

2022 Annual Report

BlackRock FundsSM

- iShares Developed Real Estate Index Fund

Not FDIC Insured • May Lose Value • No Bank Guarantee

The Markets in Review

Dear Shareholder,

The 12-month reporting period as of January 31, 2022 saw a continuation of the resurgent growth that followed the initial coronavirus (or “COVID-19”) pandemic reopening, albeit at a slower pace. The global economy weathered the emergence of several variant strains and the resulting peaks and troughs in infections amid optimism that increasing vaccinations and economic adaptation could help contain the pandemic’s disruptions. Continued growth meant that the U.S. economy regained and then surpassed its pre-pandemic output. However, rapid changes in consumer spending led to supply constraints and elevated inflation.

Equity prices were mixed, as persistently high inflation drove investors’ expectations for higher interest rates, which particularly weighed on relatively high valuation growth stocks and economically sensitive small-capitalization stocks. Overall, small-capitalization U.S. stocks declined slightly, while large-capitalization U.S. stocks posted a strong advance. International equities from developed markets also gained, although emerging market stocks declined, pressured by rising interest rates and a strengthening U.S. dollar.

The 10-year U.S. Treasury yield (which is inversely related to bond prices) rose significantly during the reporting period as the economy expanded rapidly and inflation reached its highest annualized reading in decades. In the corporate bond market, the improving economy assuaged credit concerns and led to positive returns for high-yield corporate bonds, outpacing the modest negative return of investment-grade corporate bonds.

The U.S. Federal Reserve (the “Fed”) maintained accommodative monetary policy during the reporting period by keeping near-zero interest rates. However, the Fed’s tone shifted late in the period, as it reduced its bond-buying program and raised the prospect of higher rates in 2022. Continued high inflation and the Fed’s new tone led many analysts to anticipate that the Fed will raise interest rates multiple times throughout the year.

Looking ahead, however, the horrific war in Ukraine has significantly clouded the outlook for the global economy. Sanctions on Russia and general wartime disruption are likely to drive already-high commodity prices even further upwards, and we have already seen spikes in energy and metal markets. While this will exacerbate inflationary pressure, it could also constrain economic growth, making the Fed’s way forward less clear. Its challenge will be combating inflation without stifling a recovery that is now facing additional supply shocks.

In this environment, we favor an overweight to equities, as we believe low interest rates and continued economic growth will support further gains, albeit likely more modest than what we saw in 2021. Sectors that are better poised to manage the transition to a lower-carbon world, such as technology and health care, are particularly attractive in the long term. U.S. and other developed-market equities have room for further growth, while we believe Chinese equities stand to gain from a more accommodative monetary and fiscal environment. We are underweight long-term credit, but inflation-protected U.S. Treasuries, Asian fixed income, and emerging market local-currency bonds offer potential opportunities. We believe that international diversification and a focus on sustainability can help provide portfolio resilience, and the disruption created by the coronavirus appears to be accelerating the shift toward sustainable investments.

In this environment, our view is that investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit [blackrock.com](https://www.blackrock.com) for further insight about investing in today’s markets.

Sincerely,



Rob Kapito
President, BlackRock Advisors, LLC



Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of January 31, 2022

	6-Month	12-Month
U.S. large cap equities (S&P 500® Index)	3.44%	23.29%
U.S. small cap equities (Russell 2000® Index)	(8.41)	(1.21)
International equities (MSCI Europe, Australasia, Far East Index)	(3.43)	7.03
Emerging market equities (MSCI Emerging Markets Index)	(4.59)	(7.23)
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	0.01	0.04
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	(3.87)	(4.43)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	(3.17)	(2.97)
Tax-exempt municipal bonds (S&P Municipal Bond Index)	(2.56)	(1.22)
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	(1.55)	2.05

Past performance is not an indication of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

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Investment Objective

iShares Developed Real Estate Index Fund's (the "Fund") investment objective is to seek to track the investment results of an index composed of real estate equities in developed markets.

Portfolio Management Commentary

How did the Fund perform?

For the 12-month period ended January 31, 2022, the Fund's Institutional Shares returned 20.91%, Investor A Shares returned 20.55% and Class K Shares returned 20.94%. The benchmark FTSE EPRA Nareit Developed Index returned 19.82% for the same period.

Returns for the Fund's respective share classes differ from the benchmark index based on individual share-class expenses.

Describe the market environment.

The vaccination rollout in developed markets during the first quarter of 2021 boosted optimism for a global economic recovery. However, the reappearance of high numbers of daily COVID-19 cases across Europe weighed down on the general sentiment, especially as social restrictions were tightened again across Europe.

In the first quarter of 2021, following the strong end to 2020, favorable conditions in the United States continued with signs of a sooner-than-expected economic activity restart. Monetary conditions remained supportive, as the U.S. Fed signaled a continuing environment of low interest rates. With both the Senate and Congress passing a new \$1.9 trillion stimulus package, and the United States starting to lead in the vaccine rollout, optimism continued to rise for strong economic growth in the first quarter. Despite the heightened volatility at the beginning of the quarter related to retail trading activity, the positive news about the stimulus package and the potential infrastructure bill soothed the market and supported a positive return over the first quarter.

After a relatively slow start in the second quarter of 2021, the vaccination rate across developed markets picked up, leading to more economic activities restarting. The prospect for strong growth, signaled by strong economic data, also boosted European equities over the quarter. Strong corporate earnings in Europe supported market performance as companies benefited from a combination of demand recovery and supply constraints. Services increased over the quarter, as the ease of COVID-19 restrictions helped fuel higher demand. However, despite the improving economic outlook, the European Central Bank policy makers signaled that it was still too soon to withdraw stimulus measures, despite the Bank of England announcing its plans to slow its quantitative easing program.

The U.S. equity market rallied in the second quarter of 2021 as the vaccination campaign continued to accelerate, and as more signs started to emerge for a sooner-than-expected economic activity restart. The U.S. Consumer Price Index increased by more than 4% (one-year as of April 2021), which raised questions on whether this surge was sparked by temporary factors at play. However, the inflation concerns and the Fed's cautious optimism about the recovery muted the market rally in May. In June, the U.S. equity market extended its rally, supported by the prospect of more fiscal stimulus, as President Biden reached a bipartisan \$1 trillion agreement for infrastructure spending.

In Japan, the consistent increase in COVID-19 cases led the government to extend the state of emergency until June 20, 2021. While market performance was initially weighed down by the slow vaccination campaign, the market began to rally in the second quarter of 2021 as the government rolled out mass vaccination efforts throughout the country. The Japanese equity market started to recover by the end of May, but investors' concerns over the low vaccination rate persisted, resulting in slight negative performance for the quarter.

In the third quarter of 2021, the COVID-19 pandemic continued to have a negative impact on economic recovery, but to a lesser degree in developed countries as vaccination rates increased. However, concerns regarding inflation, supply chain disruption, and rising energy prices hindered developed markets' performance.

Strong earnings reports and easing of restrictions in Europe boosted market performance, and many economies began to recover in the first two months of the third quarter. However, an increase in energy prices due to energy shortages, along with concerns of inflation and supply chain disruption, hindered market performance and gross domestic product growth.

U.S. equities continued climbing in August 2021 on the back of strong economic data and quarterly earnings reports. The positive return in markets came despite the increase in COVID-19 Delta variant cases in the United States. The Fed announcement in August was in line with expectations, as Fed Chair Jerome Powell suggested that tapering may start before year end during his Jackson Hole speech.

In Asia, the concerns regarding the debt crisis of the Chinese property developer Evergrande dampened market performance, especially in Hong Kong. The Japanese market continued its recovery throughout the third quarter of 2021 despite the state of emergency implemented in Tokyo. Japanese equities were supported by strong earnings reports and increased hopes of stimulus and economic reopening, as COVID-19 cases declined.

During the fourth quarter of 2021, developed non-U.S. equity markets posted a gain in October on the back of strong corporate earnings reports and robust economic data. However, the emergence of the new COVID-19 Omicron variant dampened markets performance in November and put pressure on central banks as they faced rising inflation rates on the back of supply chain disruptions. In December, markets rebounded as the new variant was reported to be less severe than expected despite higher transmissibility.

Following a strong earnings season in the fourth quarter of 2021 that boosted the positive sentiment early in the quarter, the emergence of the new COVID-19 Omicron variant and the concerns about higher inflation rates weighed down on U.S. market performance in November. However, preliminary data showed that the coronavirus vaccine was effective against the Omicron variant, and the Fed shared more clarity on next year's policy path, leading to strong positive returns to end the fourth quarter. The falling unemployment rate and the \$550 billion bipartisan infrastructure bill signed by President Biden supported market performance over the fourth quarter.

In Europe, the market recovered in December 2021 after concerns regarding the Omicron variant were lessened. The European Central Bank committed to end the emergency bond buying program in March 2022 but promised to keep low borrowing costs over 2022 and to keep the door open for restarting emergency support in the event of turbulence. On the other hand, the Bank of England raised the policy interest rate in December from 0.10% to 0.25%, signaling that inflation risk outweighed the disruptions risk of the Omicron variant.

Asian developed markets finished the fourth quarter of 2021 in negative territory. The uncertainty of the impact of the Omicron variant and higher commodity prices weighed down on the performance of Asian markets. Japanese equities were the worst performer on the back of a weakened yen and renewed ambiguity regarding new mobility restrictions.

Describe recent portfolio activity.

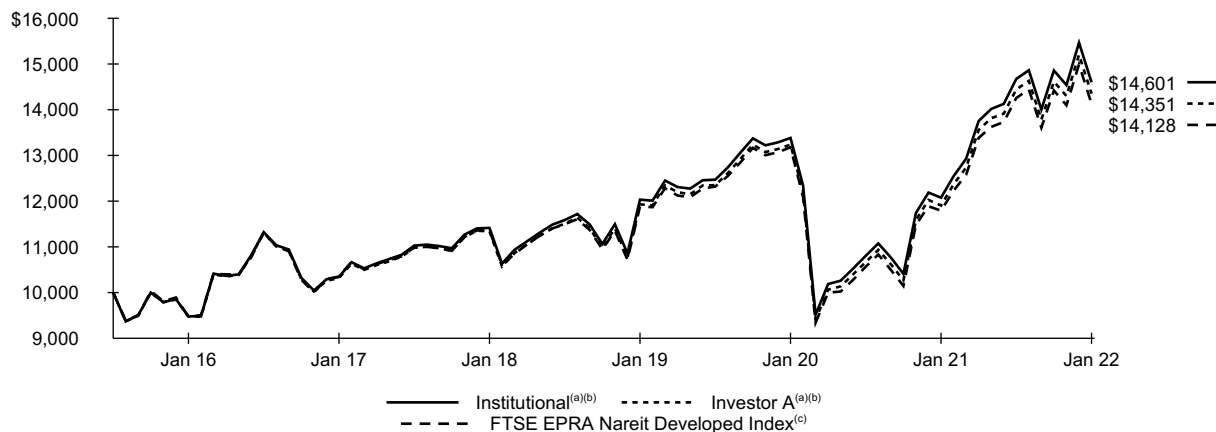
During the period, as changes were made to the composition of the FTSE EPRA Nareit Developed Index, the Fund purchased and sold securities to maintain its objective of replicating the risks and return of the benchmark index.

Describe portfolio positioning at period end.

The Fund remains positioned to match the risk characteristics of its benchmark index, irrespective of the market's future direction.

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.

TOTAL RETURN BASED ON A \$10,000 INVESTMENT



The Fund commenced operations on August 13, 2015.

(a) Assuming transaction costs and other operating expenses, including investment advisory fees, if any.

(b) The Fund generally invests at least 90% of its assets, plus the amount of any borrowing for investment purposes, in securities of the FTSE EPRA Nareit Developed Index and in depositary receipts representing securities of the FTSE EPRA Nareit Developed Index.

(c) A global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe and Asia.

