

# **2025 Semi-Annual Financial Statements and Additional Information (Unaudited)**

**BlackRock ETF Trust**

- iShares Advantage Large Cap Income ETF | BALI | Cboe BZX Exchange

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# Schedule of Investments (unaudited)

June 30, 2025

# iShares Advantage Large Cap Income ETF

(Percentages shown are based on Net Assets)

Security	Shares	Value
<b>Common Stocks</b>		
<b>Aerospace &amp; Defense — 1.9%</b>		
General Dynamics Corp.	1,848	\$ 538,988
HEICO Corp., Class A	276	71,415
Lockheed Martin Corp.	7,344	3,401,300
Northrop Grumman Corp.	4,875	2,437,402
RTX Corp.	1,899	277,292
		6,726,397
<b>Air Freight &amp; Logistics — 1.9%</b>		
Expeditors International of Washington, Inc.	14,979	1,711,351
FedEx Corp.	4,288	974,705
United Parcel Service, Inc., Class B	40,511	4,089,180
		6,775,236
<b>Automobile Components — 0.1%</b>		
BorgWarner, Inc.	13,208	442,204
Genlex Corp.	3,079	67,707
		509,911
<b>Automobiles — 1.0%</b>		
Tesla, Inc. <sup>(a)</sup>	11,361	3,608,935
<b>Banks — 3.7%</b>		
Bank of America Corp.	64,068	3,031,698
Credicorp Ltd.	4,999	1,117,376
Huntington Bancshares, Inc.	40,501	678,797
JPMorgan Chase & Co.	16,865	4,889,332
PNC Financial Services Group, Inc. (The)	2,238	417,208
Truist Financial Corp.	65,893	2,832,740
		12,967,151
<b>Beverages — 1.6%</b>		
Keurig Dr. Pepper, Inc.	58,687	1,940,192
PepsiCo, Inc.	27,373	3,614,331
		5,554,523
<b>Biotechnology — 2.9%</b>		
AbbVie, Inc.	17,698	3,285,103
Exelixis, Inc. <sup>(a)</sup>	2,238	98,640
Gilead Sciences, Inc.	38,002	4,213,282
Incyte Corp. <sup>(a)</sup>	1,942	132,250
Natera, Inc. <sup>(a)</sup>	4,551	768,846
Regeneron Pharmaceuticals, Inc.	672	352,800
Sarepta Therapeutics, Inc. <sup>(a)</sup>	3,956	67,647
United Therapeutics Corp. <sup>(a)</sup>	4,482	1,287,903
		10,206,471
<b>Broadline Retail — 4.6%</b>		
Amazon.com, Inc. <sup>(a)(b)</sup>	73,842	16,200,196
<b>Capital Markets — 4.8%</b>		
Blackstone, Inc., Class A, NVS	14,722	2,202,117
Cboe Global Markets, Inc.	613	142,958
Charles Schwab Corp. (The)	30,313	2,765,758
CME Group, Inc., Class A <sup>(b)</sup>	14,772	4,071,459
Intercontinental Exchange, Inc.	24,487	4,492,630
Janus Henderson Group PLC	20,191	784,218
MarketAxess Holdings, Inc.	345	77,052
Moody's Corp.	134	67,213
Morgan Stanley	3,779	532,310
S&P Global, Inc.	2,875	1,515,959
		16,651,674
<b>Commercial Services &amp; Supplies — 2.3%</b>		
Cintas Corp.	17,924	3,994,722

Security	Shares	Value
<b>Commercial Services &amp; Supplies (continued)</b>		
Waste Connections, Inc.	859	\$ 160,392
Waste Management, Inc.	16,188	3,704,138
		7,859,252
<b>Communications Equipment — 2.4%</b>		
Cisco Systems, Inc.	65,750	4,561,735
Motorola Solutions, Inc.	9,097	3,824,925
		8,386,660
<b>Construction &amp; Engineering — 0.4%</b>		
Comfort Systems U.S.A., Inc.	211	113,140
Dycom Industries, Inc. <sup>(a)</sup>	751	183,537
EMCOR Group, Inc.	1,190	636,519
MasTec, Inc. <sup>(a)</sup>	1,922	327,567
		1,260,763
<b>Consumer Staples Distribution &amp; Retail — 2.8%</b>		
Costco Wholesale Corp.	2,831	2,802,520
Dollar General Corp.	592	67,713
Sprouts Farmers Market, Inc. <sup>(a)</sup>	1,796	295,694
Sysco Corp.	903	68,393
Target Corp.	849	83,754
Walmart, Inc.	66,259	6,478,805
		9,796,879
<b>Containers &amp; Packaging — 0.6%</b>		
Packaging Corp. of America	11,456	2,158,883
<b>Diversified Consumer Services — 0.1%</b>		
Bright Horizons Family Solutions, Inc. <sup>(a)</sup>	2,144	264,977
H&R Block, Inc.	2,536	139,201
		404,178
<b>Diversified Telecommunication Services — 1.9%</b>		
AT&T Inc.	62,183	1,799,576
Verizon Communications, Inc.	115,289	4,988,555
		6,788,131
<b>Electric Utilities — 1.4%</b>		
Edison International	29,297	1,511,725
Entergy Corp.	38,712	3,217,742
OGE Energy Corp.	1,538	68,256
		4,797,723
<b>Electrical Equipment — 0.6%</b>		
AMETEK, Inc.	8,116	1,468,671
Eaton Corp. PLC	1,595	569,399
NEXTracker, Inc., Class A <sup>(a)</sup>	1,172	63,722
		2,101,792
<b>Electronic Equipment, Instruments &amp; Components — 0.8%</b>		
Amphenol Corp., Class A	16,693	1,648,434
Flex Ltd. <sup>(a)</sup>	1,552	77,476
TE Connectivity PLC	5,642	951,636
		2,677,546
<b>Entertainment — 1.0%</b>		
Electronic Arts, Inc.	455	72,663
Netflix, Inc. <sup>(a)</sup>	227	303,983
Take-Two Interactive Software, Inc. <sup>(a)</sup>	4,449	1,080,440
Walt Disney Co. (The)	17,440	2,162,734
		3,619,820
<b>Financial Services — 2.3%</b>		
Berkshire Hathaway, Inc., Class B <sup>(a)</sup>	5,642	2,740,714
Fiserv, Inc. <sup>(a)</sup>	394	67,930
Mastercard, Inc., Class A	5,008	2,814,196

