: \$15,595,000)		15,595,000
Time Deposits		
Credit Agricole Corporate & Investment Bank SA, 4.82%, 10/01/24	5,000	5,000,000
Royal Bank of Canada, 4.83%, 10/01/24	100,000	100,000,000
Skandinaviska Enskilda Banken AB, 4.83%, 10/01/24	80,000	80,000,000
Svenska Handelsbanken AB, 4.82%, 10/01/24	70,000	70,000,000
Swedbank AB, 4.82%, 10/01/24	100,000	100,000,000
Total Time Deposits — 9.1% (Cost: \$355,000,000)		355,000,000

Schedule of Investments (unaudited) (continued)

September 30, 2024

BlackRock Wealth Liquid Environmentally Aware Fund
(Percentages shown are based on Net Assets)

Security	Par (000)	Value
U.S. Treasury Obligations		
U.S. Treasury Bills ^(c)		
3.14%, 10/03/24 USD	7,000	\$ 6,998,036
4.51%, 01/23/25	21,500	21,174,282
4.45%, 02/20/25	13,500	13,244,799
U.S. Treasury Notes, (US Treasury 3 Month Bill Money Market Yield at 0.00% Floor + 0.17%), 4.76%, 04/30/25 ^(a)		
	1,000	1,000,202
Total U.S. Treasury Obligations — 1.1% (Cost: \$42,417,319)		<u>42,417,319</u>
Total Repurchase Agreements — 33.8% (Cost: \$1,312,000,000)		<u>1,312,000,000</u>
Total Investments — 96.5% (Cost: \$3,748,489,588)^(f)		<u>3,748,489,588</u>
Other Assets Less Liabilities — 3.5%		<u>134,430,279</u>
Net Assets — 100.0%		<u>\$ 3,882,919,867</u>

- ^(a) Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of period end. Security description also includes the reference rate and spread if published and available.
- ^(b) Issuer is a U.S. branch of a foreign domiciled bank.
- ^(c) Rates are the current rate or a range of current rates as of period end.
- ^(d) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- ^(e) Variable rate security. Rate as of period end and maturity is the date the principal owed can be recovered through demand.
- ^(f) Cost for U.S. federal income tax purposes.

September 30, 2024

Repurchase Agreements

Counterparty	Repurchase Agreements						Collateral		
	Coupon Rate	Purchase Date	Maturity Date	Par (000)	At Value	Proceeds Including Interest	Position	Original Par	Position Received, At Value
Bank of America Securities, Inc.	4.88%	09/30/24	10/01/24	\$ 430,000	\$ 430,000,000	\$ 430,058,289	U.S. Government Sponsored Agency Obligations, 1.50% to 8.00%, due 12/15/25 to 07/20/73.	\$ 570,297,615	\$ 438,600,000
Citigroup Global Markets, Inc.	4.89	09/30/24	10/01/24	405,000	405,000,000	405,055,013	U.S. Government Sponsored Agency Obligations, 0.00% to 21.76%, due 12/20/40 to 09/20/73.	10,657,078,946	439,753,516
JP Morgan Securities LLC.	4.87 ^(a)	09/30/24	10/08/24	38,000	38,000,000	38,041,124	U.S. Government Sponsored Agency Obligations, 2.00% to 7.50%, due 04/20/26 to 08/20/64.	169,507,146	38,760,001
	4.90	09/30/24	10/01/24	409,000	409,000,000	409,055,669	U.S. Government Sponsored Agency Obligations, 1.50% to 7.00%, due 04/20/28 to 07/20/64.	827,857,900	417,180,001
					\$ 447,000,000				\$ 455,940,002
US Bancorp Investments, Inc.	4.87 ^(b)	09/30/24	10/01/24	30,000	30,000,000	30,004,058	U.S. Government Sponsored Agency Obligations and U.S. Treasury Obligations, 0.00% to 4.13%, due 08/15/25 to 06/01/38	30,759,200	30,600,064
					\$ 1,312,000,000				\$ 1,364,893,582

^(a) Variable rate security. Rate as of period end and maturity is the date the principal owed can be recovered through demand.
^(b) Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of period end. Security description also includes the reference rate and spread if published and available.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of financial instruments at the measurement date. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Short-Term Securities				
Certificates of Deposit	\$ —	\$ 528,866,057	\$ —	\$ 528,866,057
Commercial Paper	—	1,489,081,212	—	1,489,081,212
Corporate Bonds	—	5,530,000	—	5,530,000
Municipal Bonds	—	15,595,000	—	15,595,000
Repurchase Agreements	—	1,312,000,000	—	1,312,000,000
Time Deposits	—	355,000,000	—	355,000,000
U.S. Treasury Obligations	—	42,417,319	—	42,417,319
	\$ —	\$ 3,748,489,588	\$ —	\$ 3,748,489,588

See notes to financial statements.

Statement of Assets and Liabilities (unaudited)

September 30, 2024

BlackRock
Wealth Liquid
Environmentally
Aware Fund

ASSETS

Investments, at value — unaffiliated ^(a)	\$ 2,436,489,588
Cash	112,741,668
Repurchase agreements, at value ^(b)	1,312,000,000
Receivables:	
Capital shares sold	45,077,922
Interest — unaffiliated	9,794,245
From the Manager	1,183
Prepaid expenses	246,820
Total assets	<u>3,916,351,426</u>

LIABILITIES

Payables:	
Investments purchased	12,309,104
Administration fees	167,861
Capital shares redeemed	19,066,499
Income dividend distributions	596,708
Investment advisory fees	444,279
Other affiliate fees	33,496
Professional fees	23,347
Service and distribution fees	623,879
Other accrued expenses	166,386
Total liabilities	<u>33,431,559</u>

Commitments and contingent liabilities

NET ASSETS \$ 3,882,919,867

NET ASSETS CONSIST OF:

Paid-in capital	\$ 3,882,947,060
Accumulated loss	(27,193)
NET ASSETS	<u>\$ 3,882,919,867</u>

^(a) Investments, at cost — unaffiliated \$ 2,436,489,588

^(b) Repurchase agreements, at cost \$ 1,312,000,000

See notes to financial statements.

Statement of Assets and Liabilities (unaudited) (continued)
September 30, 2024

BlackRock
Wealth Liquid
Environmentally
Aware Fund

NET ASSET VALUE

Institutional	
Net assets	\$ 532,009,704
Shares outstanding	532,031,320
Net asset value	\$ 1.00
Shares authorized	Unlimited
Par value	\$ 0.001
Premier	
Net assets	\$ 4,364,099
Shares outstanding	4,364,277
Net asset value	\$ 1.00
Shares authorized	Unlimited
Par value	\$ 0.001
Service	
Net assets	\$ 146,965,677
Shares outstanding	146,971,622
Net asset value	\$ 1.00
Shares authorized	Unlimited
Par value	\$ 0.001
Investor A	
Net assets	\$ 3,192,871,953
Shares outstanding	3,193,000,630
Net asset value	\$ 1.00
Shares authorized	Unlimited
Par value	\$ 0.001
Investor C	
Net assets	\$ 6,708,434
Shares outstanding	6,708,708
Net asset value	\$ 1.00
Shares authorized	Unlimited
Par value	\$ 0.001

See notes to financial statements.