Performance

	Average Annual Total Returns ^(a)		
	1 Year	5 Years	Since Inception ^(b)
Institutional	20.91%	7.14%	6.03%
Investor A	20.55	6.82	5.74
Class K	20.94	7.19	6.07
FTSE EPRA Nareit Developed Index	19.82	6.42	5.49

^(a) See "About Fund Performance" for a detailed description of share classes, including any related fees.

^(b) The Fund commenced operations on August 13, 2015.

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.

Expense Example

	Actual			Hypothetical			Annualized Expense Ratio
	Beginning Account Value (08/01/21)	Ending Account Value (01/31/22)	Expenses Paid During the Period ^(a)	Beginning Account Value (08/01/21)	Ending Account Value (01/31/22)	Expenses Paid During the Period ^(a)	
Institutional	\$ 1,000.00	\$ 995.00	\$ 0.96	\$ 1,000.00	\$ 1,024.25	\$ 0.97	0.19%
Investor A	1,000.00	993.60	2.46	1,000.00	1,022.74	2.50	0.49
Class K	1,000.00	994.40	0.70	1,000.00	1,024.50	0.71	0.14

^(a) For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period shown).

See "Disclosure of Expenses" for further information on how expenses were calculated.

Portfolio Information

TEN LARGEST HOLDINGS

Security	Percent of Net Assets
Prologis, Inc.	6%
Equinix, Inc.	3
Public Storage	3
Simon Property Group, Inc.	2
Vonovia SE	2
Digital Realty Trust, Inc.	2
Realty Income Corp.	2
Welltower, Inc.	2
AvalonBay Communities, Inc.	2
Equity Residential	2

GEOGRAPHIC ALLOCATION

Country/Geographic Region	Percent of Net Assets
United States	61%
Japan	9
United Kingdom	5
Hong Kong	5
Australia	4
Germany	4
Singapore	3
Canada	3
Sweden	2
France	2
Belgium	1
Switzerland	1
Other [#]	— ^(a)
Liabilities in Excess of Other Assets	(—) ^(b)

^(a) Rounds to less than 1% of net assets.

^(b) Rounds to more than (1)% of net assets.

[#] Includes holdings within countries/geographic regions that are less than 1% of net assets. Please refer to the Schedule of Investments for such countries/geographic regions.

Institutional and Class K Shares are not subject to any sales charge. These shares bear no ongoing distribution or service fees and are available only to certain eligible investors.

Investor A Shares are not subject to any sales charge and bear no ongoing distribution fee. These shares are subject to an ongoing service fee of 0.25% per year. These shares are generally available through financial intermediaries.

Past performance is not an indication of future results. Financial markets have experienced extreme volatility and trading in many instruments has been disrupted. These circumstances may continue for an extended period of time and may continue to affect adversely the value and liquidity of the Fund's investments. As a result, current performance may be lower or higher than the performance data quoted. Refer to blackrock.com to obtain performance data current to the most recent month-end. Performance results do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Figures shown in the performance table(s) assume reinvestment of all distributions, if any, at net asset value ("NAV") on the ex-dividend date or payable date, as applicable. Investment return and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Distributions paid to each class of shares will vary because of the different levels of service, distribution and transfer agency fees applicable to each class, which are deducted from the income available to be paid to shareholders.

BlackRock Advisors, LLC (the "Manager"), the Fund's investment adviser, has contractually and/or voluntarily agreed to waive and/or reimburse a portion of the Fund's expenses. Without such waiver(s) and/or reimbursement(s), the Fund's performance would have been lower. With respect to the Fund's voluntary waiver(s), if any, the Manager is under no obligation to waive and/or reimburse or to continue waiving and/or reimbursing its fees and such voluntary waiver(s) may be reduced or discontinued at any time. With respect to the Fund's contractual waiver(s), if any, the Manager is under no obligation to continue waiving and/or reimbursing its fees after the applicable termination date of such agreement. See the Notes to Financial Statements for additional information on waivers and/or reimbursements.

Disclosure of Expenses

Shareholders of the Fund may incur the following charges: (a) transactional expenses; and (b) operating expenses, including investment advisory fees, service and distribution fees, including 12b-1 fees, acquired fund fees and expenses, and other fund expenses. The expense example shown (which is based on a hypothetical investment of \$1,000 invested at the beginning of the period (or from the commencement of operations if less than 6 months) and held through the end of the period) is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The expense example provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number corresponding to their share class under the heading entitled "Expenses Paid During the Period."

The expense example also provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in the Fund and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

The expenses shown in the expense example are intended to highlight shareholders' ongoing costs only and do not reflect transactional expenses, such as sales charges, if any. Therefore, the hypothetical example is useful in comparing ongoing expenses only and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

Derivative Financial Instruments

The Fund may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the instrument. The Fund's successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation the Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Fund's investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Schedule of Investments

January 31, 2022

iShares Developed Real Estate Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Common Stocks		
Equity Real Estate Investment Trusts (REITs) — 83.2%		
Abacus Property Group	579,875	\$ 1,417,125
Acadia Realty Trust	103,950	2,057,170
Activia Properties, Inc.	905	3,063,288
Advance Residence Investment Corp.	1,527	4,491,567
Aedifica SA	43,035	5,175,944
AEON REIT Investment Corp.	2,006	2,551,434
Agree Realty Corp.	82,657	5,404,113
AIMS APAC REIT ^(a)	692,200	713,542
Alexander & Baldwin, Inc.	85,114	1,953,366
Alexandria Real Estate Equities, Inc.	184,303	35,909,597
Allied Properties Real Estate Investment Trust	148,776	5,235,220
alstria office REIT-AG	60,569	1,324,180
American Assets Trust, Inc.	59,928	2,155,610
American Campus Communities, Inc.	164,015	8,571,424
American Finance Trust, Inc.	153,322	1,266,440
American Homes 4 Rent, Class A	337,860	13,220,462
Americold Realty Trust	319,338	9,085,166
Apartment Income REIT Corp.	186,945	9,874,435
Apartment Investment and Management Co., Class A ^(b)	172,943	1,215,789
Apple Hospitality REIT, Inc.	251,832	4,062,050
ARA LOGOS Logistics Trust	1,411,000	863,225
Arena REIT ^(a)	401,204	1,337,295
Argosy Property Ltd.	1,042,104	1,025,299
Armada Hoffer Properties, Inc.	67,254	943,574
Artis Real Estate Investment Trust	104,616	999,948
Ascencio	5,983	357,733
Ascendas Real Estate Investment Trust	4,091,959	8,391,958
Ascott Residence Trust	2,233,100	1,692,007
Assura PLC	3,113,241	2,815,851
AvalonBay Communities, Inc.	166,565	40,680,170
Aventus Group ^(a)	473,495	1,084,621
Befimmo SA	25,514	956,585
Big Yellow Group PLC	205,607	4,131,220
BMO Commercial Property Trust Ltd.	634,743	978,301
BMO Real Estate Investments Ltd.	272,150	335,371
Boardwalk Real Estate Investment Trust	46,373	2,040,755
Boston Properties, Inc.	186,508	20,903,817
Brandywine Realty Trust	197,039	2,533,922
British Land Co. PLC	1,110,904	8,306,822
Brixmor Property Group, Inc.	354,483	8,989,689
Broadstone Net Lease, Inc.	184,869	4,272,323
BWP Trust	568,549	1,603,579
Camden Property Trust	118,081	18,903,587
Canadian Apartment Properties REIT	207,622	9,132,003
Capital & Counties Properties PLC	867,021	2,016,653
CapitaLand Integrated Commercial Trust	5,644,939	8,138,285
CareTrust REIT, Inc.	112,989	2,396,497
Carmila SA	46,793	778,249
CDL Hospitality Trusts	896,700	754,565
Centerspace	17,293	1,649,406
Centuria Industrial REIT	647,408	1,750,549
Centuria Office REIT	576,866	883,611
Champion REIT	2,349,000	1,180,970
Charter Hall Education Trust	411,556	1,117,404
Charter Hall Long Wale REIT	639,240	2,186,687
Charter Hall Retail REIT	562,843	1,606,035
Choice Properties Real Estate Investment Trust	302,329	3,451,043
Civitas Social Housing PLC	713,296	925,736
Cofinimmo SA	38,271	5,645,764

Security	Shares	Value
Equity Real Estate Investment Trusts (REITs) (continued)		
Comforia Residential REIT, Inc.	740	\$ 1,980,535
Cominar Real Estate Investment Trust	202,765	1,864,707
Community Healthcare Trust, Inc.	29,047	1,316,991
Corporate Office Properties Trust	132,692	3,351,800
Cousins Properties, Inc.	178,136	6,868,924
Covivio	59,280	4,950,359
CRE Logistics REIT Inc.	648	1,125,950
Crombie Real Estate Investment Trust	115,737	1,576,059
Cromwell European Real Estate Investment Trust	354,900	925,013
Cromwell Property Group	1,726,795	1,030,150
CubeSmart	255,847	12,981,677
Custodian REIT PLC	503,149	717,286
CyrusOne, Inc.	151,492	13,611,556
Daiwa House REIT Investment Corp.	2,547	7,587,427
Daiwa Office Investment Corp.	321	2,011,291
Daiwa Securities Living Investments Corp.	2,384	2,332,845
Denwent London PLC	121,820	5,628,889
Dexus	1,274,833	9,280,672
Dexus Industria REIT ^(a)	262,140	579,878
DiamondRock Hospitality Co. ^(b)	244,432	2,285,439
Digital Realty Trust, Inc.	335,381	50,048,907
DigitalBridge Group, Inc. ^(b)	569,953	4,160,657
Diversified Healthcare Trust	267,517	815,927
Douglas Emmett, Inc.	200,059	6,245,842
Dream Industrial Real Estate Investment Trust	259,717	3,222,072
Dream Office Real Estate Investment Trust	45,031	870,756
Duke Realty Corp.	454,169	26,241,885
Easterly Government Properties, Inc.	101,721	2,133,089
EastGroup Properties, Inc.	48,054	9,606,475
Empire State Realty Trust, Inc., Class A	165,926	1,480,060
Empiric Student Property PLC	664,607	779,419
EPR Properties	90,009	3,957,696
Equinix, Inc.	106,855	77,459,189
Equity Commonwealth ^(b)	137,772	3,587,583
Equity LifeStyle Properties, Inc.	207,566	16,250,342
Equity Residential	440,374	39,074,385
ESR-REIT	3,343,900	1,051,969
Essential Properties Realty Trust, Inc.	144,814	3,844,812
Essex Property Trust, Inc.	77,420	25,742,150
Eurocommercial Properties NV	55,432	1,340,480
Extra Space Storage, Inc.	156,677	31,051,815
Far East Hospitality Trust	1,210,000	498,641
Federal Realty Investment Trust	92,343	11,772,809
First Capital Real Estate Investment Trust	256,297	3,580,879
First Industrial Realty Trust, Inc.	154,030	9,361,943
Fortune Real Estate Investment Trust	1,574,000	1,623,255
Four Corners Property Trust, Inc.	89,065	2,410,990
Frasers Centrepoint Trust	1,251,305	2,100,714
Frasers Logistics & Commercial Trust	3,337,700	3,395,602
Frontier Real Estate Investment Corp.	571	2,409,500
Fukuoka REIT Corp.	848	1,192,390
Gaming and Leisure Properties, Inc.	269,617	12,181,296
Gecina SA	61,038	8,282,382
Getty Realty Corp.	46,969	1,393,570
Global Net Lease, Inc.	125,476	1,799,326
Global One Real Estate Investment Corp.	1,119	1,102,426
GLP J-REIT	5,099	8,207,412
Goodman Property Trust	1,349,114	2,206,639
GPT Group	2,301,346	8,155,175
Granite Real Estate Investment Trust	72,854	5,529,602
Great Portland Estates PLC	299,505	3,103,155
Growthpoint Properties Australia Ltd.	350,062	978,187

Schedule of Investments (continued)