# Schedule of Investments (unaudited) (continued)

June 30, 2025

# iShares Advantage Large Cap Income ETF

(Percentages shown are based on Net Assets)

Security	Shares	Value
<b>Financial Services (continued)</b>		
Remitly Global, Inc. <sup>(a)</sup>	8,850	\$ 166,114
Visa, Inc., Class A	6,549	2,325,222
		<u>8,114,176</u>
<b>Food Products — 0.5%</b>		
Cal-Maine Foods, Inc.	8,768	873,556
Hormel Foods Corp.	6,205	187,701
Ingredion, Inc.	1,820	246,829
McCormick & Co., Inc., NVS	888	67,328
The Campbell's Co.	2,199	67,399
Tyson Foods, Inc., Class A	5,803	324,620
		<u>1,767,433</u>
<b>Ground Transportation — 0.3%</b>		
Uber Technologies, Inc. <sup>(a)</sup>	11,000	1,026,300
<b>Health Care Equipment &amp; Supplies — 1.1%</b>		
Boston Scientific Corp. <sup>(a)</sup>	9,352	1,004,498
Medtronic PLC	31,433	2,740,015
		<u>3,744,513</u>
<b>Health Care Providers &amp; Services — 2.1%</b>		
Cardinal Health, Inc.	23,864	4,009,152
Cencora, Inc.	2,058	617,091
Cigna Group (The)	343	113,389
Encompass Health Corp.	578	70,880
UnitedHealth Group, Inc.	7,962	2,483,905
		<u>7,294,417</u>
<b>Health Care REITs — 0.1%</b>		
Omega Healthcare Investors, Inc.	9,554	350,154
Welltower, Inc.	445	68,410
		<u>418,564</u>
<b>Hotels, Restaurants &amp; Leisure — 2.6%</b>		
Airbnb, Inc., Class A <sup>(a)</sup>	3,833	507,259
Booking Holdings, Inc.	453	2,622,526
Brinker International, Inc. <sup>(a)</sup>	377	67,984
Darden Restaurants, Inc.	15,174	3,307,477
Texas Roadhouse, Inc.	3,773	707,098
Yum! Brands, Inc.	11,439	1,695,031
		<u>8,907,375</u>
<b>Household Durables — 0.0%</b>		
Garmin Ltd.	697	145,478
<b>Household Products — 1.1%</b>		
Colgate-Palmolive Co.	29,912	2,719,001
Procter & Gamble Co. (The)	7,247	1,154,592
		<u>3,873,593</u>
<b>Industrial Conglomerates — 0.2%</b>		
Honeywell International, Inc.	3,419	796,217
<b>Insurance — 1.6%</b>		
Aon PLC, Class A	1,052	375,312
CNA Financial Corp.	6,229	289,835
Progressive Corp. (The)	9,900	2,641,914
Travelers Cos., Inc. (The)	8,789	2,351,409
		<u>5,658,470</u>
<b>Interactive Media &amp; Services — 6.5%</b>		
Alphabet, Inc., Class A <sup>(b)</sup>	57,264	10,091,635
Alphabet, Inc., Class C, NVS	30,418	5,395,849
Meta Platforms, Inc., Class A	10,033	7,405,257
		<u>22,892,741</u>
<b>IT Services — 1.1%</b>		
Accenture PLC, Class A	8,428	2,519,045

Security	Shares	Value
<b>IT Services (continued)</b>		
Amdocs Ltd.	712	\$ 64,963
GoDaddy, Inc., Class A <sup>(a)</sup>	933	167,996
VeriSign, Inc.	3,208	926,470
		<u>3,678,474</u>
<b>Leisure Products — 0.1%</b>		
Hasbro, Inc.	3,155	232,902
<b>Machinery — 0.3%</b>		
Cummins, Inc.	3,152	1,032,280
<b>Media — 1.1%</b>		
Comcast Corp., Class A	74,684	2,665,472
Fox Corp., Class A, NVS	21,290	1,193,091
New York Times Co. (The), Class A	2,067	115,711
		<u>3,974,274</u>
<b>Metals &amp; Mining — 0.3%</b>		
Newmont Corp.	16,496	961,057
<b>Mortgage Real Estate Investment Trusts (REITs) — 0.0%</b>		
Rithm Capital Corp.	6,071	68,542
<b>Multi-Utilities — 0.5%</b>		
Consolidated Edison, Inc.	14,328	1,437,815
NiSource, Inc.	6,409	258,539
		<u>1,696,354</u>
<b>Oil, Gas &amp; Consumable Fuels — 2.0%</b>		
Antero Midstream Corp.	9,296	176,159
Cheniere Energy, Inc.	238	57,958
ConocoPhillips	11,501	1,032,100
Devon Energy Corp.	24,531	780,331
Exxon Mobil Corp.	19,502	2,102,316
Kinder Morgan, Inc.	30,813	905,902
ONEOK, Inc.	8,569	699,487
Targa Resources Corp.	874	152,146
Williams Cos., Inc. (The)	15,143	951,132
		<u>6,857,531</u>
<b>Pharmaceuticals — 4.2%</b>		
Bristol-Myers Squibb Co.	60,639	2,806,979
Eli Lilly & Co.	806	628,301
Johnson & Johnson	29,190	4,458,773
Merck & Co., Inc.	27,261	2,157,981
Pfizer, Inc.	190,708	4,622,762
		<u>14,674,796</u>
<b>Professional Services — 0.0%</b>		
Booz Allen Hamilton Holding Corp., Class A	622	64,769
<b>Residential REITs — 0.0%</b>		
Invitation Homes, Inc.	3,233	106,042
<b>Retail REITs — 0.1%</b>		
Simon Property Group, Inc.	1,422	228,601
<b>Semiconductors &amp; Semiconductor Equipment — 10.7%</b>		
Advanced Micro Devices, Inc. <sup>(a)</sup>	472	66,977
Broadcom, Inc.	18,994	5,235,696
Credo Technology Group Holding Ltd. <sup>(a)</sup>	4,969	460,079
Lam Research Corp.	13,685	1,332,098
Marvell Technology, Inc.	12,562	972,299
NVIDIA Corp. <sup>(b)</sup>	148,523	23,465,149
Onto Innovation, Inc. <sup>(a)</sup>	1,356	136,861
QUALCOMM, Inc.	4,338	690,870
Texas Instruments, Inc.	23,861	4,954,021
		<u>37,314,050</u>