Statement of Operations (unaudited)
Six Months Ended September 30, 2024

BlackRock
Wealth Liquid
Environmentally
Aware Fund

INVESTMENT INCOME

Interest — unaffiliated	\$ 91,298,286
Total investment income	<u>91,298,286</u>

EXPENSES

Investment advisory	6,749,494
Service and distribution — class specific	3,620,378
Administration	631,083
Administration — class specific	335,551
Registration	233,663
Transfer agent — class specific	230,774
Professional	65,027
Accounting services	29,787
Printing and postage	23,433
Custodian	18,562
Trustees and Officer	13,718
Miscellaneous	25,384
Total expenses	<u>11,976,854</u>
Less:	
Administration fees waived by the Manager — class specific	(48,912)
Fees waived and/or reimbursed by the Manager	(4,434,025)
Transfer agent fees waived and/or reimbursed by the Manager — class specific	<u>(11,121)</u>
Total expenses after fees waived and/or reimbursed	7,482,796
Net investment income	<u>83,815,490</u>

REALIZED GAIN (LOSS)

Net realized loss from investments	(710)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 83,814,780</u>

See notes to financial statements.

Statements of Changes in Net Assets

	BlackRock Wealth Liquid Environmentally Aware Fund	
	Six Months Ended 09/30/24 (unaudited)	Year Ended 03/31/24
<i>INCREASE (DECREASE) IN NET ASSETS</i>		
OPERATIONS		
Net investment income	\$ 83,815,490	\$ 116,076,299
Net realized gain (loss)	(710)	1,470
Net increase in net assets resulting from operations	<u>83,814,780</u>	<u>116,077,769</u>
DISTRIBUTIONS TO SHAREHOLDERS^(a)		
Institutional	(12,539,794)	(26,626,371)
Premier	(86,101)	(104,483)
Service	(3,441,776)	(5,519,899)
Investor A	(67,592,680)	(83,374,581)
Investor C	(155,139)	(450,965)
Decrease in net assets resulting from distributions to shareholders	<u>(83,815,490)</u>	<u>(116,076,299)</u>
CAPITAL SHARE TRANSACTIONS		
Net increase in net assets derived from capital share transactions	<u>885,314,792</u>	<u>1,273,422,928</u>
NET ASSETS		
Total increase in net assets	885,314,082	1,273,424,398
Beginning of period	<u>2,997,605,785</u>	<u>1,724,181,387</u>
End of period	<u>\$ 3,882,919,867</u>	<u>\$ 2,997,605,785</u>

^(a) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

	BlackRock Wealth Liquid Environmentally Aware Fund					
	Institutional					
	Six Months Ended 09/30/24 (unaudited)	Year Ended 03/31/24	Year Ended 03/31/23	Year Ended 03/31/22	Year Ended 03/31/21	Year Ended 03/31/20
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income	0.0263	0.0524	0.0289	0.0001	0.0021	0.0195
Net realized gain (loss)	0.0000 ^{(a)(b)}	(0.0001) ^(b)	(0.0019)	0.0001	0.0001	0.0000 ^(a)
Net increase from investment operations	0.0263	0.0523	0.0270	0.0002	0.0022	0.0195
Distributions^(c)						
From net investment income	(0.0263)	(0.0523)	(0.0270)	(0.0002)	(0.0021)	(0.0195)
From net realized gain.	—	—	—	(0.0000) ^(d)	(0.0001)	(0.0000) ^(d)
Total distributions	(0.0263)	(0.0523)	(0.0270)	(0.0002)	(0.0022)	(0.0195)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return^(e)						
Based on net asset value	2.66% ^(f)	5.36%	2.73%	0.03%	0.21%	1.97%
Ratios to Average Net Assets						
Total expenses	0.49% ^(g)	0.52%	0.55%	0.54%	0.53%	0.56%
Total expenses after fees waived and/or reimbursed	0.20% ^(g)	0.20%	0.20%	0.17%	0.20%	0.20%
Net investment income	5.24% ^(g)	5.22%	2.86%	0.01%	0.18%	1.94%
Supplemental Data						
Net assets, end of period (000)	\$ 532,010	\$ 475,885	\$ 569,091	\$ 225,612	\$ 523,322	\$ 369,187

^(a) Amount is less than \$0.00005 per share.

^(b) The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

^(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(d) Amount is greater than \$(0.00005) per share.

^(e) Where applicable, assumes the reinvestment of distributions.

^(f) Not annualized.

^(g) Annualized.

See notes to financial statements.

Financial Highlights (continued)
(For a share outstanding throughout each period)

BlackRock Wealth Liquid Environmentally Aware Fund

	Premier					
	Six Months Ended 09/30/24 (unaudited)	Year Ended 03/31/24	Year Ended 03/31/23	Year Ended 03/31/22	Year Ended 03/31/21	Period from 07/26/19 ^(a) to 03/31/20
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income	0.0262	0.0529	0.0270	0.0001	0.0021	0.0117
Net realized gain (loss)	0.0001 ^(b)	(0.0006) ^(b)	0.0000 ^{(b)(c)}	0.0002	0.0001	0.0000 ^(c)
Net increase from investment operations	0.0263	0.0523	0.0270	0.0003	0.0022	0.0117
Distributions^(d)						
From net investment income	(0.0263)	(0.0523)	(0.0270)	(0.0003)	(0.0021)	(0.0117)
From net realized gain.	—	—	—	(0.0000) ^(e)	(0.0001)	(0.0000) ^(e)
Total distributions	(0.0263)	(0.0523)	(0.0270)	(0.0003)	(0.0022)	(0.0117)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return^(f)						
Based on net asset value	2.66% ^(g)	5.36%	2.73%	0.03%	0.22%	1.18% ^(g)
Ratios to Average Net Assets						
Total expenses	0.49% ^(h)	0.50%	0.82%	0.96%	0.58%	0.70% ^(h)
Total expenses after fees waived and/or reimbursed	0.20% ^(h)	0.20%	0.20%	0.17%	0.20%	0.20% ^(h)
Net investment income	5.24% ^(h)	5.32%	2.70%	0.01%	0.21%	1.75% ^(h)
Supplemental Data						
Net assets, end of period (000)	\$ 4,364	\$ 2,750	\$ 37	\$ 37	\$ 37	\$ 37

^(a) Commencement of operations.

^(b) The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

^(c) Amount is less than \$0.00005 per share.

^(d) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(e) Amount is greater than \$(0.00005) per share.

^(f) Where applicable, assumes the reinvestment of distributions.

^(g) Not annualized.

^(h) Annualized.

See notes to financial statements.