January 31, 2022

iShares Developed Real Estate Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Equity Real Estate Investment Trusts (REITs) (continued)		
H&R Real Estate Investment Trust	333,210	\$ 3,386,755
Hamborner REIT AG	84,125	925,406
Hammerson PLC ^(a)	4,917,163	2,592,173
Hankyu Hanshin REIT, Inc.	831	1,076,297
Healthcare Realty Trust, Inc.	177,133	5,494,666
Healthcare Trust of America, Inc., Class A	260,916	8,492,816
Healthpeak Properties, Inc.	644,052	22,780,119
Heiwa Real Estate REIT, Inc.	1,101	1,354,382
Hibernia REIT PLC	782,600	1,117,821
Highwoods Properties, Inc.	124,026	5,348,001
Home Consortium Ltd.	171,881	797,347
Home Reit PLC	692,912	1,085,660
HomeCo Daily Needs REIT ^(a)	475,496	458,912
Hoshino Resorts REIT, Inc.	263	1,486,102
Host Hotels & Resorts, Inc. ^(b)	844,559	14,644,653
Hotel Property Investments	215,898	528,748
Hudson Pacific Properties, Inc.	175,216	4,140,354
Hulic REIT, Inc.	1,477	2,120,268
ICADE	39,643	2,862,480
Ichigo Office REIT Investment	1,361	971,794
Immobiliare Grande Distribuzione SIIG SpA ^(b)	88,873	413,733
Impact Healthcare REIT PLC	384,140	530,752
Independence Realty Trust, Inc.	123,490	2,839,035
Industrial & Infrastructure Fund Investment Corp.	2,246	3,756,995
Industrial Logistics Properties Trust	75,829	1,738,759
Ingenia Communities Group	434,129	1,697,747
Inmobiliaria Colonial Socimi SA	406,525	3,589,795
Innovative Industrial Properties, Inc.	27,838	5,517,213
InterRent Real Estate Investment Trust	155,597	1,951,159
Intervest Offices & Warehouses NV	29,233	896,582
InvenTrust Properties Corp.	83,014	2,236,397
Invincible Investment Corp.	5,837	1,838,716
Invitation Homes, Inc.	713,032	29,933,083
Irish Residential Properties REIT PLC	562,785	1,058,405
Irongate Group	578,246	756,861
Itochu Advance Logistics Investment Corp.	724	987,576
Japan Excellent, Inc.	1,448	1,665,280
Japan Hotel REIT Investment Corp.	5,505	2,683,748
Japan Logistics Fund, Inc.	1,019	2,824,496
Japan Metropolitan Fund Invest	8,274	6,972,604
Japan Prime Realty Investment Corp.	1,041	3,400,679
Japan Real Estate Investment Corp.	1,560	8,578,355
JBG SMITH Properties	148,577	4,071,010
Kenedix Office Investment Corp.	462	2,805,175
Kenedix Residential Next Investment Corp.	1,155	2,013,498
Kenedix Retail REIT Corp.	676	1,582,314
Keppel DC REIT	1,503,391	2,386,473
Keppel Pacific Oak US REIT	1,054,200	780,108
Keppel REIT	2,577,800	2,148,467
Killam Apartment Real Estate Investment Trust	129,574	2,229,307
Kilroy Realty Corp.	138,960	8,893,440
Kimco Realty Corp.	693,945	16,835,106
Kite Realty Group Trust	260,362	5,436,359
Kiwi Property Group Ltd.	1,971,785	1,477,085
Klepierre SA	226,389	6,021,552
Land Securities Group PLC	854,682	9,179,659
Lar Espana Real Estate Socimi SA	80,137	484,461
LaSalle Logiport REIT	2,107	3,370,525
Lendlease Global Commercial REIT	1,103,300	672,091
Life Storage, Inc.	97,307	13,131,580
Link REIT	2,488,800	21,367,614
LondonMetric Property PLC	1,042,663	3,756,797
LTC Properties, Inc.	45,519	1,641,870

Security	Shares	Value
Equity Real Estate Investment Trusts (REITs) (continued)		
LXI REIT PLC	911,141	\$ 1,620,574
LXP Industrial Trust	328,306	4,888,476
Macerich Co.	251,212	4,155,046
Manulife U.S. Real Estate Investment Trust	1,667,800	1,078,159
Mapletree Commercial Trust	2,667,247	3,570,150
Mapletree Industrial Trust	2,193,210	4,085,530
Mapletree Logistics Trust	3,524,109	4,435,168
Medical Properties Trust, Inc.	705,896	16,066,193
Mercialys SA	75,142	832,986
Merlin Properties Socimi SA	392,847	4,440,931
Mid-America Apartment Communities, Inc.	137,836	28,487,944
Mirai Corp.	1,889	793,996
Mirvac Group	4,661,927	8,639,316
Mitsubishi Estate Logistics REIT Investment Corp.	456	1,791,609
Mitsui Fudosan Logistics Park, Inc.	593	2,916,562
Monmouth Real Estate Investment Corp.	111,491	2,340,196
Montea NV	14,464	2,000,737
Mori Hills REIT Investment Corp.	1,869	2,289,963
Mori Trust Sogo REIT, Inc.	1,156	1,400,414
National Health Investors, Inc.	51,394	2,972,115
National Retail Properties, Inc.	209,078	9,278,882
National Storage Affiliates Trust	95,425	5,874,363
National Storage REIT	1,397,119	2,449,239
NewRiver REIT PLC	315,157	391,218
NexPoint Residential Trust, Inc.	27,123	2,150,854
Nextensa	5,142	425,749
Nippon Accommodations Fund, Inc.	548	2,961,905
Nippon Building Fund, Inc.	1,776	10,285,061
Nippon Prologis REIT, Inc.	2,685	8,377,836
NIPPON REIT Investment Corp.	512	1,725,213
Nomura Real Estate Master Fund, Inc.	5,309	7,365,880
NorthWest Healthcare Properties Real Estate Investment Trust	220,337	2,319,246
NSI NV	21,014	871,387
NTT UD REIT Investment Corp.	1,589	2,137,054
Office Properties Income Trust	55,606	1,416,841
Omega Healthcare Investors, Inc.	285,898	9,000,069
Orion Office REIT, Inc. ^(b)	62,730	1,043,827
Orix JREIT, Inc.	3,194	4,583,564
OUE Commercial Real Estate Investment Trust	2,673,900	811,502
Paramount Group, Inc.	222,519	1,933,690
Park Hotels & Resorts, Inc. ^(b)	277,546	5,051,337
Parkway Life Real Estate Investment Trust	476,900	1,696,089
Pebblebrook Hotel Trust	152,698	3,305,912
Physicians Realty Trust	258,979	4,728,957
Picton Property Income Ltd.	642,050	891,124
Piedmont Office Realty Trust, Inc., Class A	149,243	2,650,556
Precinct Properties New Zealand Ltd. ^(a)	1,667,558	1,771,730
Primaris REIT	83,302	928,600
Primary Health Properties PLC	1,553,468	3,012,838
Prime US REIT	796,700	617,442
Prologis, Inc.	881,470	138,232,125
Prosperity REIT	1,500,000	583,124
PRS REIT PLC	596,491	810,243
PS Business Parks, Inc.	24,287	4,054,958
Public Storage	180,174	64,597,784
Realty Income Corp.	675,989	46,920,396
Regency Centers Corp.	201,707	14,472,477
Regional REIT Ltd. ^(c)	542,249	652,310
Retail Estates NV	12,212	983,554
Retail Opportunity Investments Corp.	144,897	2,684,941
Rexford Industrial Realty, Inc.	181,134	13,253,575
RioCan Real Estate Investment Trust	381,185	6,636,214

Schedule of Investments (continued)

January 31, 2022

iShares Developed Real Estate Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Equity Real Estate Investment Trusts (REITs) (continued)		
RLJ Lodging Trust	198,345	\$ 2,747,078
RPT Realty	101,833	1,285,132
Ryman Hospitality Properties, Inc. ^(b)	64,513	5,702,949
Sabra Health Care REIT, Inc.	268,272	3,651,182
Safehold, Inc. ^(a)	23,875	1,477,862
Safestore Holdings PLC	242,733	4,161,748
Sankei Real Estate, Inc.	566	566,338
Scentre Group	6,209,049	12,890,891
Schroder Real Estate Investment Trust Ltd.	569,193	418,155
Segro PLC	1,432,338	25,251,762
Sekisui House REIT, Inc.	4,910	3,344,283
Service Properties Trust	192,778	1,648,252
Shaftesbury PLC	339,601	2,851,493
Shopping Centres Australasia Property Group	1,314,011	2,625,258
Simon Property Group, Inc.	389,754	57,371,789
SITE Centers Corp.	203,535	3,014,353
SL Green Realty Corp.	80,576	5,843,372
SmartCentres Real Estate Investment Trust	153,285	3,706,865
SOSiLA Logistics REIT Inc.	770	1,077,762
SPH REIT	1,175,500	837,520
Spirit Realty Capital, Inc.	147,772	7,013,259
STAG Industrial, Inc.	209,935	8,970,523
Standard Life Investment Property Income Trust Ltd.	521,264	578,721
Star Asia Investment Corp.	1,979	1,041,475
Starhill Global REIT	1,766,800	813,527
Starts Proceed Investment Corp.	278	521,100
Stockland	2,866,397	8,262,181
STORE Capital Corp.	292,410	9,272,321
Stride Property Group	528,829	695,939
Summit Hotel Properties, Inc. ^(b)	120,937	1,139,227
Summit Industrial Income REIT	191,722	3,257,834
Sun Communities, Inc.	136,845	25,858,231
Sunlight Real Estate Investment Trust	1,342,000	729,773
Sunstone Hotel Investors, Inc. ^(b)	261,853	2,961,557
Suntec Real Estate Investment Trust	2,546,000	2,875,402
Tanger Factory Outlet Centers, Inc.	119,549	2,033,528
Target Healthcare REIT PLC	764,613	1,182,519
Terreno Realty Corp.	88,176	6,592,920
Tokyu REIT, Inc.	1,042	1,683,627
Triple Point Social Housing REIT PLC ^(c)	405,990	508,887
Tritax Big Box REIT PLC	2,247,716	7,209,865
UDR, Inc.	367,465	20,886,711
UK Commercial Property REIT Ltd.	911,777	1,008,326
Unibail-Rodamco-Westfield ^{(a)(b)}	121,601	9,265,657
UNITE Group PLC	385,122	5,388,335
United Urban Investment Corp.	3,611	4,266,594
Universal Health Realty Income Trust	14,645	853,803
Urban Edge Properties	136,011	2,480,841
Vastned Retail NV	18,475	517,156
Ventas, Inc.	476,092	25,242,398
Veris Residential, Inc. ^(b)	107,432	1,772,628
VICI Properties, Inc.	751,440	21,506,213
Vicinity Centres	4,464,915	5,176,213
Vornado Realty Trust	210,033	8,613,453
Warehouses De Pauw CVA	166,732	7,173,034
Washington Real Estate Investment Trust	99,461	2,448,730
Waypoint REIT	872,708	1,676,321
Welltower, Inc.	520,343	45,077,314
Wereldhave NV	50,976	783,211
Workspace Group PLC	162,989	1,862,409

