

BlackRock Mortgage-Backed Securities Fund

Institutional Shares | BGNIX

Semi-Annual Shareholder Report — March 31, 2025



This semi-annual shareholder report contains important information about BlackRock Mortgage-Backed Securities Fund (the “Fund”) (formerly known as BlackRock GNMA Portfolio) for the period of October 1, 2024 to March 31, 2025. You can find additional information about the Fund at blackrock.com/fundreports. You can also request this information by contacting us at (800) 441-7762.

What were the Fund costs for the last six months?

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

Class name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Institutional Shares	\$21	0.43% ^(a)

^(a) Annualized.

Fund performance

Average annual total returns

	6-Month			
	Total Returns	1 Year	5 years	10 Years
Institutional Shares.....	(0.24)%	4.99%	(0.64)%	0.88%
Bloomberg U.S. Aggregate Bond Index.....	(0.37)	4.88	(0.40)	1.46
Bloomberg U.S. MBS Index.....	(0.20)	5.39	(0.69)	1.11
Bloomberg GNMA Total Return Index Value Unhedged USD.....	0.16	5.18	(0.59)	1.08

Key Fund statistics

Net Assets.....	\$265,324,836
Number of Portfolio Holdings...	623
Portfolio Turnover Rate.....	1,132%

Effective January 28, 2025, the Fund has changed the benchmark against which it measures its performance from the Bloomberg GNMA Total Return Index Value Unhedged USD to the Bloomberg U.S. MBS Index. Fund management believes the Bloomberg U.S. MBS Index more accurately reflects the investment strategy of the Fund.

The Fund's returns shown prior to January 28, 2025 are the returns of the Fund when it followed different investment strategies and investment process under the name BlackRock GNMA Portfolio.

On September 17, 2018, the Fund acquired all of the assets, subject to the liabilities, of BlackRock GNMA Portfolio (the “Predecessor Fund”), a series of BlackRock Funds II, through a tax-free reorganization (the “Reorganization”). The Predecessor Fund is the performance and accounting survivor of the Reorganization.

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

What did the Fund invest in?

(as of March 31, 2025)

Portfolio composition

Investment Type	Percent of Total Investments ^(a)
U.S. Government Sponsored Agency Securities.....	98.8%
Non-Agency Mortgage-Backed Securities.....	1.2

Credit quality allocation

Credit Rating ^(b)	Percent of Total Investments ^(a)
AAA/Aaa ^(c)	99.3%
N/R.....	0.7

^(a) Excludes short-term securities, short investments and options, if any.

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

^(c) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuers. Using this approach, the investment adviser has deemed unrated U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations to be of similar credit quality as investments rated AAA/Aaa.

Additional information

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

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