Financial Highlights (continued)
(For a share outstanding throughout each period)

	BlackRock Wealth Liquid Environmentally Aware Fund					
	Service					
	Six Months Ended 09/30/24 (unaudited)	Year Ended 03/31/24	Year Ended 03/31/23	Year Ended 03/31/22	Year Ended 03/31/21	Year Ended 03/31/20
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income	0.0249	0.0498	0.0292	0.0001	0.0009	0.0165
Net realized gain (loss)	0.0000 ^{(a)(b)}	(0.0002) ^(b)	(0.0049)	0.0001	0.0001	0.0000 ^(a)
Net increase from investment operations	0.0249	0.0496	0.0243	0.0002	0.0010	0.0165
Distributions^(c)						
From net investment income	(0.0249)	(0.0496)	(0.0243)	(0.0002)	(0.0009)	(0.0165)
From net realized gain.	—	—	—	(0.0000) ^(d)	(0.0001)	(0.0000) ^(d)
Total distributions	(0.0249)	(0.0496)	(0.0243)	(0.0002)	(0.0010)	(0.0165)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return^(e)						
Based on net asset value	2.52% ^(f)	5.07%	2.45%	0.02%	0.10%	1.66%
Ratios to Average Net Assets						
Total expenses	0.74% ^(g)	0.76%	0.78%	0.78%	0.78%	0.84%
Total expenses after fees waived and/or reimbursed	0.47% ^(g)	0.47%	0.47%	0.18%	0.25%	0.50%
Net investment income	4.97% ^(g)	4.98%	2.92%	0.01%	0.04%	1.65%
Supplemental Data						
Net assets, end of period (000)	\$ 146,966	\$ 132,242	\$ 71,734	\$ 23,394	\$ 45,926	\$ 5,692

^(a) Amount is less than \$0.00005 per share.

^(b) The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

^(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(d) Amount is greater than \$(0.00005) per share.

^(e) Where applicable, assumes the reinvestment of distributions.

^(f) Not annualized.

^(g) Annualized.

See notes to financial statements.

Financial Highlights (continued)
(For a share outstanding throughout each period)

BlackRock Wealth Liquid Environmentally Aware Fund

Investor A

	Six Months Ended 09/30/24 (unaudited)	Year Ended 03/31/24	Year Ended 03/31/23	Year Ended 03/31/22	Year Ended 03/31/21	Year Ended 03/31/20
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income	0.0248	0.0496	0.0240	0.0001	0.0009	0.0164
Net realized gain (loss)	0.0001 ^(a)	(0.0002) ^(a)	0.0000 ^{(a)(b)}	0.0001	0.0001	0.0000 ^(b)
Net increase from investment operations	0.0249	0.0494	0.0240	0.0002	0.0010	0.0164
Distributions^(c)						
From net investment income	(0.0249)	(0.0494)	(0.0240)	(0.0002)	(0.0009)	(0.0164)
From net realized gain.	—	—	—	(0.0000) ^(d)	(0.0001)	(0.0000) ^(d)
Total distributions	(0.0249)	(0.0494)	(0.0240)	(0.0002)	(0.0010)	(0.0164)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return^(e)						
Based on net asset value	2.51% ^(f)	5.05%	2.43%	0.02%	0.10%	1.66%
Ratios to Average Net Assets						
Total expenses	0.75% ^(g)	0.78%	0.81%	0.80%	0.78%	0.81%
Total expenses after fees waived and/or reimbursed	0.49% ^(g)	0.49%	0.49%	0.18%	0.34%	0.50%
Net investment income	4.96% ^(g)	4.97%	2.40%	0.01%	0.10%	1.45%
Supplemental Data						
Net assets, end of period (000)	\$ 3,192,872	\$ 2,378,360	\$ 1,067,562	\$ 1,012,844	\$ 1,677,581	\$ 2,616,196

^(a) The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

^(b) Amount is less than \$0.00005 per share.

^(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(d) Amount is greater than \$(0.00005) per share.

^(e) Where applicable, assumes the reinvestment of distributions.

^(f) Not annualized.

^(g) Annualized.

See notes to financial statements.

Financial Highlights (continued)
(For a share outstanding throughout each period)

	BlackRock Wealth Liquid Environmentally Aware Fund					
	Investor C					
	Six Months Ended 09/30/24 (unaudited)	Year Ended 03/31/24	Year Ended 03/31/23	Year Ended 03/31/22	Year Ended 03/31/21	Year Ended 03/31/20
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income	0.0208	0.0412	0.0154	0.0001	0.0008	0.0086
Net realized gain (loss)	(0.0000) ^{(a)(b)}	0.0001	0.0021 ^(b)	0.0001	0.0001	0.0000 ^(a)
Net increase from investment operations	0.0208	0.0413	0.0175	0.0002	0.0009	0.0086
Distributions^(c)						
From net investment income	(0.0208)	(0.0413)	(0.0175)	(0.0002)	(0.0008)	(0.0086)
From net realized gain.	—	—	—	(0.0000) ^(d)	(0.0001)	(0.0000) ^(d)
Total distributions	(0.0208)	(0.0413)	(0.0175)	(0.0002)	(0.0009)	(0.0086)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return^(e)						
Based on net asset value	2.10% ^(f)	4.21%	1.76%	0.02%	0.08%	0.87%
Ratios to Average Net Assets						
Total expenses	1.60% ^(g)	1.61%	1.61%	1.58%	1.54%	1.62%
Total expenses after fees waived and/or reimbursed	1.30% ^(g)	1.30%	1.13%	0.18%	0.35%	1.28%
Net investment income	4.15% ^(g)	4.11%	1.54%	0.01%	0.09%	0.85%
Supplemental Data						
Net assets, end of period (000)	\$ 6,708	\$ 8,368	\$ 15,758	\$ 26,648	\$ 15,347	\$ 29,973

^(a) Amount is less than \$0.00005 per share.

^(b) The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

^(c) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

^(d) Amount is greater than \$(0.00005) per share.

^(e) Where applicable, assumes the reinvestment of distributions.

^(f) Not annualized.

^(g) Annualized.

See notes to financial statements.

Notes to Financial Statements (unaudited)

1. ORGANIZATION

BlackRock FundsSM (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust is organized as a Massachusetts business trust. BlackRock Wealth Liquid Environmentally Aware Fund (the “Fund”) is a series of the Trust. The Fund is classified as diversified.

The Fund offers multiple classes of shares. All classes of shares have identical voting, dividend, liquidation and other rights and are subject to the same terms and conditions, except that certain classes bear expenses related to the shareholder servicing and distribution of such shares. Institutional and Service Shares are sold without a sales charge and only to certain eligible investors. Premier Shares are sold without a sales charge and are only available through financial intermediaries trading on the NSCC Fund/SERV trading platform. Service, Investor A and Investor C Shares bear certain expenses related to shareholder servicing of such shares and Investor C Shares also bear certain expenses related to the distribution of such shares. Investor A Shares are generally available through financial intermediaries. Investor C Shares are available only through exchanges and dividend and capital gain reinvestments by current holders. Each class has exclusive voting rights with respect to matters relating to its shareholder servicing and distribution expenditures (except that Investor C shareholders may vote on material changes to the Investor A Shares distribution and service plan).

Share Class	Initial Sales Charge	Contingent Deferred Sales Charge (“CDSC”)	Conversion Privilege
Institutional and Service Shares	No	No	None
Premier Shares ^(a)	No	No	None
Investor A Shares	No	No ^(b)	None
Investor C Shares	No	No ^(b)	To Investor A Shares after approximately 8 years

^(a) Premier Shares commenced operations on July 26, 2019.

^(b) Investor A Shares may be subject to a CDSC upon redemption of shares received in an exchange transaction for Investor A Shares of a fund advised by the Manager (defined below) or its affiliates (each, a “BlackRock Fund”) where no initial sales charge was paid at the time of purchase of such fund. Investor C Shares may be subject to a CDSC upon redemption of shares received in an exchange transaction for Investor C Shares of a non-money market BlackRock Fund.