Schedule of Investments (unaudited) (continued)

June 30, 2025

iShares Advantage Large Cap Income ETF

(Percentages shown are based on Net Assets)

Security	Shares	Value
<b>Software — 12.0%</b>		
Adobe, Inc. <sup>(a)</sup>	6,708	\$ 2,595,191
Atlassian Corp., Class A <sup>(a)</sup>	934	189,686
Autodesk, Inc. <sup>(a)</sup>	2,702	836,458
Clearwater Analytics Holdings, Inc., Class A <sup>(a)</sup>	3,053	66,952
Dynatrace, Inc. <sup>(a)</sup>	5,185	286,264
Elastic NV <sup>(a)</sup>	10,493	884,875
Fair Isaac Corp. <sup>(a)</sup>	30	54,839
Fortinet, Inc. <sup>(a)</sup>	18,416	1,946,939
Intuit, Inc.	4,224	3,326,949
Microsoft Corp. <sup>(b)</sup>	55,661	27,686,338
Palantir Technologies, Inc., Class A <sup>(a)</sup>	10,797	1,471,847
Salesforce, Inc.	5,085	1,386,629
ServiceNow, Inc. <sup>(a)</sup>	1,054	1,083,596
Workday, Inc., Class A <sup>(a)</sup>	1,211	290,640
		<u>42,107,203</u>
<b>Specialized REITs — 0.6%</b>		
CubeSmart	38,888	1,652,740
Equinix, Inc.	340	270,460
Millrose Properties, Inc., Class A <sup>(a)</sup>	5,499	156,776
Public Storage	302	88,613
		<u>2,168,589</u>
<b>Specialty Retail — 2.7%</b>		
AutoZone, Inc. <sup>(a)</sup>	27	100,230
Gap, Inc. (The)	31,766	692,817
Home Depot, Inc. (The)	14,323	5,251,385
O'Reilly Automotive, Inc. <sup>(a)</sup>	13,541	1,220,450
TJX Cos., Inc. (The)	17,217	2,126,127
		<u>9,391,009</u>
<b>Technology Hardware, Storage &amp; Peripherals — 5.5%</b>		
Apple Inc. <sup>(b)</sup>	92,834	19,046,752
NetApp, Inc.	641	68,298
		<u>19,115,050</u>
<b>Textiles, Apparel &amp; Luxury Goods — 0.0%</b>		
Ralph Lauren Corp., Class A	392	107,518

Security	Shares	Value
<b>Tobacco — 0.6%</b>		
Philip Morris International, Inc.	11,220	\$ 2,043,499
<b>Trading Companies &amp; Distributors — 0.1%</b>		
Fastenal Co.	5,072	213,024
Watsco, Inc.	156	68,893
		<u>281,917</u>
<b>Wireless Telecommunication Services — 0.1%</b>		
T-Mobile U.S., Inc.	1,066	253,985
<b>Total Long-Term Investments — 97.2%</b>		
(Cost: \$316,349,981)		<u>340,049,840</u>
<b>Short-Term Securities</b>		
<b>Money Market Funds — 1.0%</b>		
BlackRock Cash Funds: Treasury, SL Agency Shares, 4.30% <sup>(c)(d)</sup>	3,469,025	3,469,025
<b>Total Short-Term Securities — 1.0%</b>		
(Cost: \$3,469,025)		<u>3,469,025</u>
<b>Total Investments Before Options Written — 98.2%</b>		
(Cost: \$319,819,006)		<u>343,518,865</u>
<b>Options Written — (1.0)%</b>		
(Premiums Received: \$(1,754,824))		<u>(3,423,835)</u>
<b>Total Investments Net of Options Written — 97.2%</b>		
(Cost: \$318,064,182)		340,095,030
<b>Other Assets Less Liabilities — 2.8%</b>		
		<u>9,792,042</u>
<b>Net Assets — 100.0%</b>		
		<u>\$ 349,887,072</u>

- (a) Non-income producing security.
- (b) All or a portion of the security has been pledged and/or segregated as collateral in connection with outstanding exchange-traded options written.
- (c) Affiliate of the Fund.
- (d) Annualized 7-day yield as of period end.

Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the six months ended June 30, 2025 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	Value at 12/31/24	Purchases at Cost	Proceeds from Sales	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 06/30/25	Shares Held at 06/30/25	Income	Capital Gain Distributions from Underlying Funds
BlackRock Cash Funds: Institutional, SL Agency Shares <sup>(a)</sup>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—	\$ 95 <sup>(b)</sup>	\$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	5,430,923	—	(1,961,898) <sup>(c)</sup>	—	—	3,469,025	3,469,025	97,041	—
				<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,469,025</u>		<u>\$ 97,136</u>	<u>\$ —</u>

- (a) As of period end, the entity is no longer held.
- (b) All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of collateral investment fees, and other payments to and from borrowers of securities.
- (c) Represents net amount purchased (sold).

