

BlackRock High Yield Municipal Fund Institutional Shares | MAYHX Annual Shareholder Report — June 30, 2024



This annual shareholder report contains important information about BlackRock High Yield Municipal Fund (the “Fund”) for the period of July 1, 2023 to June 30, 2024. You can find additional information about the Fund at blackrock.com/fundreports. You can also request this information by contacting us at (800) 441-7762.

This report describes changes to the Fund that occurred during the reporting period.

What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

Class name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Institutional Shares	\$60	0.57%

How did the Fund perform last year?

- High-yield municipal bonds gained ground during the reporting period, with price appreciation augmenting the contribution from income.
- Declining inflation fueled expectations that the U.S. Federal Reserve was set to begin cutting interest rates in 2024, benefiting the broader fixed-income market from November 2023 onward.
- Municipal bonds were well supported by positive economic growth, strong issuer fundamentals, and favorable supply-and-demand trends.

What contributed to performance?

Longer-duration securities with maturities of 20 years and longer made the largest contribution, with a significant portion of the positive return coming from bonds having maturities of 25 years and above. (Duration is a measure of interest rate sensitivity). In terms of credit tiers, the strongest absolute returns came from not rated and BB rated bonds, respectively. Other industries and tax-backed states were the top contributors at the sector level. Among individual securities, Puerto Rico Commonwealth contingent value instruments and Port Beaumont Navigation District of Jefferson County, TX were the top performing bonds. The Fund's cash position had no material effect on performance.

What detracted from performance?

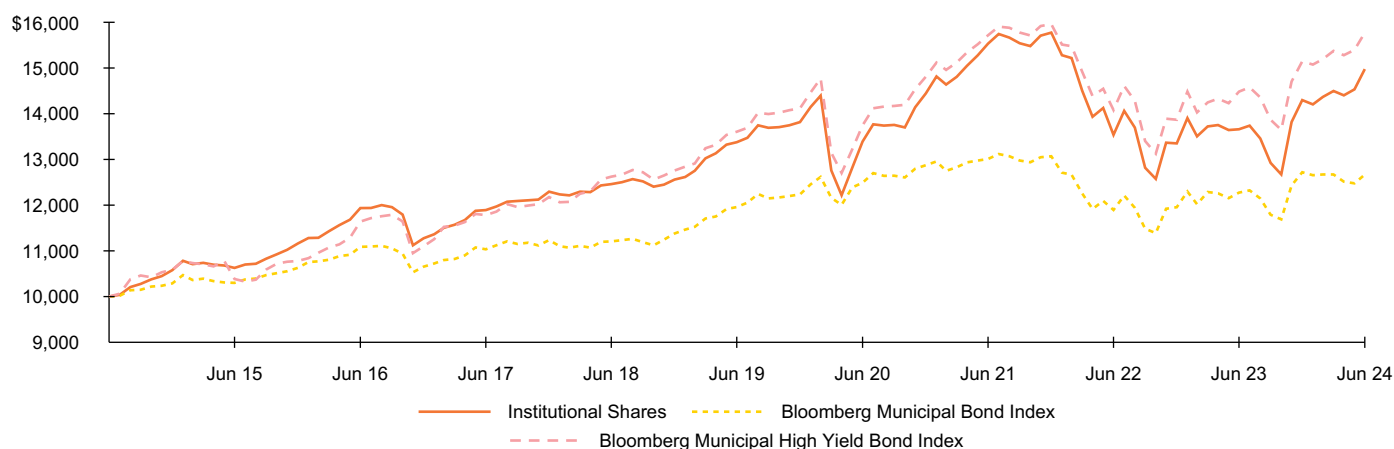
At a time of positive returns for the broader market, few aspects of the Fund's positioning detracted from absolute performance. With that said, certain individual securities lost ground due to issuer-specific developments. For instance, the bonds of the industrial wood-pellet supplier Enviva, Inc. slid in price after the issuer filed for Chapter 11 bankruptcy. In addition, the bonds of Puerto Rico Electric Power Authority declined as bankruptcy hearing proceedings continued to cloud the outcome for bondholder recovery.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund performance

Cumulative performance: July 1, 2014 through June 30, 2024

Initial investment of \$10,000



See “Average annual total returns” for additional information on fund performance.

Average annual total returns

	1 Year	5 Years	10 Years
Institutional Shares	9.64%	2.28%	4.12%
Bloomberg Municipal Bond Index	3.21	1.16	2.39
Bloomberg Municipal High Yield Bond Index	8.90	3.00	4.66
High Yield Customized Reference Benchmark	7.06	2.43	N/A

The Fund has added the Bloomberg Municipal Bond Index in response to new regulatory requirements.

The High Yield Customized Reference Benchmark (commenced on September 30, 2016) is comprised of Bloomberg Municipal Bond Rated Baa Index (20%), Bloomberg Municipal Bond: High Yield (non-Investment Grade) Total Return Index (60%) and Bloomberg Municipal Investment Grade ex BBB (20%).

Past performance is not an indication of future results. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. Visit [blackrock.com](https://www.blackrock.com) for more recent performance information.

What did the Fund invest in?

(as of June 30, 2024)

Sector allocation

Sector ^(a)	Percent of Total Investments ^(b)
State	19.4%
Corporate	16.1
Transportation	13.1
Education	12.9
Health	12.6
County/City/Special District/School District	11.1
Utilities	5.2
Housing	4.8
Tobacco	4.0
Other*	0.8

(a) For purposes of this report, sector sub-classifications may differ from those utilized for compliance purposes.

(b) Excludes short-term securities.

(c) For purposes of this report, credit quality ratings shown above reflect the highest rating assigned by either S&P Global Ratings or Moody's Investors Service, Inc. if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

(d) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of June 30, 2024, the market value of unrated securities deemed by the investment adviser to be investment grade represents less than 1.0% of total investments.

* Ten largest sectors are presented. Additional sectors are found in Other.

Material Fund changes

This is a summary of certain changes to the Fund since June 30, 2023. For more complete information, you may review the Fund's next prospectus, which we expect to be available approximately 120 days after June 30, 2024 at [blackrock.com/fundreports](https://www.blackrock.com/fundreports) or upon request by contacting us at (800) 441-7762.

The net expense ratio decreased from the prior fiscal year end primarily due to a decrease in expenses related to financing activities.

Additional information

If you wish to view additional information about the Fund, including but not limited to financial statements, the Fund's prospectus, and proxy voting policies and procedures, please visit [blackrock.com/fundreports](https://www.blackrock.com/fundreports). For proxy voting records, visit [blackrock.com/proxyrecords](https://www.blackrock.com/proxyrecords).

Householding

The Fund will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Fund at (800) 441-7762.

Key Fund statistics

Net Assets	\$1,644,901,083
Number of Portfolio Holdings	700
Net Investment Advisory Fees	\$7,095,681
Portfolio Turnover Rate	34%

Credit quality allocation

Credit Rating ^(c)	Percent of Total Investments ^(b)
AAA/Aaa	0.3%
AA/Aa	11.7
A	10.5
BBB/Baa	8.8
BB/Ba	9.4
B	1.9
N/R ^(d)	57.4

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