The Fund operates as a “retail money market fund” under Rule 2a-7 under the 1940 Act.

With respect to the Fund, the Board, or its delegate, may impose a discretionary liquidity fee of up to 2% upon the value of shares redeemed, if such fee is determined to be in the best interests of such Fund.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the “Manager”) or its affiliates, is included in a complex of funds referred to as the BlackRock Multi-Asset Complex.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized daily on an accrual basis. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Distributions: Distributions from net investment income are declared daily and paid monthly. Distributions of capital gains are distributed at least annually and are recorded on the ex-dividend dates. The character and timing of distributions are determined in accordance with U.S. federal income tax regulations, which may differ from U.S. GAAP.

Discretionary Liquidity Fees: Any discretionary liquidity fees imposed on the value of shares redeemed are recorded as paid-in-capital. The discretionary liquidity fees are collected and retained by the Fund for the benefit of the Fund’s remaining shareholders.

Indemnifications: In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnification. The Fund’s maximum exposure under these arrangements is unknown because it involves future potential claims against the Fund, which cannot be predicted with any certainty.

Other: Expenses directly related to the Fund or its classes are charged to the Fund or the applicable class. Expenses directly related to the Fund and other shared expenses prorated to the Fund are allocated daily to each class based on its relative net assets or other appropriate methods. Other operating expenses shared by several funds, including other funds managed by the Manager, are prorated among those funds on the basis of relative net assets or other appropriate methods.

The Fund has an arrangement with one of its custodians whereby credits are earned on uninvested cash balances. For financial reporting purposes, custodian credit, if any, are included in interest income in the Statement of Operation.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investment Valuation Policies: U.S. GAAP defines fair value as the price the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund's investments are valued under the amortized cost method which approximates current market value in accordance with Rule 2a-7 under the 1940 Act. Under this method, investments are valued at cost when purchased and, thereafter, a constant proportionate accretion of discounts and amortization of premiums are recorded until the maturity of the security. The Fund seeks to maintain its net asset value ("NAV") per share at \$1.00, although there is no assurance that it will be able to do so on a continuing basis.

Fair Value Hierarchy: Various inputs are used in determining the fair value of financial instruments at the measurement date. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

- Level 1 — Unadjusted price quotations in active markets/exchanges that the Fund has the ability to access for identical assets or liabilities;
- Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs that are unobservable and significant to the entire fair value measurement for the asset or liability (including the Valuation Committee's assumptions used in determining the fair value of financial instruments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for financial instruments is based on the pricing transparency of the financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

4. SECURITIES AND OTHER INVESTMENTS

Repurchase Agreements: Repurchase agreements are commitments to purchase a security from a counterparty who agrees to repurchase the same security at a mutually agreed upon date and price. On a daily basis, the counterparty is required to maintain collateral subject to the agreement and in value no less than the agreed upon repurchase amount. Repurchase agreements may be traded bilaterally, in a tri-party arrangement or may be centrally cleared through a sponsoring agent. Subject to the custodial undertaking associated with a tri-party repurchase arrangement and for centrally cleared repurchase agreements, a third-party custodian maintains accounts to hold collateral for a fund and its counterparties. Typically, a fund and counterparty are not permitted to sell, re-pledge or use the collateral absent a default by the counterparty or the fund, respectively.

In the event the counterparty defaults and the fair value of the collateral declines, a fund could experience losses, delays and costs in liquidating the collateral.

Repurchase agreements are entered into by a fund under Master Repurchase Agreements (each, an "MRA"). The MRA permits the fund, under certain circumstances including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables with collateral held by and/or posted to the counterparty. As a result, one single net payment is created. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Based on the terms of the MRA, the fund receives collateral with a market value in excess of the repurchase price at maturity. Upon a bankruptcy or insolvency of the MRA counterparty, the fund would recognize a liability with respect to such excess collateral. The liability reflects the fund's obligation under bankruptcy law to return the excess to the counterparty.

5. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisory: The Trust, on behalf of the Fund, entered into an Investment Advisory Agreement with the Manager, the Fund's investment adviser and an indirect, wholly-owned subsidiary of BlackRock, Inc. ("BlackRock"), to provide investment advisory services. The Manager is responsible for the management of the Fund's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of the Fund.

For such services, the Fund pays the Manager a monthly fee at an annual rate equal to the following percentages of the average daily value of the Fund's net assets:

Average Daily Net Assets	Investment Advisory Fees
First \$1 billion	0.450%
\$1 billion - \$2 billion	0.400
\$2 billion - \$3 billion	0.375
Greater than \$3 billion	0.350

The Manager entered into a sub-advisory agreement with BlackRock International Limited ("BIL"), an affiliate of the Manager. The Manager pays BIL for services it provides for that portion of the Fund for which BIL acts as sub-adviser, a monthly fee that is equal to a percentage of the investment advisory fees paid by the Fund to the Manager.

Notes to Financial Statements (unaudited) (continued)

Service and Distribution Fees: The Trust, on behalf of the Fund, entered into a Distribution Agreement and a Distribution and Service Plan with BlackRock Investments, LLC (“BRIL”), an affiliate of the Manager. Pursuant to the Distribution and Service Plan and in accordance with Rule 12b-1 under the 1940 Act, the Fund pays BRIL ongoing service and distribution fees. The fees are accrued daily and paid monthly at annual rates based upon the average daily net assets of the relevant share class of the Fund as follows:

Share Class	Service Fees	Distribution Fees
Service	0.25%	—%
Investor A	0.25	—
Investor C	0.25	0.75

BRIL and broker-dealers, pursuant to sub-agreements with BRIL, provide shareholder servicing and distribution services to the Fund. The ongoing service and/or distribution fee compensates BRIL and each broker-dealer for providing shareholder servicing and/or distribution related services to shareholders.

For the six months ended September 30, 2024, the following table shows the class specific service and distribution fees borne directly by each share class of the Fund:

Share Class	Service and Distribution Fees — Class Specific
Service	\$ 173,108
Investor A	3,409,875
Investor C	37,395
	\$ 3,620,378

Administration: The Trust, on behalf of the Fund, entered into an Administration Agreement with the Manager, an indirect, wholly-owned subsidiary of BlackRock, to provide administrative services. For these services, the Manager receives an administration fee computed daily and payable monthly, based on a percentage of the average daily net assets of the Fund. The administration fee, which is shown as administration in the Statement of Operations, is paid at the annual rates below.

Average Daily Net Assets	Administration Fees
First \$500 million	0.0425%
\$500 million - \$1 billion	0.0400
\$1 billion - \$2 billion	0.0375
\$2 billion - \$4 billion	0.0350
\$4 billion - \$13 billion	0.0325
Greater than \$13 billion	0.0300

In addition, the Manager charges each of the share classes an administration fee, which is shown as administration — class specific in the Statement of Operations, at an annual rate of 0.02% of the average daily net assets of each respective class.