June 30, 2025

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount (000)	Value/Unrealized Appreciation (Depreciation)
Long Contracts				
S&P 500 E-Mini Index .....	324	09/19/25	\$ 101,311	\$ 2,757,217

Exchange-Traded Options Written

Description	Number of Contracts	Expiration Date	Exercise Price	Notional Amount (000)	Value
Call					
S&P 500 Index.....	55	07/03/25	USD 6,050.00	USD 34,127	\$ (840,675)
S&P 500 Index.....	57	07/11/25	USD 6,040.00	USD 35,368	(1,015,740)
S&P 500 Index.....	57	07/18/25	USD 6,035.00	USD 35,368	(1,132,020)
S&P 500 Index.....	56	07/25/25	USD 6,230.00	USD 34,748	(435,400)
					\$ (3,423,835)

Balances Reported in the Statement of Assets and Liabilities for Options Written

Description	Options Premiums Paid	Options Premiums Received	Unrealized Appreciation	Unrealized Depreciation	Value
Options Written.....	\$ N/A	\$ (1,754,824)	\$ —	\$ (1,669,011)	\$ (3,423,835)

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:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
<b>Assets — Derivative Financial Instruments</b>							
Futures contracts							
Unrealized appreciation on futures contracts <sup>(a)</sup> .....	\$ —	\$ —	\$ 2,757,217	\$ —	\$ —	\$ —	\$ 2,757,217
<b>Liabilities — Derivative Financial Instruments</b>							
Options written							
Options written at value.....	\$ —	\$ —	\$ 3,423,835	\$ —	\$ —	\$ —	\$ 3,423,835

<sup>(a)</sup> Net cumulative unrealized appreciation (depreciation) on futures contracts, 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 June 30, 2025, the effect of derivative financial instruments in the Statement of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
<b>Net Realized Gain (Loss) from:</b>							
Futures contracts.....	\$ —	\$ —	\$ 919,715	\$ —	\$ —	\$ —	\$ 919,715
Options written .....	—	—	(3,824,309)	—	—	—	(3,824,309)
	\$ —	\$ —	\$ (2,904,594)	\$ —	\$ —	\$ —	\$ (2,904,594)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>							
Futures contracts.....	\$ —	\$ —	\$ 2,924,890	\$ —	\$ —	\$ —	\$ 2,924,890
Options written .....	—	—	(2,269,437)	—	—	—	(2,269,437)
	\$ —	\$ —	\$ 655,453	\$ —	\$ —	\$ —	\$ 655,453

June 30, 2025

**Average Quarterly Balances of Outstanding Derivative Financial Instruments**

Futures contracts:	
Average notional value of contracts — long .....	\$ 64,929,831
Options:	
Average value of option contracts written .....	2,214,215

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 at the measurement date. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

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

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments				
Long-Term Investments				
Common Stocks .....	\$ 340,049,840	\$ —	\$ —	\$ 340,049,840
Short-Term Securities				
Money Market Funds .....	3,469,025	—	—	3,469,025
	<u>\$ 343,518,865</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 343,518,865</u>
Derivative Financial Instruments <sup>(a)</sup>				
Assets				
Equity Contracts .....	\$ 2,757,217	\$ —	\$ —	\$ 2,757,217
Liabilities				
Equity Contracts .....	(3,423,835)	—	—	(3,423,835)
	<u>\$ (666,618)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (666,618)</u>

<sup>(a)</sup> Derivative financial instruments are futures contracts and options written. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument and options written are shown at value.

See notes to financial statements.

# Statement of Assets and Liabilities (unaudited)

June 30, 2025

iShares Advantage Large Cap Income ETF

<b>ASSETS</b>		
Investments, at value — unaffiliated <sup>(a)</sup> .....	\$	340,049,840
Investments, at value — affiliated <sup>(b)</sup> .....		3,469,025
Cash .....		199
Cash pledged:		
Futures contracts .....		7,083,000
Receivables:		
Investments sold .....		29,272,727
Options written .....		412,035
Dividends — unaffiliated .....		214,527
Dividends — affiliated .....		14,836
Variation margin on futures contracts .....		431,445
Total assets .....		<u>380,947,634</u>
<b>LIABILITIES</b>		
Options written, at value <sup>(c)</sup> .....		3,423,835
Payables:		
Investments purchased .....		27,539,588
Investment advisory fees .....		97,139
Total liabilities .....		<u>31,060,562</u>
<b>Commitments and contingent liabilities</b>		
NET ASSETS .....	\$	<u>349,887,072</u>
<b>NET ASSETS CONSIST OF:</b>		
Paid-in capital .....	\$	338,923,280
Accumulated earnings .....		10,963,792
NET ASSETS .....	\$	<u>349,887,072</u>
<b>NET ASSET VALUE</b>		
Shares outstanding .....		<u>11,620,000</u>
Net asset value .....	\$	<u>30.11</u>
Shares authorized .....		<u>Unlimited</u>
Par value .....		<u>None</u>
<sup>(a)</sup> Investments, at cost — unaffiliated .....	\$	316,349,981
<sup>(b)</sup> Investments, at cost — affiliated .....	\$	3,469,025
<sup>(c)</sup> Premiums received .....	\$	1,754,824

See notes to financial statements.

# Statement of Operations (unaudited)

Six Months Ended June 30, 2025

iShares Advantage Large Cap Income ETF

## INVESTMENT INCOME

Dividends — unaffiliated .....	\$	3,500,428
Dividends — affiliated .....		97,041
Interest — unaffiliated .....		825
Securities lending income — affiliated — net .....		95
Total investment income .....		<u>3,598,389</u>

## EXPENSES

Investment advisory .....		476,022
Interest expense .....		557
Total expenses .....		<u>476,579</u>
Less:		
Investment advisory fees waived .....		<u>(206,774)</u>
Total expenses after fees waived .....		<u>269,805</u>
Net investment income .....		<u>3,328,584</u>

## REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:		
Investments — unaffiliated .....		(3,804,366)
Options written .....		(3,824,309)
Futures contracts .....		919,715
Foreign currency transactions .....		2
In-kind redemptions — unaffiliated <sup>(a)</sup> .....		<u>3,678,956</u>
		<u>(3,030,002)</u>
Net change in unrealized appreciation (depreciation) on:		
Investments — unaffiliated .....		16,082,172
Options written .....		(2,269,437)
Futures contracts .....		<u>2,924,890</u>
		<u>16,737,625</u>
Net realized and unrealized gain .....		<u>13,707,623</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	\$	<u>17,036,207</u>

<sup>(a)</sup> See Note 2 of the Notes to Financial Statements.

See notes to financial statements.