Security	Shares	Value
Equity Real Estate Investment Trusts (REITs) (continued)		
WP Carey, Inc.	220,656	\$ 17,122,906
Xenia Hotels & Resorts, Inc. ^(b)	132,684	2,300,741
Xior Student Housing NV	23,849	1,303,488
		1,969,733,770
Health Care Providers & Services — 0.1%		
Chartwell Retirement Residences	283,902	2,776,149
Real Estate Management & Development — 15.6%		
Aberdeen Standard European Logistics Income		
PLC ^(c)	418,567	627,668
ADLER Group SA ^{(a)(c)}	107,619	1,272,843
Aeon Mall Co. Ltd.	140,200	2,026,795
Allreal Holding AG, Registered Shares	17,195	3,730,988
Amot Investments Ltd.	194,879	1,653,487
Aroundtown SA	1,383,340	8,544,246
Atrium Ljungberg AB, B Shares	55,915	1,207,676
Azrieli Group Ltd.	43,323	3,917,059
CA Immobilien Anlagen AG	49,833	1,811,112
Capitaland Investment Ltd. ^(b)	3,097,200	7,947,015
Castellum AB	326,361	7,687,025
Catena AB	32,601	1,850,553
Cibus Nordic Real Estate AB	45,521	1,253,758
City Developments Ltd.	574,600	3,018,360
Citycon OYJ	99,233	794,246
CK Asset Holdings Ltd.	2,361,500	15,763,973
CLS Holdings PLC	194,168	588,298
Corem Property Group AB	795,726	2,283,979
Deutsche EuroShop AG	62,369	1,169,443
Deutsche Wohnen SE	57,810	2,355,259
Dios Fastigheter AB	101,528	1,130,225
Entra ASA ^(c)	72,297	1,589,168
Fabege AB	305,166	4,553,038
Fastighets AB Balder, B Shares ^(b)	119,186	7,895,933
Grainger PLC	862,230	3,511,401
Grand City Properties SA	115,720	2,553,911
Hang Lung Properties Ltd.	2,399,000	5,125,957
Helical PLC	122,146	706,379
Henderson Land Development Co. Ltd.	1,566,000	6,848,421
Hiag Immobilien Holding AG	3,673	374,970
Hongkong Land Holdings Ltd.	1,372,400	7,432,799
Hufvudstaden AB, A Shares	129,332	1,847,106
Hulic Co. Ltd.	503,400	4,865,691
Hysan Development Co. Ltd.	744,000	2,280,555
Intershop Holding AG	1,278	844,047
Kennedy-Wilson Holdings, Inc.	143,621	3,225,728
K-fast Holding AB ^(b)	78,917	588,614
Kojamo Oyj	230,917	5,293,979
LEG Immobilien SE	87,245	11,573,809
Lifestyle Communities Ltd.	109,603	1,313,718
Mitsubishi Estate Co. Ltd.	1,362,400	19,621,861
Mitsui Fudosan Co. Ltd.	1,100,700	23,596,072
Mobimo Holding AG	7,903	2,586,144
New World Development Co. Ltd.	1,714,507	6,999,148
Nomura Real Estate Holdings, Inc.	132,700	3,107,414
Nyfosa AB	215,118	3,348,704
Pandox AB ^(b)	106,533	1,548,803
Peach Property Group AG	14,121	874,705
Phoenix Spree Deutschland Ltd.	84,230	441,979
Platzer Fastigheter Holding AB, Class B	60,878	803,024
PSP Swiss Property AG, Registered Shares	50,941	6,176,800
Sagax AB, Class B	207,675	6,062,071

Schedule of Investments (continued)

January 31, 2022

iShares Developed Real Estate Index Fund

(Percentages shown are based on Net Assets)

Security	Shares	Value
Real Estate Management & Development (continued)		
Samhallsbyggnadsbolaget i Norden AB.....	1,295,553	\$ 7,813,638
Shurgard Self Storage SA	30,869	1,779,387
Sino Land Co. Ltd.	4,107,405	5,321,939
Sirius Real Estate Ltd.....	1,146,039	2,003,158
Sumitomo Realty & Development Co. Ltd.	472,200	14,609,952
Sun Hung Kai Properties Ltd.	1,700,000	20,740,861
Swire Properties Ltd.	1,248,000	3,326,821
Swiss Prime Site AG, Registered Shares	90,161	8,914,798
TAG Immobilien AG	154,062	4,068,519
Tokyo Tatemono Co. Ltd.	234,500	3,495,561
Tricon Residential, Inc.	291,284	4,269,064
Tritax EuroBox PLC ^(c)	950,734	1,409,821
UOL Group Ltd.	582,800	3,160,508
Vonovia SE	929,895	52,962,893
Wallenstam AB, B Shares.....	197,539	3,108,990
Wharf Real Estate Investment Co. Ltd.....	1,968,000	9,359,871
Wihlborgs Fastigheter AB.....	162,733	3,364,479
		367,936,217
Total Long-Term Investments — 98.9%		
(Cost: \$1,833,202,725)		2,340,446,136

- (a) All or a portion of this security is on loan.
- (b) Non-income producing security.
- (c) 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.
- (d) Affiliate of the Fund.
- (e) Annualized 7-day yield as of period end.
- (f) All or a portion of this security was purchased with the cash collateral from loaned securities.

Short-Term Securities

Money Market Funds — 1.2%

BlackRock Cash Funds: Institutional, SL Agency Shares, 0.11% ^{(d)(e)(f)}	13,664,763	13,668,862
BlackRock Cash Funds: Treasury, SL Agency Shares, 0.01% ^{(d)(e)}	14,420,540	14,420,540

Total Short-Term Securities — 1.2%

(Cost: \$28,089,402)		28,089,402
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Total Investments — 100.1%

(Cost: \$1,861,292,127)		2,368,535,538
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Liabilities in Excess of Other Assets — (0.1)%

		(2,167,327)
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Net Assets — 100.0%

		\$ 2,366,368,211
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For Fund compliance purposes, the Fund's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the year ended January 31, 2022 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	Value at 01/31/21	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 01/31/22	Shares Held at 01/31/22	Income	Capital Gain Distributions from Underlying Funds
BlackRock Cash Funds: Institutional, SL Agency Shares	\$ 27,079,375	\$ —	\$(13,408,633) ^(a)	\$ 2,763	\$ (4,643)	\$ 13,668,862	13,664,763	\$ 302,676 ^(b)	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	4,967,564	9,452,976 ^(a)	—	—	—	14,420,540	14,420,540	1,035	—
				\$ 2,763	\$ (4,643)	\$ 28,089,402		\$ 303,711	\$ —

(a) Represents net amount purchased (sold).

(b) All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

January 31, 2022

Derivative Financial Instruments Outstanding as of Period End**Futures Contracts**

<i>Description</i>	<i>Number of Contracts</i>	<i>Expiration Date</i>	<i>Notional Amount (000)</i>	<i>Value/ Unrealized Appreciation (Depreciation)</i>
Long Contracts				
Nikkei 225 Index	15	03/10/22	\$ 1,781	\$ (45,051)
SPI 200 Index	28	03/17/22	3,413	(143,482)
Dow Jones U.S. Real Estate Index	487	03/18/22	20,211	(306,686)
				<u>\$ (495,219)</u>

Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statement of Assets and Liabilities were as follows:

	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
Liabilities — Derivative Financial Instruments							
Futures contracts							
Unrealized depreciation on futures contracts ^(a)	\$ —	\$ —	\$ 495,219	\$ —	\$ —	\$ —	\$ 495,219

^(a) Net cumulative unrealized appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, are reported in the Schedule of Investments. In the Statement of Assets and Liabilities, only current day's variation margin is reported in receivables or payables and the net cumulative unrealized appreciation (depreciation) is included in accumulated earnings (loss).

For the period ended January 31, 2022, the effect of derivative financial instruments in the Statement of Operations was as follows:

	<i>Commodity Contracts</i>	<i>Credit Contracts</i>	<i>Equity Contracts</i>	<i>Foreign Currency Exchange Contracts</i>	<i>Interest Rate Contracts</i>	<i>Other Contracts</i>	<i>Total</i>
Net Realized Gain (Loss) from:							
Futures contracts	\$ —	\$ —	\$ 4,472,611	\$ —	\$ —	\$ —	\$ 4,472,611
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts	\$ —	\$ —	\$ (380,847)	\$ —	\$ —	\$ —	\$ (380,847)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts — long	\$21,963,309
Average notional value of contracts — short	\$ — ^(a)

^(a) Derivative not held at any quarter-end. The risk exposure table serves as an indicator of activity during the period.

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of financial instruments. 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.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets				
Investments				
Long-Term Investments				
Common Stocks				
Equity Real Estate Investment Trusts (REITs)	\$ 1,522,274,287	\$ 447,459,483	\$ —	\$ 1,969,733,770

Schedule of Investments (continued)

iShares Developed Real Estate Index Fund

January 31, 2022

Fair Value Hierarchy as of Period End (continued)

	Level 1	Level 2	Level 3	Total
Common Stocks (continued)				
Health Care Providers & Services	\$ 2,776,149	\$ —	\$ —	\$ 2,776,149
Real Estate Management & Development	25,498,110	342,438,107	—	367,936,217
Short-Term Securities				
Money Market Funds	28,089,402	—	—	28,089,402
	<u>\$ 1,578,637,948</u>	<u>\$ 789,897,590</u>	<u>\$ —</u>	<u>\$ 2,368,535,538</u>
Derivative Financial Instruments ^(a)				
Liabilities				
Equity Contracts	\$ (306,686)	\$ (188,533)	\$ —	\$ (495,219)

^(a) Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

See notes to financial statements.

Statement of Assets and Liabilities

January 31, 2022

iShares Developed
Real Estate
Index Fund

ASSETS

Investments, at value — unaffiliated ^{(a)(b)}	\$ 2,340,446,136
Investments, at value — affiliated ^(c)	28,089,402
Cash pledged for futures contracts	1,487,000
Foreign currency, at value ^(d)	6,207,902
Receivables:	
Securities lending income — affiliated	4,334
Capital shares sold	629,138
Dividends — unaffiliated	3,422,855
Dividends — affiliated	67
Variation margin on futures contracts	457,210
Prepaid expenses	39,146
Total assets	<u>2,380,783,190</u>

LIABILITIES

Collateral on securities loaned	13,711,351
Payables:	
Accounting services fees	3,760
Capital shares redeemed	267,643
Custodian fees	60,620
Investment advisory fees	244,848
Trustees' and Officer's fees	3,526
Other accrued expenses	27,352
Professional fees	67,330
Transfer agent fees	23,446
Variation margin on futures contracts	5,103
Total liabilities	<u>14,414,979</u>

NET ASSETS \$ 2,366,368,211

NET ASSETS CONSIST OF

Paid-in capital	\$ 1,973,501,838
Accumulated earnings	392,866,373
NET ASSETS	<u>\$ 2,366,368,211</u>

^(a) Investments, at cost — unaffiliated	\$ 1,833,202,725
^(b) Securities loaned, at value	\$ 13,515,993
^(c) Investments, at cost — affiliated	\$ 28,089,402
^(d) Foreign currency, at cost	\$ 6,249,629

Statement of Assets and Liabilities (continued)

January 31, 2022

iShares Developed
Real Estate
Index Fund

NET ASSET VALUE

Institutional	
Net assets	\$ 40,662,174
Shares outstanding	<u>3,595,760</u>
Net asset value	\$ 11.31
Shares authorized	Unlimited
Par value	<u>\$ 0.001</u>
Investor A	
Net assets	\$ 3,080,865
Shares outstanding	<u>272,876</u>
Net asset value	\$ 11.29
Shares authorized	Unlimited
Par value	<u>\$ 0.001</u>
Class K	
Net assets	\$ 2,322,625,172
Shares outstanding	<u>205,832,694</u>
Net asset value	\$ 11.28
Shares authorized	Unlimited
Par value	<u>\$ 0.001</u>

See notes to financial statements.