For the six months ended September 30, 2024, the following table shows the class specific administration fees borne directly by each share class of the Fund:

	Institutional	Premier	Service	Investor A	Investor C	Total
Administration fees - class specific	\$ 47,835	\$ 329	\$ 13,849	\$ 272,790	\$ 748	\$ 335,551

Transfer Agent: Pursuant to written agreements, certain financial intermediaries, some of which may be affiliates, provide the Fund with sub-accounting, recordkeeping, sub-transfer agency and other administrative services with respect to servicing of underlying investor accounts. For these services, these entities receive an asset-based fee or an annual fee per shareholder account, which will vary depending on share class and/or net assets. For the six months ended September 30, 2024, the Fund paid the following amounts to affiliates of BlackRock in return for these services, which are included in transfer agent — class specific in the Statement of Operations:

Institutional	\$ 485
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The Manager maintains a call center that is responsible for providing certain shareholder services to the Fund. Shareholder services include responding to inquiries and processing purchases and sales based upon instructions from shareholders. For the six months ended September 30, 2024, the Fund reimbursed the Manager the following amounts for costs incurred in running the call center, which are included in transfer agent — class specific in the Statement of Operations:

	Institutional	Premier	Service	Investor A	Investor C	Total
Reimbursed Amount	\$ 3,239	\$ 21	\$ 584	\$ 31,185	\$ 1,110	\$ 36,139

For the six months ended September 30, 2024, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

	Institutional	Premier	Service	Investor A	Investor C	Total
Transfer agent fees - class specific	\$ 10,346	\$ 80	\$ 2,515	\$ 213,395	\$ 4,438	\$ 230,774

Other Fees: For the six months ended September 30, 2024, affiliates received CDSCs as follows:

Fund Name	Investor A	Investor C
BlackRock Wealth Liquid Environmentally Aware Fund	\$ 3,961	\$ 4,156

Notes to Financial Statements (unaudited) (continued)

Expense Limitations, Waivers and Reimbursements: The Manager contractually agreed to waive and/or reimburse fees or expenses in order to limit expenses, excluding interest expense, dividend expense, tax expense, acquired fund fees and expenses, and certain other fund expenses, which constitute extraordinary expenses not incurred in the ordinary course of the Fund's business ("expense limitation"). The expense limitations as a percentage of average daily net assets are as follows:

	<i>Institutional</i>	<i>Premier</i>	<i>Service</i>	<i>Investor A</i>	<i>Investor C</i>
Expense Limitations	0.20%	0.20%	0.50%	0.55%	1.30%

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2026, unless approved by the Board, including a majority of the trustees who are not "interested persons" of the Trust, as defined in the 1940 Act ("Independent Trustees"), or by a vote of a majority of the outstanding voting securities of the Fund. For the six months ended September 30, 2024, the Manager waived and/or reimbursed investment advisory fees of \$4,434,025, which is included in fees waived and/or reimbursed by the Manager and transfer agent fees waived and/or reimbursed — class specific, respectively, in the Statement of Operations.

In addition, these amounts waived and/or reimbursed by the Manager are included in administration fees waived by the Manager — class specific and transfer agent fees waived and/or reimbursed by the Manager — class specific, respectively, in the Statement of Operations. For the six months ended September 30, 2024, class specific expense waivers and/or reimbursements were as follows:

<i>Share Class</i>	<i>Administration Fees Waived by the Manager — Class Specific</i>	<i>Transfer Agent Fees Waived and/or Reimbursed by the Manager — Class Specific</i>
Institutional	\$ 47,835	\$ 10,342
Premier	329	80
Investor C	748	699
	<u>\$ 48,912</u>	<u>\$ 11,121</u>

The Manager and BRIL have also voluntarily agreed to waive a portion of their respective investment advisory and service and distribution fees and/or reimburse operating expenses to enable the Fund to maintain minimum levels of daily net investment income if applicable. These amounts, if any, are reported in the Statement of Operations as fees waived and/or reimbursed by the Manager, administration fees waived by the Manager—class specific and transfer agent fees waived and/or reimbursed by the Manager — class specific. The Manager and BRIL may discontinue the waiver and/or reimbursement at any time. For the six months ended September 30, 2024, there were no fees waived and/or reimbursed by the Manager and BRIL under this agreement.

Trustees and Officers: Certain trustees and/or officers of the Trust are directors and/or officers of BlackRock or its affiliates. The Fund reimburses the Manager for a portion of the compensation paid to the Trust's Chief Compliance Officer, which is included in Trustees and Officer in the Statement of Operations.

6. INCOME TAX INFORMATION

It is the Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

The Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund's U.S. federal tax returns generally remains open for a period of three years after they are filed. The statutes of limitations on the Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Fund as of September 30, 2024, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund's financial statements. Management's analysis is based on the tax laws and judicial and administrative interpretations thereof in effect as of date of these financial statements, all of which are subject to change, possibly with retroactive effect which may impact the Fund's NAV.

As of March 31, 2024, the Fund had non-expiring capital loss carryforwards available to offset future realized capital gains of \$27,793.

7. PRINCIPAL RISKS

In the normal course of business, the Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject the Fund to various risks, including among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate and price fluctuations. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments. The Fund's prospectus provides details of the risks to which the Fund is subject.

On July 12, 2023, the SEC approved changes to money market fund regulations. These changes, among other things: (i) eliminate provisions that permit a money market fund to suspend redemptions except in liquidations, (ii) require institutional prime and institutional tax-exempt money market funds to impose mandatory liquidity fees under certain conditions, (iii) permit a discretionary liquidity fee for a non-government money market fund and (iv) increase minimum daily and weekly liquidity for all money market funds. These changes will be implemented over the next 12 months depending on the change and may affect the Fund's operations and return potential.

Notes to Financial Statements (unaudited) (continued)

Certain obligations held by the Fund have a credit enhancement or liquidity feature that may, under certain circumstances, provide for repayment of principal and interest on the obligation when due. These enhancements, which may include letters of credit, stand-by bond purchase agreements and/or third-party insurance, are issued by financial institutions. The value of the obligations may be affected by changes in creditworthiness of the entities that provide the credit enhancements or liquidity features. The Fund monitors its exposure by reviewing the creditworthiness of the issuers, as well as the financial institutions issuing the credit enhancements and by limiting the amount of holdings with credit enhancements from one financial institution.

Market Risk: The Fund may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force the Fund to reinvest in lower yielding securities. The Fund may also be exposed to reinvestment risk, which is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below the Fund portfolio's current earnings rate.

Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions, credit rating downgrades, or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest or otherwise affect the value of such securities. Municipal securities can be significantly affected by political or economic changes, including changes made in the law after issuance of the securities, as well as uncertainties in the municipal market related to, taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer insolvency. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the tax benefits supporting the project or assets or the inability to collect revenues for the project or from the assets. Municipal securities may be less liquid than taxable bonds, and there may be less publicly available information on the financial condition of municipal security issuers than for issuers of other securities.

Counterparty Credit Risk: The Fund may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions, including making timely interest and/or principal payments or otherwise honoring its obligations. The Fund manages counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Fund to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Fund's exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statement of Assets and Liabilities, less any collateral held by the Fund.

Geographic/Asset Class Risk: A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within the Fund's portfolio are disclosed in its Schedule of Investments.

The Fund invests a significant portion of its assets in fixed-income securities and/or uses derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will decrease as interest rates rise and increase as interest rates fall. The Fund may be subject to a greater risk of rising interest rates during a period of historically low interest rates. The Federal Reserve has raised the federal funds rate as part of its efforts to address inflation. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility, and could negatively impact the Fund's performance.