# Statements of Changes in Net Assets

	iShares Advantage Large Cap Income ETF	
	Six Months Ended 06/30/25 (unaudited)	Year Ended 12/31/24
<i>INCREASE (DECREASE) IN NET ASSETS</i>		
<b>OPERATIONS</b>		
Net investment income .....	\$ 3,328,584	\$ 1,664,982
Net realized gain (loss) .....	(3,030,002)	1,157,186
Net change in unrealized appreciation (depreciation) .....	16,737,625	6,544,521
Net increase in net assets resulting from operations .....	<u>17,036,207</u>	<u>9,366,689</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS<sup>(a)</sup></b>		
From net investment income .....	(12,092,299)	(4,735,969)
Return of capital .....	—	(925,943)
Decrease in net assets resulting from distributions to shareholders .....	<u>(12,092,299)</u>	<u>(5,661,912)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Net increase in net assets derived from capital share transactions .....	<u>149,532,179</u>	<u>173,101,177</u>
<b>NET ASSETS</b>		
Total increase in net assets .....	154,476,087	176,805,954
Beginning of period .....	<u>195,410,985</u>	<u>18,605,031</u>
End of period .....	<u>\$ 349,887,072</u>	<u>\$ 195,410,985</u>

<sup>(a)</sup> 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 Advantage Large Cap Income ETF		
	Six Months Ended 06/30/25 (unaudited)	Year Ended 12/31/24	Period From 09/26/23 <sup>(a)</sup> to 12/31/23
<b>Net asset value, beginning of period</b> .....	\$ 30.25	\$ 26.58	\$ 24.67
Net investment income <sup>(b)</sup> .....	0.35	0.74	0.17
Net realized and unrealized gain <sup>(c)</sup> .....	0.76	5.09	2.31
Net increase from investment operations .....	1.11	5.83	2.48
<b>Distributions<sup>(d)</sup></b>			
From net investment income .....	(1.25)	(1.81)	(0.34)
Return of capital .....	—	(0.35)	(0.23)
Total distributions .....	(1.25)	(2.16)	(0.57)
<b>Net asset value, end of period</b> .....	\$ 30.11	\$ 30.25	\$ 26.58
<b>Total Return<sup>(e)</sup></b>			
Based on net asset value .....	3.92% <sup>(f)</sup>	22.53%	10.12% <sup>(f)</sup>
<b>Ratios to Average Net Assets<sup>(g)</sup></b>			
Total expenses .....	0.35% <sup>(h)</sup>	0.35%	0.35% <sup>(h)</sup>
Total expenses after fees waived .....	0.20% <sup>(h)</sup>	0.15%	0.35% <sup>(h)</sup>
Net investment income .....	2.45% <sup>(h)</sup>	2.50%	2.60% <sup>(h)</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000) .....	\$ 349,887	\$ 195,411	\$ 18,605
Portfolio turnover rate <sup>(i)</sup> .....	69%	90%	23%

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Based on average shares outstanding.

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

<sup>(d)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(e)</sup> Where applicable, assumes the reinvestment of distributions.

<sup>(f)</sup> Not annualized.

<sup>(g)</sup> Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

<sup>(h)</sup> Annualized.

<sup>(i)</sup> Portfolio turnover rate excludes in-kind transactions, if any.

See notes to financial statements.

## 1. ORGANIZATION

BlackRock ETF Trust (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 Delaware statutory trust and is authorized to have multiple series or portfolios.

These financial statements relate only to the following fund (the “Fund”):

<i>Fund Name</i>	<i>Herein Referred To As</i>	<i>Diversification Classification</i>
iShares Advantage Large Cap Income ETF .....	Advantage Large Cap Income	Non-diversified

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded on the ex-dividend date at fair value. Upon notification from issuers or as estimated by management, 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.

**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.

**Cash:** The Fund may maintain cash at its custodian which, at times may exceed United States federally insured limits. The Fund may, at times, have outstanding cash disbursements that exceed deposited cash amounts at the custodian during the reporting period. The Fund is obligated to repay the custodian for any overdraft, including any related costs or expenses, where applicable. For financial reporting purposes, overdraft fees, if any, are included in interest expense in the Statement of Operations.

**Collateralization:** 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.

**In-kind Redemptions:** For financial reporting purposes, in-kind redemptions are treated as sales of securities resulting in realized capital gains or losses to the Fund. Because such gains or losses are not taxable to the Fund and are not distributed to existing Fund shareholders, the gains or losses are reclassified from accumulated net realized gain (loss) to paid-in capital at the end of the Fund’s tax year. These reclassifications have no effect on net assets or net asset value (“NAV”) per share.

**Distributions:** Dividends and distributions paid by the Fund are recorded on the ex-dividend dates. Distributions are determined on a tax basis and may differ from net investment income, and net realized capital gains and/or return of capital for financial reporting purposes. Dividends and distributions are paid in U.S. dollars and cannot be automatically reinvested in additional shares of the Fund.

The portion of distributions that exceeds the Fund’s current and accumulated earnings and profits will constitute a non-taxable return of capital. Distributions in excess of the Fund’s minimum distribution requirements, but not in excess of the Fund’s earning and profits, will be taxable to the Fund’s shareholders and will not constitute non-taxable returns of capital. Return of capital distributions will reduce a shareholder’s cost basis and will result in higher capital gains or lower capital losses when the Fund’s shares on which distributions were received are sold. Once a shareholder’s cost basis is reduced to zero, further distributions will be treated as capital gains.

**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.

**Segment Reporting:** The Chief Financial Officer acts as the Fund's Chief Operating Decision Maker ("CODM") and is responsible for assessing performance and allocating resources with respect to the Fund. The CODM has concluded that the Fund operates as a single operating segment since the Fund has a single investment strategy as disclosed in its prospectus, against which the CODM assesses performance. The financial information provided to and reviewed by the CODM is presented within the Fund's financial statements.

### 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's listing exchange is open 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 Board of Trustees of the Trust (the "Board") of the Fund has approved the designation of BlackRock Fund Advisors ("BFA"), the Fund's investment adviser, as the valuation designee for the Fund. The Fund determines the fair values of its financial instruments using various independent dealers or pricing services under BFA's policies. 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 BFA's policies and procedures as reflecting fair value. BFA has formed a committee (the "Valuation Committee") to develop pricing policies and procedures and to oversee the pricing function for all financial instruments, with assistance from other BlackRock pricing committees.

**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 are valued at the last traded price.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's NAV.
- Futures contracts are valued based on that day's last reported settlement or trade price on the exchange where the contract is traded.
- Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option.