Statement of Operations

Year Ended January 31, 2022

iShares Developed
Real Estate
Index Fund

INVESTMENT INCOME

Dividends — unaffiliated	\$ 63,911,557
Dividends — affiliated	1,426
Interest — unaffiliated	909
Securities lending income — affiliated — net	302,285
Foreign taxes withheld	(3,057,141)
Total investment income	<u>61,159,036</u>

EXPENSES

Investment advisory	2,868,150
Custodian	111,808
Registration	107,355
Professional	86,157
Transfer agent — class specific	69,492
Trustees and Officer	14,177
Accounting services	9,025
Service — class specific	5,362
Miscellaneous	72,655
Total expenses	<u>3,344,181</u>
Less:	
Fees waived and/or reimbursed by the Manager	(8,520)
Transfer agent fees waived and/or reimbursed — class specific	(2,114)
Total expenses after fees waived and/or reimbursed	<u>3,333,547</u>
Net investment income	<u>57,825,489</u>

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:	
Investments — unaffiliated	39,627,352
Investments — affiliated	2,763
Foreign currency transactions	(643,129)
Futures contracts	4,472,611
	<u>43,459,597</u>
Net change in unrealized appreciation (depreciation) on:	
Investments — unaffiliated	330,394,449
Investments — affiliated	(4,643)
Foreign currency translations	(90,260)
Futures contracts	(380,847)
	<u>329,918,699</u>
Net realized and unrealized gain	<u>373,378,296</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 431,203,785</u>

See notes to financial statements.

Statements of Changes in Net Assets

iShares Developed Real Estate Index Fund	
Year Ended January 31,	
2022	2021

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS

Net investment income	\$ 57,825,489	\$ 47,785,494
Net realized gain (loss)	43,459,597	(31,516,131)
Net change in unrealized appreciation (depreciation)	329,918,699	(125,873,474)
Net increase (decrease) in net assets resulting from operations	<u>431,203,785</u>	<u>(109,604,111)</u>

DISTRIBUTIONS TO SHAREHOLDERS^(a)

Institutional	(2,012,462)	(876,829)
Investor A	(89,097)	(26,483)
Class K	(106,016,466)	(35,024,881)
Decrease in net assets resulting from distributions to shareholders	<u>(108,118,025)</u>	<u>(35,928,193)</u>

CAPITAL SHARE TRANSACTIONS

Net increase in net assets derived from capital share transactions	<u>31,607,236</u>	<u>411,997,883</u>
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NET ASSETS

Total increase in net assets	354,692,996	266,465,579
Beginning of year	<u>2,011,675,215</u>	<u>1,745,209,636</u>
End of year	<u>\$ 2,366,368,211</u>	<u>\$ 2,011,675,215</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)

	iShares Developed Real Estate Index Fund				
	Institutional				
	Year Ended January 31,				
	2022	2021	2020	2019	2018
Net asset value, beginning of year	\$ 9.78	\$ 11.08	\$ 10.65	\$ 10.51	\$ 9.97
Net investment income ^(a)	0.26	0.24	0.35	0.36 ^(b)	0.35
Net realized and unrealized gain (loss)	1.77	(1.35)	0.81	0.18	0.68
Net increase (decrease) from investment operations	2.03	(1.11)	1.16	0.54	1.03
Distributions^(c)					
From net investment income	(0.43)	(0.16)	(0.72)	(0.40)	(0.45)
From net realized gain	(0.07)	(0.03)	(0.01)	(0.00) ^(d)	(0.04)
Total distributions	(0.50)	(0.19)	(0.73)	(0.40)	(0.49)
Net asset value, end of year	\$ 11.31	\$ 9.78	\$ 11.08	\$ 10.65	\$ 10.51
Total Return^(e)					
Based on net asset value	20.91%	(9.77)%	11.22%	5.41%	10.36%
Ratios to Average Net Assets^(f)					
Total expenses	0.19%	0.20%	0.21%	0.20% ^(g)	0.22%
Total expenses after fees waived and/or reimbursed	0.19%	0.20%	0.21%	0.20%	0.22%
Net investment income	2.34%	2.64%	3.22%	3.50% ^(b)	3.37%
Supplemental Data					
Net assets, end of year (000)	\$40,662	\$46,994	\$53,799	\$38,560	\$29,007
Portfolio turnover rate	20%	7%	19%	23%	4%

^(a) Based on average shares outstanding.

^(b) Net investment income per share and the ratio of net investment income to average net assets includes \$0.10 per share and 29%, respectively, resulting from a non-recurring dividend.

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

^(d) Amount is greater than \$(0.005) per share.

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

^(f) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

^(g) Includes recoupment of past waived and/or reimbursed fees with no financial impact to the expense ratio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	iShares Developed Real Estate Index Fund (continued)				
	Investor A				
	Year Ended January 31,				
	2022	2021	2020	2019	2018
Net asset value, beginning of year	\$ 9.76	\$ 11.07	\$ 10.64	\$ 10.48	\$ 9.95
Net investment income ^(a)	0.23	0.23	0.34	0.29 ^(b)	0.29
Net realized and unrealized gain (loss)	1.76	(1.37)	0.80	0.22	0.70
Net increase (decrease) from investment operations	1.99	(1.14)	1.14	0.51	0.99
Distributions^(c)					
From net investment income	(0.39)	(0.14)	(0.70)	(0.35)	(0.42)
From net realized gain	(0.07)	(0.03)	(0.01)	(0.00) ^(d)	(0.04)
Total distributions	(0.46)	(0.17)	(0.71)	(0.35)	(0.46)
Net asset value, end of year	\$ 11.29	\$ 9.76	\$ 11.07	\$ 10.64	\$ 10.48
Total Return^(e)					
Based on net asset value	20.55%	(10.07)%	10.96%	5.09%	10.01%
Ratios to Average Net Assets^(f)					
Total expenses	0.59%	0.65%	0.61%	0.62% ^(g)	0.56%
Total expenses after fees waived and/or reimbursed	0.49%	0.49%	0.49%	0.49%	0.49%
Net investment income	2.07%	2.51%	3.05%	2.86% ^(b)	2.78%
Supplemental Data					
Net assets, end of year (000)	\$3,081	\$ 1,460	\$ 1,755	\$ 561	\$3,323
Portfolio turnover rate	20%	7%	19%	23%	4%

^(a) Based on average shares outstanding.

^(b) Net investment income per share and the ratio of net investment income to average net assets includes \$0.10 per share and 35%, respectively, resulting from a non-recurring dividend.

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

^(d) Amount is greater than \$(0.005) per share.

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

^(f) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

^(g) Includes recoupment of past waived and/or reimbursed fees with no financial impact to the expense ratio.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	iShares Developed Real Estate Index Fund (continued)				
	Class K				
	Year Ended January 31,				
	2022	2021	2020	2019	2018
Net asset value, beginning of year	\$ 9.76	\$ 11.06	\$ 10.63	\$ 10.49	\$ 9.95
Net investment income ^(a)	0.27	0.25	0.35	0.36 ^(b)	0.32
Net realized and unrealized gain (loss)	1.76	(1.36)	0.82	0.18	0.71
Net increase (decrease) from investment operations	2.03	(1.11)	1.17	0.54	1.03
Distributions^(c)					
From net investment income	(0.44)	(0.16)	(0.73)	(0.40)	(0.45)
From net realized gain	(0.07)	(0.03)	(0.01)	(0.00) ^(d)	(0.04)
Total distributions	(0.51)	(0.19)	(0.74)	(0.40)	(0.49)
Net asset value, end of year	\$ 11.28	\$ 9.76	\$ 11.06	\$ 10.63	\$ 10.49
Total Return^(e)					
Based on net asset value	20.94%	(9.74)%	11.31%	5.48%	10.41%
Ratios to Average Net Assets^(f)					
Total expenses	0.14%	0.14%	0.15%	0.15% ^(g)	0.17%
Total expenses after fees waived and/or reimbursed	0.14%	0.14%	0.15%	0.14%	0.17%
Net investment income	2.42%	2.80%	3.20%	3.53% ^(b)	3.08%
Supplemental Data					
Net assets, end of year (000)	\$2,322,625	\$ 1,963,222	\$ 1,689,655	\$ 2,551,691	\$1,719,140
Portfolio turnover rate	20%	7%	19%	23%	4%

^(a) Based on average shares outstanding.

^(b) Net investment income per share and the ratio of net investment income to average net assets includes \$0.10 per share and 28%, respectively, resulting from a non-recurring dividend.

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

^(d) Amount is greater than \$(0.005) per share.

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

^(f) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

^(g) Includes recoupment of past waived and/or reimbursed fees with no financial impact to the expense ratio.

See notes to financial statements.

Notes to Financial Statements

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. iShares Developed Real Estate Index 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 Class K Shares are sold only to certain eligible investors. Investor A Shares bear certain expenses related to shareholder servicing of such shares. Investor A Shares are generally available through financial intermediaries. Each class has exclusive voting rights with respect to matters relating to its shareholder servicing and distribution expenditures.

<i>Share Class</i>	<i>Initial Sales Charge</i>	<i>CDSC</i>	<i>Conversion Privilege</i>
Institutional, Investor A and Class K Shares	No	No	None

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 open-end equity, multi-asset, index and money market 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. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Dividends from foreign securities where the ex-dividend dates may have passed are subsequently recorded when the Fund is informed of the ex-dividend dates. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, a portion of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. 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.

Foreign Currency Translation: The Fund's books and records are maintained in U.S. dollars. Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates determined as of the close of trading on the New York Stock Exchange ("NYSE"). Purchases and sales of investments are recorded at the rates of exchange prevailing on the respective dates of such transactions. Generally, when the U.S. dollar rises in value against a foreign currency, the investments denominated in that currency will lose value; the opposite effect occurs if the U.S. dollar falls in relative value.

The Fund does not isolate the effect of fluctuations in foreign exchange rates from the effect of fluctuations in the market prices of investments for financial reporting purposes. Accordingly, the effects of changes in exchange rates on investments are not segregated in the Statement of Operations from the effects of changes in market prices of those investments, but are included as a component of net realized and unrealized gain (loss) from investments. The Fund reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for U.S. federal income tax purposes.

Foreign Taxes: The Fund may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Fund invests. These foreign taxes, if any, are paid by the Fund and are reflected in its Statement of Operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as "Foreign taxes withheld", and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of January 31, 2022, if any, are disclosed in the Statement of Assets and Liabilities.

The Fund files withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Fund may record a reclaim receivable based on collectability, which includes factors such as the jurisdiction's applicable laws, payment history and market convention. The Statement of Operations includes tax reclaims recorded as well as professional and other fees, if any, associated with recovery of foreign withholding taxes.

Segregation and Collateralization: In cases where the Fund enters into certain investments (e.g., futures contracts) that would be treated as "senior securities" for 1940 Act purposes, the Fund may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of its future obligations under such investments. Doing so allows the investment to be excluded from treatment as a "senior security." Furthermore, if required by an exchange or counterparty agreement, the Fund may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

Distributions: Distributions paid by the Fund 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.

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.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investment Valuation Policies: The Fund's investments are valued at fair value (also referred to as "market value" within the financial statements) each day that the Fund is open for business and, for financial reporting purposes, as of the report date. U.S. GAAP defines fair value as the price a 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 determines the fair values of its financial instruments using various independent dealers or pricing services under policies approved by the Board of Trustees of the Trust (the "Board"). If a security's market price is not readily available or does not otherwise accurately represent the fair value of the security, the security will be valued in accordance with a policy approved by the Board as reflecting fair value. The BlackRock Global Valuation Methodologies Committee (the "Global Valuation Committee") is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments.

Fair Value Inputs and Methodologies: The following methods and inputs are used to establish the fair value of the Fund's assets and liabilities:

- Equity investments traded on a recognized securities exchange are valued at that day's official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- Futures contracts are valued based on that day's last reported settlement or trade price on the exchange where the contract is traded.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of trading on the NYSE. Each business day, the Fund uses current market factors supplied by independent pricing services to value certain foreign instruments ("Systematic Fair Value Price"). The Systematic Fair Value Price is designed to value such foreign securities at fair value as of the close of trading on the NYSE, which follows the close of the local markets.

