

Mid-Cap Growth Equity Fund

Inst: **CMGIX** A: **BMGAX** C: **BMGCX** R: **BMRRX¹** K: **BMGKX**

Commentary as of 03/31/24

- The fund posted returns of 8.00% (Institutional shares) and 7.96% (Investor A shares, without sales charge) for the first quarter of 2024.
- The largest contributor to relative performance was security selection in the industrials, materials, and real estate sectors. The largest detractor from relative returns was security selection in the information technology (IT), health care, and consumer discretionary sectors.
- The largest exposures were in the industrials, IT, and health care sectors. During the quarter, the fund increased its allocations to the industrials and communication services sectors, and reduced its exposures to the IT and health care sectors.

Contributors	Detractors
The largest contributor was stock selection in the industrials sector. Notably, an overweight position in the aerospace & defense industry and an underweight exposure to the professional services industry proved beneficial. In the materials sector, an overweight exposure to the construction materials industry boosted relative results. In the real estate sector, an overweight position in the real estate management & development industry added value.	The largest detractor was stock selection in the IT sector, particularly in the IT services and electronic equipment, instruments & components industries. In the health care sector, stock selection in the health care equipment & supplies industry hindered performance. Another meaningful detractor was stock selection in the hotels, restaurants & leisure industry in the consumer discretionary sector.

Further insight

U.S. equities continued their upward ascent during the quarter. A resilient domestic economy, underpinned by labor strength and consumer spending tailwinds, helped markets to shrug off “sticky” inflation, rises in U.S. Treasury yields, and scaled-back expectations for Federal Reserve interest rate cuts. The gains have added to 2023’s lofty returns and it is important to note that the building blocks of long-term wealth creation remain constant. Whether in rising or falling markets, our focus is on understanding company business models, the durability of their competitive advantages, how effectively they translate revenues into cash flows/earnings, and the magnitude and duration of their potential growth. We believe this approach best positions us to assess the risks and rewards relative to the market’s expectations, while investing with a view that is rooted in fundamental conviction and focused on seeking long-term capital growth.

Portfolio management

Phil Ruvinsky, Caroline Bottinelli

Top 10 holdings (%)

Copart Inc.	3.91
Costar Group Inc	3.35
Monolithic Power Systems Inc	2.95
MSCI Inc	2.79
Ares Management Corp	2.76
Idexx Laboratories Inc.	2.66
Axon Enterprise Inc	2.66
West Pharmaceutical Services	2.65
Hubspot Inc	2.57
Entegris Inc	2.57

Investment approach

Invests at least 80% of its net assets in equity securities issued by U.S. mid-capitalization growth companies that fund management team believes have above-average earnings growth potential. Although a universal definition of mid-capitalization companies does not exist, the fund generally defines these companies as those with market capitalizations comparable in size to companies in the Russell Midcap Growth Index.

Average annual total returns (%) as of 3/31/24

	1Q24 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
Institutional	8.00	8.00	24.37	-0.02	10.36	12.16
Investor A (Without Sales Charge)	7.96	7.96	24.11	-0.27	10.08	11.86
Investor A (With Sales Charge)	2.29	2.29	17.60	-2.05	8.90	11.25
Russell Midcap Growth²	9.50	9.50	26.28	4.62	11.82	11.35

Expenses for Institutional shares: Total **0.84%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.80%**. For Investor A shares: Total **1.13%**; Net, Including Investment Related Expenses **1.05%**. Institutional and Investor A shares have contractual waivers with an end date of 06/30/2025 terminable upon 90 days' notice. For certain share classes, BlackRock may voluntarily agree to waive certain fees and expenses in which the adviser may discontinue at any time without notice. Expenses stated as of the fund's most recent prospectus. Data represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. All returns assume reinvestment of dividends and capital gains. Current performance may be lower or higher than that shown. Refer to blackrock.com for most recent month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 5.25% for Investor A shares. Institutional shares have no front- or back-end load. Institutional shares have limited availability and may be purchased at various minimums. See prospectus for details. Net Expenses Excluding Investment Related Expenses for Institutional shares: **0.80%**; for Investor A shares: **1.05%**.

Important Risks: The fund is actively managed and its characteristics will vary. Holdings shown should not be deemed as a recommendation to buy or sell securities. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. Investing in mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. Performance may be attributable to unusually high IPO profits. There is no guarantee this level of performance will be repeated. IPO securities have no trading history and the price may be volatile.

The opinions expressed are those of the fund's portfolio management team as of March 31, 2024, and may change as subsequent conditions vary. Information and opinions are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

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1 Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details. **2** The Russell Midcap Growth Index comprises mid-capitalization U.S. equities that exhibit growth characteristics. Securities in this index generally have higher price-to-book and price-to-earnings ratios, lower dividend yields and higher forecasted growth values.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the fund and are available, along with information on other BlackRock funds, by calling 800-882-0052 or from your financial professional. The prospectus should be read carefully before investing.

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