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 Valuation Committee in accordance with BFA's policies and procedures as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the 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 Valuation Committee 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 Valuation Committee deems relevant and consistent with the principles of fair value measurement as of the measurement date.

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the 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 an approved 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 market 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 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 is 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.

## Notes to Financial Statements (unaudited) (continued)

As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested in money market funds managed by BFA, or its affiliates 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 also disclosed in the Fund's Schedule of Investments. The market value of any securities on loan and the value of any related cash collateral are disclosed in the Statement of Assets and Liabilities.

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.

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 Finance, Inc. BlackRock Finance, Inc.'s indemnity allows for full replacement of the securities loaned to the extent the collateral received does not cover the value of 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 the 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

**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.

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.

**Options:** The Fund will sell (write) call options on a large cap equity index, such as the S&P 500 Index, to generate income.

An options contract is an agreement between a buyer and seller that gives the purchaser of the option the right to buy (in the case of a call option) a particular asset at a specified future date at an agreed upon price (commonly known as the "strike price"). A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period.

Premiums received on options written, as well as the daily fluctuation in market value, are included in options written at value in the Statement of Assets and Liabilities. When an instrument is sold through the exercise of an option, the premium is offset against the proceeds of the underlying instrument. When a written option expires without being exercised, a realized gain or loss is recorded in the Statement of Operations to the extent of the premiums received. When a written option is closed or sold, a gain or loss is recorded in the Statement of Operations to the extent the cost of the closing transaction exceeds or does not exceed the premiums received.

In writing options, the Fund bears the risk of an unfavorable change in the value of the underlying instrument or the risk that they may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Fund purchasing or selling a security when it otherwise would not, or at a price different from the current market value.

### 6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

**Investment Advisory Fees:** Pursuant to an Investment Advisory Agreement with the Trust, BFA manages the investment of the Fund's assets. BFA is a California corporation indirectly owned by BlackRock. Under the Investment Advisory Agreement, BFA is responsible for substantially all expenses of the Fund, except (i) interest and taxes; (ii) brokerage commissions and other expenses connected with the execution of portfolio transactions; (iii) distribution fees; (iv) the advisory fee payable to BFA; and (v) litigation expenses and any extraordinary expenses (in each case as determined by a majority of the independent trustees).

## Notes to Financial Statements (unaudited) (continued)

For its investment advisory services to the Fund, BFA is entitled to an annual investment advisory fee, accrued daily and paid monthly by the Fund, based on the average daily net assets of the Fund as follows:

<i>Fund Name</i>	<i>Investment Advisory Fees</i>
Advantage Large Cap Income .....	0.35%

**Expense Waivers:** BFA has contractually agreed to waive its management fees pursuant to which the management fee will be limited to 0.00% from October 1, 2024 to March 31, 2025. The agreement may be terminated upon 90 days' notice by a majority of the non-interested trustees of the Trust or by a vote of a majority of the outstanding voting securities of the Fund. For the six months ended June 30, 2025, the Manager waived \$205,941 in investment advisory fees pursuant to this arrangement.

BFA has contractually agreed to waive a portion of its management fees to the Fund in an amount equal to the aggregate Acquired Fund Fees and Expenses, if any, attributable to investments by the Fund in other equity and fixed-income mutual funds and ETFs advised by BFA or its affiliates through June 30, 2026. BFA has also contractually agreed to waive a portion of its management fees to the Fund by an amount equal to the aggregate Acquired Fund Fees and Expenses, if any, attributable to investments by the Fund in money market funds advised by BFA or its affiliates through June 30, 2026. The agreement (with respect to either waiver) may be terminated upon 90 days' notice by a majority of the non-interested trustees of the Trust or by a vote of a majority of the outstanding voting securities of the Fund. For the six months ended June 30, 2025, the Manager waived \$833 in investment advisory fees pursuant to this arrangement.

**Securities Lending:** The U.S. Securities and Exchange Commission ("SEC") has issued an exemptive order which permits BlackRock Institutional Trust Company, N.A. ("BTC"), an affiliate of BFA, 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 BFA, 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. BlackRock Cash Funds: Institutional may impose a discretionary liquidity fee of up to 2% on all redemptions. Discretionary liquidity fees may be imposed or terminated at any time at the discretion of the board of directors of the money market fund, or its delegate, if it is determined that such fee would be, or would not be, respectively, in the best interest of the money market fund. Additionally, BlackRock Cash Funds: Institutional will impose a mandatory liquidity fee if the money market fund's total net redemptions on a single day exceed 5% of the money market fund's net assets, unless the amount of the fee is less than 0.01% of the value of the shares redeemed. BlackRock Cash Funds: Institutional will determine the size of the mandatory liquidity fee by making a good faith estimate of certain costs the money market fund would incur if it were to sell a pro rata amount of each security in the portfolio to satisfy the amount of net redemptions on that day. There is no limit to the size of a mandatory liquidity fee. If BlackRock Cash Funds: Institutional cannot estimate the costs of selling a pro rata amount of each portfolio security in good faith and supported by data, it is required to apply a default liquidity fee of 1% on the value of shares redeemed on that day.

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

Pursuant to the current securities lending agreement, the Fund retains 81% of securities lending income (which excludes collateral investment fees) and the 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 plus the collateral investment fees generated across the BlackRock Multi-Asset Complex in that calendar year exceeds a specified threshold, the Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year 84% of securities lending income (which excludes collateral investment fees), and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

Prior to January 1, 2025, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across the BlackRock Multi-Asset Complex in a calendar year exceeded a specified threshold, the Fund, pursuant to the securities lending agreement, retained for the remainder of that calendar year 81% of securities lending income (which excludes collateral investment fees), and the amount retained could 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 its Statement of Operations. For the six months ended June 30, 2025, the Fund paid BTC \$38 for securities lending agent services.

**Sub-Adviser:** BFA has entered into a sub-advisory agreement with BlackRock International Limited (the "Sub-Adviser"), an affiliate of BFA, under which BFA pays the Sub-Adviser for services it provides to the Fund.

**Distributor:** BlackRock Investments, LLC ("BRIL"), an affiliate of BFA, is the distributor for the Fund. Pursuant to the distribution agreement, BFA is responsible for any fees or expenses for distribution services provided to the Fund.