The Fund invests a significant portion of its assets in securities of issuers located in the United States. A decrease in imports or exports, changes in trade regulations, inflation and/or an economic recession in the United States may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Proposed and adopted policy and legislative changes in the United States may also have a significant effect on U.S. markets generally, as well as on the value of certain securities. Governmental agencies project that the United States will continue to maintain elevated public debt levels for the foreseeable future which may constrain future economic growth. Circumstances could arise that could prevent the timely payment of interest or principal on U.S. government debt, such as reaching the legislative "debt ceiling." Such non-payment would result in substantial negative consequences for the U.S. economy and the global financial system. If U.S. relations with certain countries deteriorate, it could adversely affect issuers that rely on the United States for trade. The United States has also experienced increased internal unrest and discord. If these trends were to continue, they may have an adverse impact on the U.S. economy and the issuers in which the Fund invests.

Significant Shareholder Redemption Risk: Certain shareholders may own or manage a substantial amount of fund shares and/or hold their fund investments for a limited period of time. Large redemptions of fund shares by these shareholders may force a fund to sell portfolio securities, which may negatively impact the fund's NAV, increase the fund's brokerage costs, and/or accelerate the realization of taxable income/gains and cause the fund to make additional taxable distributions to shareholders.

8. CAPITAL SHARE TRANSACTIONS

The number of shares sold, reinvested and redeemed corresponds to the net proceeds from the sale of shares, reinvestment of all distributions and cost of shares redeemed, respectively, since shares are sold, reinvested and redeemed at \$1.00 per share.

<i>Fund Name/Share Class</i>	<i>Six Months Ended 09/30/24</i>	<i>Year Ended 03/31/24</i>
BlackRock Wealth Liquid Environmentally Aware Fund		
Institutional		
Shares sold	340,302,036	926,885,863
Shares issued in reinvestment of distributions	9,219,122	18,872,071
Shares redeemed	(293,399,984)	(1,038,990,565)
	<u>56,121,174</u>	<u>(93,232,631)</u>

Notes to Financial Statements (unaudited) (continued)

<i>Fund Name/Share Class</i>	<i>Six Months Ended 09/30/24</i>	<i>Year Ended 03/31/24</i>
Premier		
Shares sold	2,633,691	3,959,630
Shares issued in reinvestment of distributions	85,135	102,271
Shares redeemed	(1,105,188)	(1,348,006)
	1,613,638	2,713,895
Service		
Shares sold	97,115,381	219,853,230
Shares issued in reinvestment of distributions	3,440,298	5,519,658
Shares redeemed	(85,833,277)	(164,864,402)
	14,722,402	60,508,486
Investor A		
Shares sold	2,001,726,032	2,621,580,640
Shares issued in reinvestment of distributions	67,563,332	83,302,226
Shares redeemed	(1,254,772,475)	(1,394,058,102)
	814,516,889	1,310,824,764
Investor C		
Shares sold	1,206,852	7,163,429
Shares issued in reinvestment of distributions	154,675	444,545
Shares redeemed and automatic conversion of shares	(3,020,838)	(14,999,560)
	(1,659,311)	(7,391,586)
	885,314,792	1,273,422,928

As of September 30, 2024, BlackRock Financial Management, Inc., an affiliate of the Fund, owned 36,744 Premier Shares of the Fund.

9. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement

The Board of Trustees (the “Board,” the members of which are referred to as “Board Members”) of BlackRock Funds (the “Trust”) met on April 16, 2024 (the “April Meeting”) and May 16-17, 2024 (the “May Meeting”) to consider the approval to continue the investment advisory agreement (the “Advisory Agreement”) between the Trust, on behalf of BlackRock Wealth Liquid Environmentally Aware Fund (the “Fund”), and BlackRock Advisors, LLC (the “Manager”), the Fund’s investment advisor. The Board also considered the approval to continue the sub-advisory agreement (the “Sub-Advisory Agreement”) between the Manager and BlackRock International Limited (the “Sub-Advisor”) with respect to the Fund. The Manager and the Sub-Advisor are referred to herein as “BlackRock.” The Advisory Agreement and the Sub-Advisory Agreement are referred to herein as the “Agreements.”

The Approval Process

Consistent with the requirements of the Investment Company Act of 1940 (the “1940 Act”), the Board considers the approval of the continuation of the Agreements for the Fund on an annual basis. The Board members who are not “interested persons” of the Trust, as defined in the 1940 Act, are considered independent Board members (the “Independent Board Members”). The Board’s consideration entailed a year-long deliberative process during which the Board and its committees assessed BlackRock’s various services to the Fund, including through the review of written materials and oral presentations, and the review of additional information provided in response to requests from the Independent Board Members. The Board had four quarterly meetings per year, each of which extended over a two-day period, as well as additional ad hoc meetings and executive sessions throughout the year, as needed. The committees of the Board similarly met throughout the year. The Board also had an additional one-day meeting to consider specific information regarding the renewal of the Agreements. In considering the renewal of the Agreements, the Board assessed, among other things, the nature, extent and quality of the services provided to the Fund by BlackRock, BlackRock’s personnel and affiliates, including (as applicable): investment management services; accounting oversight; administrative and shareholder services; oversight of the Fund’s service providers; risk management and oversight; and legal, regulatory and compliance services. Throughout the year, including during the contract renewal process, the Independent Board Members were advised by independent legal counsel, and met with independent legal counsel in various executive sessions outside of the presence of BlackRock’s management.

During the year, the Board, acting directly and through its committees, considered information that was relevant to its annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Fund and its shareholders. BlackRock also furnished additional information to the Board in response to specific questions from the Board. Among the matters the Board considered were: (a) investment performance for one-year, three-year, five-year, and/or since inception periods, as applicable, against peer funds, relevant benchmarks, and other performance metrics, as applicable, as well as BlackRock senior management’s and portfolio managers’ investment performance analyses, and the reasons for any outperformance or underperformance relative to its peers, benchmarks, and other performance metrics, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Fund for services; (c) Fund operating expenses and how BlackRock allocates expenses to the Fund; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Fund’s investment objective, policies and restrictions, and meeting regulatory requirements; (e) BlackRock’s and the Fund’s adherence to applicable compliance policies and procedures; (f) the nature, character and scope of non-investment management services provided by BlackRock and its affiliates and the estimated cost of such services, as available; (g) BlackRock’s and other service providers’ internal controls and risk and compliance oversight mechanisms; (h) BlackRock’s implementation of the proxy voting policies approved by the Board; (i) execution quality of portfolio transactions; (j) BlackRock’s implementation of the Fund’s valuation and liquidity procedures; (k) an analysis of management fees paid to BlackRock for products with similar investment mandates across the open-end fund, exchange-traded fund (“ETF”), closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable, and the similarities and differences between these products and the services provided as compared to the Fund; (l) BlackRock’s compensation methodology for its investment professionals and the incentives and accountability it creates, along with investment professionals’ investments in the fund(s) they manage; and (m) periodic updates on BlackRock’s business.