If events (e.g., market volatility, company announcement or a natural disaster) occur that are expected to materially affect the value of such investment, or in the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the Global Valuation Committee include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that the Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant and consistent with the principles of fair value measurement. The pricing of all Fair Valued Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

Fair Value Hierarchy: Various inputs are used in determining the fair value of financial instruments. 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 for identical assets or liabilities that the Fund has the ability to access;
- Level 2 – Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs); and
- Level 3 – Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Global 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. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds that may not have a secondary market and/or may have a limited number of investors. 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

Securities Lending: The Fund may lend its securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by a bank, or securities issued or guaranteed by the U.S. Government. The initial collateral received by the Fund is required to have a value of at least 102% of the current value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter at a value equal to at least 100% of the current market value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Fund and any additional required collateral is delivered to the Fund, or excess collateral returned by the Fund, on the next business day. During the term of the loan, the Fund is entitled to all distributions made on or in respect of the loaned securities, but does not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested by the securities lending agent, BlackRock Institutional Trust Company, N.A. ("BTC"), if any, is disclosed in the Schedule of Investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan, if any, are disclosed in the Fund's Schedule of Investments. The market value of any securities on loan and the value of any related collateral are shown separately in the Statement of Assets and Liabilities as a component of investments at value – unaffiliated and collateral on securities loaned at value, respectively.

Securities lending transactions are entered into by the Fund under Master Securities Lending Agreements (each, an "MSLA"), which provide the right, in the event of default (including bankruptcy or insolvency), for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. When the value of the collateral is greater than that of the market value of the securities loaned, the lender is left with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty's bankruptcy or insolvency. Under the MSLA, absent an event of default, the borrower can resell or re-pledge the loaned securities, and the Fund can reinvest cash collateral received in connection with loaned securities. Upon an event of default, the parties' obligations to return the securities or collateral to the other party are extinguished, and the parties can resell or re-pledge the loaned securities or the collateral received in connection with the loaned securities in order to satisfy the defaulting party's net payment obligation for all transactions under the MSLA. The defaulting party remains liable for any deficiency.

As of period end, the following table is a summary of the Fund's securities on loan by counterparty which are subject to offset under an MSLA:

Counterparty	Securities Loaned at Value	Cash Collateral Received ^(a)	Non-Cash Collateral Received at Fair Value ^(a)	Net Amount ^(b)
Goldman Sachs & Co. LLC	\$ 908,803	\$ (908,803)	\$ —	\$ —
Jefferies LLC	675,384	(600,272)	—	75,112
Macquarie Bank Ltd.	1,664,499	(1,664,499)	—	—
Morgan Stanley	10,265,505	(10,265,505)	—	—
SG Americas Securities LLC	1,802	(1,802)	—	—
	<u>\$ 13,515,993</u>	<u>\$ (13,440,881)</u>	<u>\$ —</u>	<u>\$ 75,112</u>

^(a) Collateral received in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by the Fund is disclosed in the Fund's Statement of Assets and Liabilities.

^(b) The market value of the loaned securities is determined as of January 31, 2022. Additional collateral is delivered to the Fund on the next business day in accordance with the MSLA. The net amount would be subject to the borrower default indemnity in the event of default by the counterparty.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Fund benefits from a borrower default indemnity provided by BlackRock, Inc. ("BlackRock"). BlackRock's indemnity allows for full replacement of the securities loaned to the extent the collateral received does not cover the value on the securities loaned in the event of borrower default. The Fund could incur a loss if the value of an investment purchased with cash collateral falls below the market value of loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received. Such losses are borne entirely by the Fund.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund engages in various portfolio investment strategies using derivative contracts both to increase the returns of the Fund and/or to manage its exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk, commodity price risk or other risks (e.g., inflation risk). Derivative financial instruments categorized by risk exposure are included in the Schedule of Investments. These contracts may be transacted on an exchange or over-the-counter ("OTC").

Futures Contracts: Futures contracts are purchased or sold to gain exposure to, or manage exposure to, changes in interest rates (interest rate risk) and changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk).

Futures contracts are exchange-traded agreements between the Fund and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Fund is required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Amounts pledged, which are considered restricted, are included in cash pledged for futures contracts in the Statement of Assets and Liabilities.

Notes to Financial Statements (continued)

Securities deposited as initial margin are designated in the Schedule of Investments and cash deposited, if any, are shown as cash pledged for futures contracts in the Statement of Assets and Liabilities. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract ("variation margin"). Variation margin is recorded as unrealized appreciation (depreciation) and, if any, shown as variation margin receivable (or payable) on futures contracts in the Statement of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statement of Operations equal to the difference between the notional amount of the contract at the time it was opened and the notional amount at the time it was closed. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and interest rates, foreign currency exchange rates or underlying assets.

6. 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, to provide investment advisory and administrative 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 0.12% of the average daily value of the Fund's net assets.

The Manager entered into a sub-advisory agreement with BlackRock Fund Advisors ("BFA"), an affiliate of the Manager. The Manager pays BFA for services it provides for that portion of the Fund for which BFA 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.

Service 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 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
Investor A	0.25%

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

For the year ended January 31, 2022, the following table shows the class specific service fees borne directly by each share class of the Fund:

	Investor A
Service fees — class specific	\$ 5,362

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 year ended January 31, 2022, the Fund did not pay any amounts to affiliates in return for these services.

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 year ended January 31, 2022, 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	Investor A	Class K	Total
Reimbursed amounts	\$ 164	\$ 744	\$ 3,157	\$ 4,065

For the year ended January 31, 2022, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

	Institutional	Investor A	Class K	Total
Transfer agent fees — class specific	\$ 25,582	\$ 4,340	\$ 39,570	\$ 69,492

Expense Limitations, Waivers, Reimbursements, and Recoupments: The Manager contractually agreed to waive its investment advisory fees by the amount of investment advisory fees the Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver") through June 30, 2023. The contractual agreement may be terminated upon 90 days' notice by a majority of the trustees who are not "interested persons" of the Fund, as defined in the 1940 Act ("Independent Trustees"), or by a vote of a majority of the outstanding voting securities of the Fund. The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation described below will be reduced by the amount of the affiliated money market fund waiver. This amount is included in fees waived and/or reimbursed by the Manager in the Statement of Operations. For the year ended January 31, 2022, the amount waived was \$7,456.

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of the Fund's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2023. The contractual agreement may be terminated upon 90 days' notice by a majority of the Independent Trustees, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended January 31, 2022, there were no fees waived and/or reimbursed by the Manager pursuant to this arrangement.

Notes to Financial Statements (continued)

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:

Share Class	Expense Limitation
Institutional	0.29%
Investor A	0.49
Class K	0.24

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2023, unless approved by the Board, including a majority of the Independent Trustees, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended January 31, 2022, the Manager waived and/or reimbursed investment advisory fees of \$1,064 which is included in fees waived and/or reimbursed by the Manager in the Statement of Operations.

In addition, these amounts waived and/or reimbursed by the Manager are included in transfer agent fees waived and/or reimbursed — class specific in the Statement of Operations. For the year ended January 31, 2022, class specific expense waivers and/or reimbursements are as follows:

	Investor A
Transfer agent fees waived and/or reimbursed — class specific	\$ 2,114

With respect to the contractual expense limitation, if during the Fund's fiscal year the operating expenses of a share class, that at any time during the prior two fiscal years received a waiver and/or reimbursement from the Manager, are less than the current expense limitation for that share class, the Manager is entitled to be reimbursed by such share class up to the lesser of: (a) the amount of fees waived and/or expenses reimbursed during those prior two fiscal years under the agreement and (b) an amount not to exceed either the current expense limitation of that share class or the expense limitation of the share class in effect at the time that the share class received the applicable waiver and/or reimbursement, provided that:

- (1) the Fund, of which the share class is a part, has more than \$50 million in assets for the fiscal year, and
- (2) the Manager or an affiliate continues to serve as the Fund's investment adviser or administrator.

This repayment applies only to the contractual expense limitation on net expenses and does not apply to the contractual investment advisory fee waiver described above or any voluntary waivers that may be in effect from time to time. Effective August 13, 2022, the repayment arrangement between the Fund and the Manager pursuant to which such Fund may be required to repay amounts waived and/or reimbursed under the Fund's contractual caps on net expenses will be terminated.

As of January 31, 2022, the fund level and class specific waivers and/or reimbursements subject to possible future recoupment under the expense limitation agreement are as follows:

Fund Name/Fund Level/Share Class	Expiring August 13, 2022
iShares Developed Real Estate Index Fund	
Fund Level	\$ 1,064
Institutional	—
Investor A	4,295
Class K	—

The following fund level and class specific waivers and/or reimbursements previously recorded by the Fund, which were subject to recoupment by the Manager, expired on January 31, 2022:

Fund Name/Fund Level/Share Class	Expired January 31, 2022
iShares Developed Real Estate Index Fund	
Fund Level	\$ —
Institutional	—
Investor A	1,105
Class K	—

Securities Lending: The U.S. Securities and Exchange Commission ("SEC") has issued an exemptive order which permits BTC, an affiliate of the Manager, to serve as securities lending agent for the Fund, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending, including any custodial costs. The Fund is responsible for fees in connection with the investment of cash collateral received for securities on loan (the "collateral investment fees"). The cash collateral is invested in a money market fund, BlackRock Cash Funds: Institutional or BlackRock Cash Funds: Treasury, managed by the Manager or its affiliates. However, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees the Fund bears to an annual rate of 0.04%. The SL Agency Shares of such money market fund will not be subject to a sales load, distribution fee or service fee. The money market fund in which the cash collateral has been invested may, under certain circumstances, impose a liquidity fee of up to 2% of the value redeemed or temporarily restrict redemptions for up to 10 business days during a 90 day period, in the event that the money market fund's weekly liquid assets fall below certain thresholds.

Notes to Financial Statements (continued)

Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment fees. The Fund retains a portion of securities lending income and remits a remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to the current securities lending agreement, the Fund retains 82% of securities lending income (which excludes collateral investment fees), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the BlackRock Multi-Asset Complex in a calendar year exceeds a specified threshold, the Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 85% of securities lending income (which excludes collateral investment fees), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

The share of securities lending income earned by the Fund is shown as securities lending income — affiliated — net in the Statement of Operations. For the year ended January 31, 2022, the Fund paid BTC \$62,382 for securities lending agent services.

Interfund Lending: In accordance with an exemptive order (the “Order”) from the SEC, the Fund may participate in a joint lending and borrowing facility for temporary purposes (the “Interfund Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the Fund’s investment policies and restrictions. The Fund is currently permitted to borrow and lend under the Interfund Lending Program.

A lending BlackRock fund may lend in aggregate up to 15% of its net assets but may not lend more than 5% of its net assets to any one borrowing fund through the Interfund Lending Program. A borrowing BlackRock fund may not borrow through the Interfund Lending Program or from any other source more than 33 1/3% of its total assets (or any lower threshold provided for by the fund’s investment restrictions). If a borrowing BlackRock fund’s total outstanding borrowings exceed 10% of its total assets, each of its outstanding interfund loans will be subject to collateralization of at least 102% of the outstanding principal value of the loan. All interfund loans are for temporary or emergency purposes and the interest rate to be charged will be the average of the highest current overnight repurchase agreement rate available to a lending fund and the bank loan rate, as calculated according to a formula established by the Board.

During the year ended January 31, 2022, the Fund did not participate in the Interfund Lending Program.

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.

Other Transactions: The Fund may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment adviser, common officers, or common trustees. For the year ended January 31, 2022, the purchase and sale transactions and any net realized gains (losses) with affiliated funds in compliance with Rule 17a-7 under the 1940 Act were as follows:

<i>Fund Name</i>	<i>Purchases</i>	<i>Sales</i>	<i>Net Realized Gain (Loss)</i>
iShares Developed Real Estate Index Fund	\$ 44,392,482	\$ 56,802,626	\$ 2,055,901

7. PURCHASES AND SALES

For the year ended January 31, 2022, purchases and sales of investments, excluding short-term investments, were \$468,563,995 and \$465,190,004, respectively.

8. 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 fiscal 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 January 31, 2022, 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.