**ETF Servicing Fees:** The Fund has entered into an ETF Services Agreement with BRIL to perform certain order processing, Authorized Participant communications, and related services in connection with the issuance and redemption of Creation Units ("ETF Services"). BRIL is entitled to a transaction fee from Authorized Participants on each creation or redemption order for the ETF Services provided. The Fund does not pay BRIL for ETF Services.

**Officers and Trustees:** Certain officers and/or trustees of the Trust are officers and/or trustees of BlackRock or its affiliates.

## Notes to Financial Statements (unaudited) (continued)

**Other Transactions:** The Fund may invest its positive cash balances in certain money market funds managed by BFA or an affiliate. The income earned on these temporary cash investments is shown as dividends - affiliated in the Statement of Operations.

### 7. PURCHASES AND SALES

For the six months ended June 30, 2025, purchases and sales of investments, excluding short-term securities and in-kind transactions, were as follows:

<i>Fund Name</i>	<i>Purchases</i>	<i>Sales</i>
Advantage Large Cap Income .....	\$ 185,653,009	\$ 196,012,535

For the six months ended June 30, 2025, in-kind transactions were as follows:

<i>Fund Name</i>	<i>In-kind Purchases</i>	<i>In-kind Sales</i>
Advantage Large Cap Income .....	\$ 167,255,797	\$ 22,163,534

### 8. INCOME TAX INFORMATION

The Fund is treated as an entity separate from the Trust's other funds for federal income tax purposes. 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.

Management has analyzed tax laws and regulations and their application to the Fund as of June 30, 2025, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund's financial statements. Management's analysis is based on the tax laws and judicial and administrative interpretations thereof in effect as of date of these financial statements, all of which are subject to change, possibly with retroactive effect, which may impact the Fund's NAV.

As of December 31, 2024, the Fund had non-expiring capital loss carryforwards of \$1,597,803 available to offset future realized capital gains.

As of June 30, 2025, 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>
Advantage Large Cap Income .....	\$ 319,819,006	\$ 32,063,826	\$ (7,275,761)	\$ 24,788,065

### 9. LINE OF CREDIT

The Trust, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates ("Participating Funds"), is party to a 364-day, \$2.40 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) Overnight Bank Funding Rate ("OBFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum, (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 or (c) the sum of (x) Daily Simple Secured Overnight Financing Rate ("SOFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.10% and (y) 0.80% per annum. The agreement expires in April 2026 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 six months ended June 30, 2025, 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, tariffs or international tax treaties between various countries; or (iv) currency, interest rate or 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 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 mandatory and discretionary liquidity fees under certain circumstances.

**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

## Notes to Financial Statements (unaudited) (continued)

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. The Fund's ability to value its investments may also be impacted by technological issues and/or errors by pricing services or other third-party service providers.

**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 BFA believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Fund to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Fund's exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statement of Assets and Liabilities, less any collateral held by the Fund.

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.

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

The Fund invests a significant portion of its assets in 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.

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

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

### 11. CAPITAL SHARE TRANSACTIONS

Capital shares are issued and redeemed by the Fund only in aggregations of a specified number of shares or multiples thereof ("Creation Units") at NAV. Except when aggregated in Creation Units, shares of the Fund are not redeemable.

Transactions in capital shares were as follows:

Fund Name	Six Months Ended 06/30/25		Year Ended 12/31/24	
	Shares	Amount	Shares	Amount
Advantage Large Cap Income				
Shares sold .....	5,980,000	\$ 172,283,051	6,660,000	\$ 200,212,724
Shares redeemed.....	(820,000)	(22,750,872)	(900,000)	(27,111,547)
	<u>5,160,000</u>	<u>\$ 149,532,179</u>	<u>5,760,000</u>	<u>\$ 173,101,177</u>

The consideration for the purchase of Creation Units of a fund in the Trust generally consists of the in-kind deposit of a designated portfolio of securities and a specified amount of cash. Certain funds in the Trust may be offered in Creation Units solely or partially for cash in U.S. dollars. Authorized Participants purchasing and redeeming Creation Units

## Notes to Financial Statements (unaudited) (continued)

may pay a purchase transaction fee and a redemption transaction fee directly to BRIL, to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units, including Creation Units for cash. Authorized Participants transacting in Creation Units for cash may also pay an additional variable charge to compensate the relevant fund for certain transaction costs (i.e., stamp taxes, taxes on currency or other financial transactions, and brokerage costs) and market impact expenses relating to investing in portfolio securities. Such variable charges, if any, are included in shares sold in the table above.

To the extent applicable, to facilitate the timely settlement of orders for the Fund using a clearing facility outside of the continuous net settlement process, the Fund, at its sole discretion, may permit an Authorized Participant to post cash as collateral in anticipation of the delivery of all or a portion of the applicable Deposit Securities or Fund Securities, as further described in the applicable Authorized Participant Agreement. The collateral process is subject to a Control Agreement among the Authorized Participant, the Fund's custodian, and the Fund. In the event that the Authorized Participant fails to deliver all or a portion of the applicable Deposit Securities or Fund Securities, the Fund may exercise control over such collateral pursuant to the terms of the Control Agreement in order to purchase the applicable Deposit Securities or Fund Securities.

From time to time, settlement of securities related to in-kind contributions or in-kind redemptions may be delayed. In such cases, securities related to in-kind transactions are reflected as a receivable or a payable in the Statement of Assets and Liabilities.

As of June 30, 2025, BlackRock Financial Management, Inc., an affiliate of the Fund, owned 79,000 shares of the Fund.

### **12. SUBSEQUENT EVENTS**

Management's evaluation of the impact of all subsequent events on the Fund's financial statements was completed through the date the financial statements were issued and the following item was noted:

On July 30, 2025, the Board approved a change in the name of the Fund to iShares U.S. Large Cap Premium Income Active ETF and certain changes to the Fund's investment strategy. These changes are expected to become effective on or about October 16, 2025.

## Additional Information

### Electronic Delivery

Shareholders can sign up for e-mail notifications announcing that the shareholder report or prospectus has been posted on the iShares website at **iShares.com**. Once you have enrolled, you will no longer receive prospectuses and shareholder reports in the mail.