Prior to and in preparation for the April Meeting, the Board received and reviewed materials specifically relating to the renewal of the Agreements. The Independent Board Members continuously engaged in a process with their independent legal counsel and BlackRock to review the nature and scope of the information provided to the Board to better assist its deliberations. The materials provided in connection with the April Meeting included, among other things: (a) information independently compiled and prepared by Broadridge Financial Solutions, Inc. (“Broadridge”), based on either a Lipper classification or Morningstar category, regarding the Fund’s fees and expenses as compared with a peer group of funds as determined by Broadridge (“Expense Peers”) and the investment performance of the Fund as compared with a peer group of funds (“Performance Peers”); (b) information on the composition of the Expense Peers and Performance Peers and a description of Broadridge’s methodology; (c) information on the estimated profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to BlackRock and its affiliates; (d) a general analysis provided by BlackRock concerning investment management fees received in connection with other types of investment products, such as institutional accounts, sub-advised mutual funds, ETFs, closed-end funds, open-end funds, and separately managed accounts, under similar investment mandates, as well as the performance of such other products, as applicable; (e) a review of non-management fees; (f) the existence, impact and sharing of potential economies of scale, if any, with the Fund; (g) a summary of aggregate amounts paid by the Fund to BlackRock; (h) sales and redemption data regarding the Fund’s shares; and (i) various additional information requested by the Board as appropriate regarding BlackRock’s and the Fund’s operations.

At the April Meeting, the Board reviewed materials relating to its consideration of the Agreements and the Independent Board Members presented BlackRock with questions and requests for additional information. BlackRock responded to these questions and requests with additional written information in advance of the May Meeting, and such responses were reviewed by the Board Members.

At the May Meeting, the Board concluded its assessment of, among other things: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Fund as compared to its Performance Peers and to other metrics, as applicable; (c) the advisory fee and the estimated cost of the services and estimated profits realized by BlackRock and its affiliates from their relationship with the Fund; (d) the Fund’s fees and expenses compared to its Expense Peers; (e) the existence and sharing of potential economies of scale; (f) any fall-out benefits to BlackRock and its affiliates as a result of BlackRock’s relationship with the Fund; and (g) other factors deemed relevant by the Board Members.

The Board also considered other matters it deemed important to the approval process, such as other payments made to BlackRock or its affiliates relating to securities lending and cash management, and BlackRock’s services related to the valuation and pricing of Fund portfolio holdings. The Board noted the willingness of BlackRock’s personnel to engage in open, candid discussions with the Board. The Board evaluated the information available to it on a fund-by-fund basis. The following paragraphs provide more information about some of the primary factors that were relevant to the Board’s decision. The Board Members did not identify any particular information, or any single factor as determinative, and each Board Member may have attributed different weights to the various items and factors considered.

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement (continued)

A. *Nature, Extent and Quality of the Services Provided by BlackRock*

The Board, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services, and the resulting performance of the Fund. Throughout the year, the Board compared Fund performance to the performance of a comparable group of mutual funds, relevant benchmarks, and performance metrics, as applicable. The Board met with BlackRock's senior management personnel responsible for investment activities, including the senior investment officers. The Board also reviewed the materials provided by the Fund's portfolio management team discussing the Fund's performance, investment strategies and outlook.

The Board considered, among other factors, with respect to BlackRock: the experience of the Fund's portfolio management team; research capabilities; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Board also considered BlackRock's overall risk management program, including the continued efforts of BlackRock and its affiliates to address cybersecurity risks and the role of BlackRock's Risk & Quantitative Analysis Group. The Board engaged in a review of BlackRock's compensation structure with respect to the Fund's portfolio management team and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to investment advisory services, the Board considered the nature and quality of the administrative and other non-investment advisory services provided to the Fund. BlackRock and its affiliates provide the Fund with certain administrative, shareholder and other services (in addition to any such services provided to the Fund by third parties) and officers and other personnel as are necessary for the operations of the Fund. In particular, BlackRock and its affiliates provide the Fund with administrative services including, among others: (i) responsibility for disclosure documents, such as the prospectus, the summary prospectus (as applicable), the statement of additional information and periodic shareholder reports; (ii) oversight of daily accounting and pricing; (iii) responsibility for periodic filings with regulators; (iv) overseeing and coordinating the activities of third-party service providers including, among others, the Fund's custodian, fund accountant, transfer agent, and auditor; (v) organizing Board meetings and preparing the materials for such Board meetings; (vi) providing legal and compliance support; (vii) furnishing analytical and other support to assist the Board in its consideration of strategic issues such as the merger, consolidation or repurposing of certain open-end funds; and (viii) performing or managing administrative functions necessary for the operation of the Fund, such as tax reporting, expense management, fulfilling regulatory filing requirements, overseeing the Fund's distribution partners, and shareholder call center and other services. The Board reviewed the structure and duties of BlackRock's fund administration, shareholder services, and legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations. The Board considered the operation of BlackRock's business continuity plans.

The Board noted that the engagement of the Sub-Advisor with respect to the Fund facilitates the provision of investment advice and trading by investment personnel out of non-U.S. jurisdictions. The Board considered that this arrangement provides additional flexibility to the portfolio management team, which may benefit the Fund and its shareholders.

B. *The Investment Performance of the Fund*

The Board, including the Independent Board Members, reviewed and considered the performance history of the Fund throughout the year and at the April Meeting. In preparation for the April Meeting, the Board was provided with reports independently prepared by Broadridge, which included an analysis of the Fund's performance as of December 31, 2023, as compared to its Performance Peers. Broadridge ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable. In connection with its review, the Board received and reviewed information regarding the investment performance of the Fund as compared to its Performance Peers and a weighted average benchmark of similar funds, as defined by BlackRock ("Benchmark Weighted Average"). The Board and its Performance Oversight Committee regularly review and meet with Fund management to discuss the performance of the Fund throughout the year.

In evaluating performance, the Board focused particular attention on funds with less favorable performance records. The Board also noted that while it found the data provided by Broadridge generally useful, it recognized the limitations of such data, including in particular, that notable differences may exist between a fund and its Performance Peers (for example, the investment objectives and strategies). Further, the Board recognized that the performance data reflects a snapshot of a period as of a particular date and that selecting a different performance period could produce significantly different results. The Board also acknowledged that long-term performance could be impacted by even one period of significant outperformance or underperformance, and that a single investment theme could have the ability to disproportionately affect long-term performance.

The Board reviewed the Fund's performance within the context of the low yield environment that existed for a portion of the relative periods. In addition to reviewing the Fund's performance and current yield, it also reviews the liquidity, duration, credit quality and other risk factors of the Fund's portfolio. The Board noted that for each of the one- and three-year periods reported, the Fund underperformed its Benchmark Weighted Average. The Board noted that BlackRock believes that the Benchmark Weighted Average is an appropriate performance metric for the Fund, and that BlackRock has explained its rationale for this belief to the Board. The Board and BlackRock reviewed the Fund's underperformance relative to its Benchmark Weighted Average during the applicable periods.