The tax character of distributions paid was as follows:

<i>Fund Name</i>	<i>Year Ended 01/31/22</i>	<i>Year Ended 01/31/21</i>
iShares Developed Real Estate Index Fund		
Ordinary income	\$ 98,370,514	\$ 36,462,590
Long-term capital gains	9,747,511	754,403
	<u>\$ 108,118,025</u>	<u>\$ 37,216,993</u>

Notes to Financial Statements (continued)

As of January 31, 2022, the tax components of accumulated earnings (loss) were as follows:

<i>Fund Name</i>	<i>Net Unrealized Gains (Losses)^(a)</i>	<i>Qualified Late-Year Loss</i>	<i>Total</i>
iShares Developed Real Estate Index Fund	\$ 416,231,148	\$ (23,364,775)	\$ 392,866,373

(a) The difference between book-basis and tax-basis net unrealized gains was attributable primarily to the tax deferral of losses on wash sales, the realization for tax purposes of unrealized gains on investments in passive foreign investment companies, the characterization of corporate actions, the realization for tax purposes of unrealized gains/losses on certain futures and the timing and recognition of partnership income.

As of January 31, 2022, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

<i>Fund Name</i>	<i>Tax Cost</i>	<i>Gross Unrealized Appreciation</i>	<i>Gross Unrealized Depreciation</i>	<i>Net Unrealized Appreciation (Depreciation)</i>
iShares Developed Real Estate Index Fund	\$ 1,952,048,863	\$ 558,207,084	\$ (141,908,943)	\$ 416,298,141

9. BANK BORROWINGS

The Trust, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is a party to a 364-day, \$2.25 billion credit agreement with a group of lenders. Under this agreement, the Fund may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Fund, can borrow up to an aggregate commitment amount of \$1.75 billion at any time outstanding, subject to asset coverage and other limitations as specified in the agreement. The credit agreement has the following terms: a fee of 0.10% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) one-month London Interbank Offered Rate ("LIBOR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum or (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed. The agreement expires in April 2022 unless extended or renewed. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the year ended January 31, 2022, the Fund did not borrow under the credit agreement.

10. 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.

The Manager uses a "passive" or index approach to try to achieve the Fund's investment objective following the securities included in its underlying index during upturns as well as downturns. The Manager does not take steps to reduce market exposure or to lessen the effects of a declining market. Divergence from the underlying index and the composition of the portfolio is monitored by the Manager.

The Fund may be exposed to additional risks when reinvesting cash collateral in money market funds that do not seek to maintain a stable NAV per share of \$1.00, which may be subject to redemption gates or liquidity fees under certain circumstances.

Market Risk: An outbreak of respiratory disease caused by a novel coronavirus has developed into a global pandemic and has resulted in closing borders, quarantines, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this pandemic, and other global health crises that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. This pandemic may result in substantial market volatility and may adversely impact the prices and liquidity of a fund's investments. The duration of this pandemic and its effects cannot be determined with certainty.

Valuation Risk: The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. The Fund may invest in illiquid investments. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. The Fund may experience difficulty in selling illiquid investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause the Fund's NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

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

Notes to Financial Statements (continued)

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.

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

With exchange-traded futures, there is less counterparty credit risk to the Fund since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency). Additionally, credit risk exists in exchange-traded futures with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Fund.

Concentration 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 securities within a single or limited number of market sectors. When a Fund concentrates its investments in this manner, it assumes the risk that economic, regulatory, political and social conditions affecting such sectors may have a significant impact on the Fund and could affect the income from, or the value or liquidity of, the Fund's portfolio. Investment percentages in specific sectors are presented in the Schedule of Investments.

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.

LIBOR Transition Risk: The United Kingdom's Financial Conduct Authority announced a phase out of the LIBOR. Although many LIBOR rates ceased to be published or no longer are representative of the underlying market they seek to measure after December 31, 2021, a selection of widely used USD LIBOR rates will continue to be published through June 2023 in order to assist with the transition. The Fund may be exposed to financial instruments tied to LIBOR to determine payment obligations, financing terms, hedging strategies or investment value. The transition process away from LIBOR might lead to increased volatility and illiquidity in markets for, and reduce the effectiveness of new hedges placed against instruments whose terms currently include LIBOR. The ultimate effect of the LIBOR transition process on the Fund is uncertain.

11. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

Fund Name / Share Class	Year Ended 01/31/22		Year Ended 01/31/21	
	Shares	Amounts	Shares	Amounts
iShares Developed Real Estate Index Fund				
Institutional				
Shares sold.....	798,051	\$ 8,819,142	3,596,522	\$ 30,117,781
Shares issued in reinvestment of distributions	180,219	2,012,462	100,237	857,035
Shares redeemed.....	(2,187,255)	(24,280,241)	(3,745,433)	(32,160,534)
	<u>(1,208,985)</u>	<u>\$ (13,448,637)</u>	<u>(48,674)</u>	<u>\$ (1,185,718)</u>
Investor A				
Shares sold.....	156,443	\$ 1,783,026	105,154	\$ 927,393
Shares issued in reinvestment of distributions	7,799	87,475	3,075	26,253
Shares redeemed.....	(40,940)	(463,946)	(117,223)	(1,040,732)
	<u>123,302</u>	<u>\$ 1,406,555</u>	<u>(8,994)</u>	<u>\$ (87,086)</u>
Class K				
Shares sold.....	27,784,931	\$ 310,740,786	65,510,344	\$ 560,625,087
Shares issued in reinvestment of distributions	8,809,992	98,396,917	3,702,403	31,681,193
Shares redeemed.....	(31,867,076)	(365,488,385)	(20,857,985)	(179,035,593)
	<u>4,727,847</u>	<u>\$ 43,649,318</u>	<u>48,354,762</u>	<u>\$ 413,270,687</u>
	<u>3,642,164</u>	<u>\$ 31,607,236</u>	<u>48,297,094</u>	<u>\$ 411,997,883</u>

12. 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.

Report of Independent Registered Public Accounting Firm

To the Shareholders of iShares Developed Real Estate Index Fund and the Board of Trustees of BlackRock FundsSM:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of iShares Developed Real Estate Index Fund of BlackRock FundsSM (the "Fund"), including the schedule of investments, as of January 31, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of January 31, 2022, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of January 31, 2022, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP
Boston, Massachusetts
March 24, 2022

We have served as the auditor of one or more BlackRock investment companies since 1992.

Important Tax Information (unaudited)

The following amount, or maximum amount allowable by law, is hereby designated as qualified dividend income for individuals for the fiscal year ended January 31, 2022:

<i>Fund Name</i>	<i>Qualified Dividend Income</i>
iShares Developed Real Estate Index Fund	\$ 16,208,850

The following amount, or maximum amount allowable by law, is hereby designated as qualified business income for individuals for the fiscal year ended January 31, 2022:

<i>Fund Name</i>	<i>Qualified Business Income</i>
iShares Developed Real Estate Index Fund	\$ 25,704,352

The Fund hereby designates the following amount, or maximum amount allowable by law, as capital gain dividends, subject to a long-term capital gains tax rate as noted below for the fiscal year ended January 31, 2022:

<i>Fund Name</i>	<i>20% Rate Long-Term Capital Gain Dividends</i>	<i>25% Rate Long-Term Capital Gain Dividends</i>
iShares Developed Real Estate Index Fund	\$ 4,051,816	\$ 5,695,886

Statement Regarding Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), BlackRock FundsSM (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for iShares Developed Real Estate Index Fund (the “Fund”), a series of the Trust, which is reasonably designed to assess and manage the Fund’s liquidity risk.

The Board of Trustees (the “Board”) of the Trust, on behalf of the Fund, met on November 9-10, 2021 (the “Meeting”) to review the Program. The Board previously appointed BlackRock Advisors, LLC or BlackRock Fund Advisors (“BlackRock”), each an investment adviser to certain BlackRock funds, as the program administrator for the Fund’s Program, as applicable. BlackRock also previously delegated oversight of the Program to the 40 Act Liquidity Risk Management Committee (the “Committee”). At the Meeting, the Committee, on behalf of BlackRock, provided the Board with a report that addressed the operation of the Program and assessed its adequacy and effectiveness of implementation, including the management of the Fund’s Highly Liquid Investment Minimum (“HLIM”) where applicable, and any material changes to the Program (the “Report”). The Report covered the period from October 1, 2020 through September 30, 2021 (the “Program Reporting Period”).

The Report described the Program’s liquidity classification methodology for categorizing the Fund’s investments (including derivative transactions) into one of four liquidity buckets. It also referenced the methodology used by BlackRock to establish the Fund’s HLIM and noted that the Committee reviews and ratifies the HLIM assigned to the Fund no less frequently than annually. The Report also discussed notable events affecting liquidity over the Program Reporting Period, including the imposition of capital controls in certain countries.

The Report noted that the Program complied with the key factors for consideration under the Liquidity Rule for assessing, managing and periodically reviewing the Fund’s liquidity risk, as follows:

- a) **The Fund’s investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions.** During the Program Reporting Period, the Committee reviewed whether the Fund’s strategy is appropriate for an open-end fund structure with a focus on funds with more significant and consistent holdings of less liquid and illiquid assets. The Committee also factored a fund’s concentration in an issuer into the liquidity classification methodology by taking issuer position sizes into account. Where a fund participated in borrowings for investment purposes (such as tender option bonds or reverse repurchase agreements), such borrowings were factored into the Program’s calculation of a fund’s liquidity bucketing. Derivative exposure was also considered in such calculation.
- b) **Short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions.** During the Program Reporting Period, the Committee reviewed historical redemption activity and used this information as a component to establish the Fund’s reasonably anticipated trading size (“RATS”). The Fund has adopted an in-kind redemption policy which may be utilized to meet larger redemption requests. The Committee may also take into consideration a fund’s shareholder ownership concentration (which, depending on product type and distribution channel, may or may not be available), a fund’s distribution channels, and the degree of certainty associated with a fund’s short-term and long-term cash flow projections.
- c) **Holdings of cash and cash equivalents, as well as borrowing arrangements.** The Committee considered the terms of the credit facility committed to the Fund, the financial health of the institution providing the facility and the fact that the credit facility is shared among multiple funds (including that a portion of the aggregate commitment amount is specifically designated for BlackRock Floating Rate Income Portfolio, a series of BlackRock Funds V). The Committee also considered other types of borrowing available to the Fund, such as the ability to use reverse repurchase agreements and interfund lending, as applicable.

There were no material changes to the Program during the Program Reporting Period other than the enhancement of certain model components in the Program’s methodology. The Report provided to the Board stated that the Committee concluded that based on the operation of the functions, as described in the Report, the Program is operating as intended and is effective in implementing the requirements of the Liquidity Rule.