To enroll in electronic delivery:

- Go to **icsdelivery.com**.
- If your brokerage firm is not listed, electronic delivery may not be available. Please contact your broker-dealer or financial advisor.

### Changes in and Disagreements with Accountants

Not applicable.

### Proxy Results

Not applicable.

### Remuneration Paid to Trustees, Officers, and Others

Because BFA has agreed in the Investment Advisory Agreements to cover all operating expenses of the Funds, subject to certain exclusions as provided for therein, BFA pays the compensation to each Independent Trustee for services to the Funds from BFA's investment advisory fees.

### Availability of Portfolio Holdings Information

A description of the Trust's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund Prospectus. The Fund discloses its portfolio holdings daily and provides information regarding its top holdings in Fund fact sheets, when available, at **iShares.com**.

### Fund and Service Providers

#### Investment Adviser

BlackRock Fund Advisors  
San Francisco, CA 94105

#### Sub-Adviser

BlackRock International Limited  
Edinburgh, EH3 8BL  
United Kingdom

#### Administrator, Custodian and Transfer Agent

The Bank of New York Mellon  
New York, NY 10286

#### Distributor

BlackRock Investments, LLC  
New York, NY 10001

#### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania 19103

#### Legal Counsel

Sidley Austin LLP  
New York, NY 10019

#### Address of the Trust

100 Bellevue Parkway  
Wilmington, DE 19809

# Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement

The Board of Trustees (the “Board”, the members of which are referred to as “Board Members”) of BlackRock ETF Trust (the “Trust”) met on April 22, 2025 (the “April Meeting”) and May 20-21, 2025 (the “May Meeting”) to consider the approval to continue the investment advisory agreement (the “Advisory Agreement”) between the Trust, on behalf of iShares Advantage Large Cap Income ETF (the “Fund”), and BlackRock Fund Advisors (the “Manager”), the Fund’s investment advisor. The Board also considered the approval to continue the sub-advisory agreement (the “Sub-Advisory Agreement”) between the Manager and BlackRock International Limited (the “Sub-Advisor”), with respect to the Fund. The Manager and the Sub-Advisor are referred to herein as “BlackRock”. The Advisory Agreement and the Sub-Advisory Agreement are referred to herein as the “Agreements”.

## **The Approval Process**

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

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

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

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

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

The Board also considered other matters it deemed important to the approval process, such as other payments made to BlackRock or its affiliates relating to securities lending and cash management, and BlackRock’s services related to the valuation and pricing of Fund portfolio holdings. The Board noted the willingness of BlackRock’s personnel to engage in open, candid discussions with the Board. The Board evaluated the information available to it on a fund-by-fund basis. The following paragraphs provide more

# Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement<sup>(continued)</sup>

information about some of the primary factors that were relevant to the Board's decision. The Board Members did not identify any particular information, or any single factor as determinative, and each Board Member may have attributed different weights to the various items and factors considered.

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

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

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

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

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

## ***B. The Investment Performance of the Fund***

The Board, including the Independent Board Members, reviewed and considered the performance history of the Fund throughout the year and at the April Meeting. The Board was provided with Fund performance reporting and analysis, relative to applicable performance metrics, by BlackRock throughout the year and at the April meeting. In preparation for the April Meeting, the Board was also provided with reports independently prepared by Broadridge, which included an analysis of the Fund's performance as of December 31, 2024, as compared to its Performance Peers. Broadridge ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable. In connection with its review, the Board received and reviewed information regarding the investment performance of the Fund as compared to its Performance Peers. The Board and its Performance Oversight Committee regularly review and meet with Fund management to discuss the performance of the Fund throughout the year.

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

The Board noted that for each of the one-year and since-inception periods reported, the Fund ranked in the first quartile against its Performance Peers.

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

The Board, including the Independent Board Members, reviewed the Fund's contractual management fee rate compared with those of its Expense Peers. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. The Board also compared the Fund's total expense ratio, as well as its actual management fee rate, to those of its Expense Peers. The total expense ratio represents a fund's total net operating expenses, including any 12b-1 or non-12b-1 service fees. The total expense ratio gives effect to any expense reimbursements or fee waivers, and the actual management fee rate gives effect to any management fee reimbursements or waivers. The Board considered that the fee and expense information in the Broadridge report for the Fund reflected information for a specific period and that historical asset levels and expenses may differ from current levels, particularly in a period of market volatility. The Board also noted that while it found the expense comparison provided by Broadridge generally useful, it recognized that the comparison is subject to Broadridge's defined peer

## Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement<sup>(continued)</sup>

selection criteria and methodology. The Board considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts and sub-advised mutual funds (including mutual funds sponsored by third parties).

The Board reviewed BlackRock's profitability methodology and was also provided with an estimated profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Fund. The Board reviewed BlackRock's estimated profitability with respect to the Fund and other funds the Board currently oversees for the year ended December 31, 2024 compared to available aggregate estimated profitability data provided for the prior two years. The Board reviewed BlackRock's estimated profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Board reviewed BlackRock's assumptions and methodology of allocating expenses in the estimated profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Board recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. The Board thus recognized the limitations of calculating and comparing profitability at the individual fund level.

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

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

The Board noted that the Fund's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile relative to the Fund's Expense Peers.

### ***D. Economies of Scale***

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

### ***E. Other Factors Deemed Relevant by the Board Members***

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

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

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

## **Conclusion**

At the May Meeting, in a continuation of the discussions that occurred during the April Meeting, and as a culmination of the Board's year-long deliberative process, the Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and the Trust, on behalf of the Fund, for a one-year term ending June 30, 2026, and the Sub-Advisory Agreement between the Manager and the Sub-Advisor, with respect to the Fund, for a one-year term ending June 30, 2026. Based upon its evaluation of all of the aforementioned factors in their totality, as well as other information, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Fund and its shareholders. In arriving at its decision to approve the Agreements, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were advised by independent legal counsel throughout the deliberative process.

# Glossary of Terms Used in these Financial Statements

## Currency Abbreviation

USD United States Dollar

## Portfolio Abbreviation

NVS Non-Voting Shares

REIT Real Estate Investment Trust

## **Want to know more?**

**blackrock.com** | 1-800-474-2737

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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