C. *Consideration of the Advisory/Management Fees and the Estimated Cost of the Services and Estimated Profits Realized by BlackRock and its Affiliates from their Relationship with the Fund*

The Board, including the Independent Board Members, reviewed the Fund's contractual management fee rate compared with those of its Expense Peers. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. The Board also compared the Fund's total expense ratio, as well as its actual management fee rate, to those of its Expense Peers. The total expense ratio represents a fund's total net operating expenses, including any 12b-1 or non-12b-1 service fees. The total expense ratio gives effect to any expense reimbursements or fee waivers, and the actual management fee rate gives effect to any management fee reimbursements or waivers. The Board considered that the fee and expense information in the Broadridge report for the Fund reflected information for a specific period and that historical asset levels and expenses may differ from current levels, particularly in a period of market volatility. The Board considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts and sub-advised mutual funds (including mutual funds sponsored by third parties).

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement (continued)

The Board received and reviewed statements relating to BlackRock's financial condition. The Board reviewed BlackRock's profitability methodology and was also provided with an estimated profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Fund. The Board reviewed BlackRock's estimated profitability with respect to the Fund and other funds the Board currently oversees for the year ended December 31, 2023 compared to available aggregate estimated profitability data provided for the prior two years. The Board reviewed BlackRock's estimated profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Board reviewed BlackRock's assumptions and methodology of allocating expenses in the estimated profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Board recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. The Board thus recognized that calculating and comparing profitability at the individual fund level is difficult.

The Board noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Board reviewed BlackRock's overall operating margin, in general, compared to that of certain other publicly traded asset management firms. The Board considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

The Board considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Board. The Board further considered factors including but not limited to BlackRock's commitment of time and resources, assumption of risk, and liability profile in servicing the Fund, including in contrast to what is required of BlackRock with respect to other products with similar investment mandates across the open-end fund, ETF, closed-end fund, sub-advised mutual fund, separately managed account, collective investment trust, and institutional separate account product channels, as applicable.

The Board reviewed the expenses within the context of the low yield environment that existed for a portion of the relative periods, and any consequent expense waivers and reimbursements necessary to maintain minimum levels of daily net investment income, as applicable. The Board noted that the Fund's contractual management fee rate ranked in the fourth quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers. The Board further noted that the Fund has an advisory fee arrangement that includes breakpoints that adjust the fee rate downward as the size of the Fund increases above certain contractually specified levels. The Board additionally noted that the breakpoints can, conversely, adjust the advisory fee rate upward as the size of the Fund decreases below certain contractually specified levels. The Board additionally noted that BlackRock and the Board have contractually agreed to a cap on the Fund's total expenses as a percentage of the Fund's average daily net assets on a class-by-class basis.

D. Economies of Scale

The Board, including the Independent Board Members, considered the extent to which any economies of scale might benefit the Fund in a variety of ways as the assets of the Fund increase. The Board considered multiple factors, including the advisory fee rate and breakpoints, unitary fee structure, fee waivers and/or expense caps, as applicable. The Board considered the Fund's asset levels and whether the current fee schedule was appropriate.

E. Other Factors Deemed Relevant by the Board Members

The Board, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from BlackRock's respective relationships with the Fund, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and its risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Fund, including for administrative, distribution, securities lending and cash management services. With respect to securities lending, during the year the Board also considered information provided by independent third-party consultants related to the performance of each BlackRock affiliate as securities lending agent. The Board also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Board also noted that, subject to applicable law, BlackRock may use and benefit from third-party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts.

In connection with its consideration of the Agreements, the Board also received information regarding BlackRock's brokerage and soft dollar practices. The Board received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Board noted the competitive nature of the open-end fund marketplace, and that shareholders are able to redeem their Fund shares if they believe that the Fund's fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

Conclusion

At the May Meeting, in a continuation of the discussions that occurred during the April Meeting, and as a culmination of the Board's year-long deliberative process, the Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and the Trust, on behalf of the Fund, for a one-year term ending June 30, 2025, and the Sub-Advisory Agreement between the Manager and the Sub-Advisor, with respect to the Fund, for a one-year term ending June 30, 2025. Based upon its evaluation of all of the aforementioned factors in their totality, as well as other information, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Fund and its shareholders. In arriving at its decision to approve the Agreements, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were advised by independent legal counsel throughout the deliberative process.

Additional Information

Changes in and Disagreements with Accountants

Not applicable.

Proxy Results

Not applicable.

Remuneration Paid to Trustees, Officers, and Others

Compensation to the independent directors/trustees of the Trust is paid by the Trust, on behalf of the Fund.

General Information

Quarterly performance, semi-annual and annual reports, current net asset value and other information regarding the Fund may be found on BlackRock's website, which can be accessed at blackrock.com. Any reference to BlackRock's website in this report is intended to allow investors public access to information regarding the Fund and does not, and is not intended to, incorporate BlackRock's website in this report.

Electronic Delivery

Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual shareholder reports and prospectuses by enrolling in the electronic delivery program.

To enroll in electronic delivery:

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor. Please note that not all investment advisors, banks or brokerages may offer this service.

Shareholders Who Hold Accounts Directly with BlackRock:

1. Access the BlackRock website at blackrock.com
2. Select "Access Your Account"
3. Next, select "eDelivery" in the "Related Resources" box and follow the sign-up instructions.

Shareholder Privileges

Account Information

Call us at (800) 441-7762 from 8:00 AM to 6:00 PM ET on any business day to get information about your account balances, recent transactions and share prices. You can also visit blackrock.com for more information.

Automatic Investment Plans

Investor class shareholders who want to invest regularly can arrange to have \$50 or more automatically deducted from their checking or savings account and invested in any of the BlackRock funds.

Systematic Withdrawal Plans

Investor class shareholders can establish a systematic withdrawal plan and receive periodic payments of \$50 or more from their BlackRock funds, as long as their account balance is at least \$10,000.

Retirement Plans

Shareholders may make investments in conjunction with Traditional, Rollover, Roth, Coverdell, Simple IRAs, SEP IRAs and 403(b) Plans.

Additional Information (continued)

Fund and Service Providers

Investment Adviser and Administrator

BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Adviser

BlackRock International Limited
Edinburgh, EH3 8BL
United Kingdom

Accounting Agent

JPMorgan Chase Bank, N.A.
New York, NY 10179

Custodians

JPMorgan Chase Bank, N.A.
New York, NY 10179

The Bank of New York Mellon
New York, NY 10286

Transfer Agent

BNY Mellon Investment Servicing (US) Inc.
Wilmington, DE 19809

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Boston, MA 02110

Distributor

BlackRock Investments, LLC
New York, NY 10001

Legal Counsel

Sidley Austin LLP
New York, NY 10019

Address of the Trust

100 Bellevue Parkway
Wilmington, DE 19809

Glossary of Terms Used in This Report

Currency Abbreviation

USD United States Dollar

Portfolio Abbreviation

RB Revenue Bonds
SBPA Stand-by-Bond Purchase Agreement
SOFR Secured Overnight Financing Rate
VRDN Variable Rate Demand Notes

Want to know more?

blackrock.com | 800-441-7762

This report is intended for current holders. It is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Fund unless preceded or accompanied by the Fund's current prospectus. You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress. Performance data quoted represents past performance and does not guarantee future results. Total return information assumes reinvestment of all distributions. Current performance may be higher or lower than the performance data quoted. For current month-end performance information, call (800) 626-1960. The Fund's current 7-day yield more closely reflects the current earnings of the Fund than the total returns quoted. Statements and other information herein are as dated and are subject to change.

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