Trustee and Officer Information

Independent Trustees^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past Five Years
Mark Stalnecker 1951	Chair of the Board (Since 2019) and Trustee (Since 2015)	Chief Investment Officer, University of Delaware from 1999 to 2013; Trustee and Chair of the Finance and Investment Committees, Winterthur Museum and Country Estate from 2005 to 2016; Member of the Investment Committee, Delaware Public Employees' Retirement System since 2002; Member of the Investment Committee, Christiana Care Health System from 2009 to 2017; Member of the Investment Committee, Delaware Community Foundation from 2013 to 2014; Director and Chair of the Audit Committee, SEI Private Trust Co. from 2001 to 2014.	30 RICs consisting of 159 Portfolios	None
Susan J. Carter 1956	Trustee (Since 2016)	Director, Pacific Pension Institute from 2014 to 2018; Advisory Board Member, Center for Private Equity and Entrepreneurship at Tuck School of Business from 1997 to 2021; Senior Advisor, Commonfund Capital, Inc. ("CCI") (investment adviser) in 2015; Chief Executive Officer, CCI from 2013 to 2014; President & Chief Executive Officer, CCI from 1997 to 2013; Advisory Board Member, Girls Who Invest from 2015 to 2018 and Board Member thereof since 2018; Advisory Board Member, Bridges Fund Management since 2016; Trustee, Financial Accounting Foundation from 2017 to 2021; Practitioner Advisory Board Member, Private Capital Research Institute ("PCRI") since 2017; Lecturer in the Practice of Management, Yale School of Management since 2019; Advisor to Finance Committee, Altman Foundation since 2020; Investment Committee Member, Tostan since 2021.	30 RICs consisting of 159 Portfolios	None
Collette Chilton 1958	Trustee (Since 2015)	Chief Investment Officer, Williams College since 2006; Chief Investment Officer, Lucent Asset Management Corporation from 1998 to 2006; Director, Boys and Girls Club of Boston since 2017; Director, B1 Capital since 2018; Director, David and Lucile Packard Foundation since 2020.	30 RICs consisting of 159 Portfolios	None
Neil A. Cotty 1954	Trustee (Since 2016)	Bank of America Corporation from 1996 to 2015, serving in various senior finance leadership roles, including Chief Accounting Officer from 2009 to 2015, Chief Financial Officer of Global Banking, Markets and Wealth Management from 2008 to 2009, Chief Accounting Officer from 2004 to 2008, Chief Financial Officer of Consumer Bank from 2003 to 2004, Chief Financial Officer of Global Corporate Investment Bank from 1999 to 2002.	30 RICs consisting of 159 Portfolios	None
Lena G. Goldberg 1949	Trustee (Since 2019)	Director, Charles Stark Draper Laboratory, Inc. since 2013; Senior Lecturer, Harvard Business School from 2008 to 2021; FMR LLC/Fidelity Investments (financial services) from 1996 to 2008, serving in various senior roles including Executive Vice President - Strategic Corporate Initiatives and Executive Vice President and General Counsel; Partner, Sullivan & Worcester LLP from 1985 to 1996 and Associate thereof from 1979 to 1985.	30 RICs consisting of 159 Portfolios	None

Independent Trustees^(a) (continued)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past Five Years
Henry R. Keizer 1956	Trustee (Since 2019)	Director, Park Indemnity Ltd. (captive insurer) since 2010; Director, MUFG Americas Holdings Corporation and MUFG Union Bank, N.A. (financial and bank holding company) from 2014 to 2016; Director, American Institute of Certified Public Accountants from 2009 to 2011; Director, KPMG LLP (audit, tax and advisory services) from 2004 to 2005 and 2010 to 2012; Director, KPMG International in 2012, Deputy Chairman and Chief Operating Officer thereof from 2010 to 2012 and U.S. Vice Chairman of Audit thereof from 2005 to 2010; Global Head of Audit, KPMGI (consortium of KPMG firms) from 2006 to 2010; Director, YMCA of Greater New York from 2006 to 2010.	30 RICs consisting of 159 Portfolios	GrafTech International Ltd. (materials manufacturing); Montpelier Re Holdings, Ltd. (publicly held property and casualty reinsurance) from 2013 to 2015; WABCO (commercial vehicle safety systems) from 2015 to 2020; Hertz Global Holdings (car rental); Sealed Air Corp. (packaging) from 2015 to 2021.
Cynthia A. Montgomery 1952	Trustee (Since 2007)	Professor, Harvard Business School since 1989.	30 RICs consisting of 159 Portfolios	Newell Rubbermaid, Inc. (manufacturing) from 1995 to 2016.
Donald C. Opatrny 1952	Trustee (Since 2019)	Trustee, Vice Chair, Member of the Executive Committee and Chair of the Investment Committee, Cornell University from 2004 to 2019; President, Trustee and Member of the Investment Committee, The Aldrich Contemporary Art Museum from 2007 to 2014; Member of the Board and Investment Committee, University School from 2007 to 2018; Member of the Investment Committee, Mellon Foundation from 2009 to 2015; Trustee, Artstor (a Mellon Foundation affiliate) from 2010 to 2015; President and Trustee, the Center for the Arts, Jackson Hole from 2011 to 2018; Director, Athena Capital Advisors LLC (investment management firm) from 2013 to 2020; Trustee and Chair of the Investment Committee, Community Foundation of Jackson Hole since 2014; Member of Affordable Housing Supply Board of Jackson, Wyoming since 2017; Member, Investment Funds Committee, State of Wyoming since 2017; Trustee, Phoenix Art Museum since 2018; Trustee, Arizona Community Foundation and Member of Investment Committee since 2020.	30 RICs consisting of 159 Portfolios	None
Joseph P. Platt 1947	Trustee (Since 2007)	General Partner, Thorn Partners, LP (private investments) since 1998; Director, WQED Multi-Media (public broadcasting not-for-profit) since 2001; Chair, Basic Health International (non-profit) since 2015.	30 RICs consisting of 159 Portfolios	Greenlight Capital Re, Ltd. (reinsurance company); Consol Energy Inc.

Independent Trustees^(a) (continued)

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past Five Years
Kenneth L. Urish 1951	Trustee (Since 2007)	Managing Partner, Urish Popeck & Co., LLC (certified public accountants and consultants) since 1976; Past-Chairman of the Professional Ethics Committee of the Pennsylvania Institute of Certified Public Accountants and Committee Member thereof since 2007; Member of External Advisory Board, The Pennsylvania State University Accounting Department since founding in 2001; Principal, UP Strategic Wealth Investment Advisors, LLC since 2013; Trustee, The Holy Family Institute from 2001 to 2010; President and Trustee, Pittsburgh Catholic Publishing Associates from 2003 to 2008; Director, Inter-Tel from 2006 to 2007; Member, Advisory Board, ESG Competent Boards since 2020.	30 RICs consisting of 159 Portfolios	None
Claire A. Walton 1957	Trustee (Since 2016)	Chief Operating Officer and Chief Financial Officer of Liberty Square Asset Management, LP from 1998 to 2015; General Partner of Neon Liberty Capital Management, LLC since 2003; Director, Boston Hedge Fund Group from 2009 to 2018; Director, Woodstock Ski Runners since 2013; Director, Massachusetts Council on Economic Education from 2013 to 2015.	30 RICs consisting of 159 Portfolios	None

Interested Trustees^{(a)(d)}

Name Year of Birth ^(b)	Position(s) Held (Length of Service) ^(c)	Principal Occupation(s) During Past Five Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past Five Years
Robert Fairbairn 1965	Trustee (Since 2018)	Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares [®] businesses from 2012 to 2016.	103 RICs consisting of 261 Portfolios	None
John M. Perlowski^(e) 1964	Trustee (Since 2015) President and Chief Executive Officer (Since 2010)	Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009.	105 RICs consisting of 263 Portfolios	None

Trustee and Officer Information (continued)

- (a) The address of each Trustee is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.
- (b) Independent Trustees serve until their resignation, retirement, removal or death, or until December 31 of the year in which they turn 75. The Board may determine to extend the terms of Independent Trustees on a case-by-case basis, as appropriate.
- (c) Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. Furthermore, effective January 1, 2019, three BlackRock Fund Complexes were realigned and consolidated into two BlackRock Fund Complexes. As a result, although the chart shows the year that each Independent Trustee joined the Board, certain Independent Trustees first became members of the boards of other BlackRock-advised Funds, legacy MLIM funds or legacy BlackRock funds as follows: Cynthia A. Montgomery, 1994; Joseph P. Platt, 1999; Kenneth L. Urish, 1999; Lena G. Goldberg, 2016; Henry R. Keizer, 2016; Donald C. Opatry, 2015.
- (d) Mr. Fairbairn and Mr. Perowski are both "interested persons," as defined in the 1940 Act, of the Trust based on their positions with BlackRock, Inc. and its affiliates. Mr. Fairbairn and Mr. Perowski are also board members of the BlackRock Fixed-Income Complex.
- (e) Mr. Perowski is also a trustee of the BlackRock Credit Strategies Fund and BlackRock Private Investments Fund.

Officers Who Are Not Trustees^(a)

Name Year of Birth ^(b)	Position(s) Held (Length of Service)	Principal Occupation(s) During Past Five Years
Thomas Callahan 1968	Vice President (Since 2016)	Managing Director of BlackRock, Inc. since 2013; Member of the Board of Managers of BlackRock Investments, LLC (principal underwriter) since 2019 and Managing Director thereof since 2017; Head of BlackRock's Global Cash Management Business since 2016; Co-Head of the Global Cash Management Business from 2014 to 2016; Deputy Head of the Global Cash Management Business from 2013 to 2014; Member of the Cash Management Group Executive Committee since 2013; Chief Executive Officer of NYSE Liffe U.S. from 2008 to 2013.
Jennifer McGovern 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Product Development and Oversight for BlackRock's Strategic Product Management Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019.
Trent Walker 1974	Chief Financial Officer (Since 2021)	Managing Director of BlackRock, Inc. since September 2019; Executive Vice President of PIMCO from 2016 to 2019; Senior Vice President of PIMCO from 2008 to 2015; Treasurer from 2013 to 2019 and Assistant Treasurer from 2007 to 2017 of PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, 2 PIMCO-sponsored interval funds and 21 PIMCO-sponsored closed-end funds.
Jay M. Fife 1970	Treasurer (Since 2007)	Managing Director of BlackRock, Inc. since 2007.
Charles Park 1967	Chief Compliance Officer (Since 2014)	Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares [®] Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares [®] exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012.
Lisa Belle 1968	Anti-Money Laundering Compliance Officer (Since 2019)	Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012.
Janey Ahn 1975	Secretary (Since 2019)	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017.

^(a) The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

^(b) Officers of the Trust serve at the pleasure of the Board.

Further information about the Trust's Trustees and Officers is available in the Trust's Statement of Additional Information, which can be obtained without charge by calling (800) 441-7762.

Effective December 31, 2021, Bruce R. Bond retired as a Trustee of the Fund.

Additional Information

Regulation Regarding Derivatives

On October 28, 2020, the Securities and Exchange Commission (the “SEC”) adopted regulations governing the use of derivatives by registered investment companies (“Rule 18f-4”). The Fund will be required to implement and comply with Rule 18f-4 by August 19, 2022. Once implemented, Rule 18f-4 will impose limits on the amount of derivatives a fund can enter into, eliminate the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act, treat derivatives as senior securities and require funds whose use of derivatives is more than a limited specified exposure amount to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

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](https://www.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.

Householding

The Fund will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports, Rule 30e-3 notices 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 househanded 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.

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund’s Form N-PORT is available on the SEC’s website at [sec.gov](https://www.sec.gov). Additionally, the Fund makes its portfolio holdings for the first and third quarters of each fiscal year available at [blackrock.com/fundreports](https://www.blackrock.com/fundreports).

Availability of Proxy Voting Policies, Procedures and Voting Records

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to securities held in the Fund’s portfolio during the most recent 12-month period ended June 30 is available without charge, upon request (1) by calling (800) 441-7762; (2) on the BlackRock website at [blackrock.com](https://www.blackrock.com); and (3) on the SEC’s website at [sec.gov](https://www.sec.gov).

BlackRock’s Mutual Fund Family

BlackRock offers a diverse lineup of open-end mutual funds crossing all investment styles and managed by experts in equity, fixed-income and tax-exempt investing. Visit [blackrock.com](https://www.blackrock.com) for more information.

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](https://www.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.

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

Fund and Service Providers

Investment Adviser

BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Adviser

BlackRock Fund Advisors
San Francisco, CA 94105

Accounting Agent and Custodian

State Street Bank and Trust Company
Boston, MA 02111

Transfer Agent

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

Distributor

BlackRock Investments, LLC
New York, NY 10022

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Boston, MA 02116

Legal Counsel

Sidley Austin LLP
New York, NY 10019

Address of the Fund

100 Bellevue Parkway
Wilmington, DE 19809

Glossary of Terms Used in this Report

Portfolio Abbreviation

CVA	Certificaten Van Aandelen (Dutch Certificate)
REIT	Real Estate Investment Trust

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. Past performance results shown in this report should not be considered a representation of future performance. Investment returns and principal value of shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are as dated and are subject to change.

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