

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
BLACKROCK REAL ESTATE SECURITIES FUND OF BLACKROCK FUNDS		46-0991955	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
BlackRock Advisors	(800) 882-0052	mutual_funds_ff_www@blackrock.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
One Financial Center		Boston, MA 02111	
<b>8</b> Date of action		<b>9</b> Classification and description	
January 31, 2021		Common Stock - Regulated Investment Company	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
See Statement 1	n/a	See Statement 1	n/a

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The Issuer paid distributions to common shareholders during the taxable period ended January 31, 2021.  
All or a portion of each distribution constitutes a non-taxable return of capital.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The portion of the distribution that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of the Issuer. Please see Statement 1 for the non-taxable return of capital.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Issuer's current and accumulated earnings and profits were compared to distributions paid during the taxable period ended January 31, 2021. The non-taxable return of capital represents the amount of distributions paid during the taxable period ended January 31, 2021 in excess of Issuer's current and accumulated earnings and profits under IRC Section 316.

**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Sections 301, 316, 852

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**18** Can any resulting loss be recognized? ▶ No

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Statement 1 for the per share amounts and dates of distributions impacted by this organizational action. This organizational action is reportable with respect to calendar year 2020.

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** Signature ▶ Ronald Fisher Date ▶ 3/18/21

Print your name ▶ Ronald Fisher Title ▶ Assistant Treasurer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Kenneth Sandgren	<u>Kenneth Sandgren</u>	3/17/21		P01222741
	Firm's name ▶ Deloitte Tax LLP	Firm's EIN ▶		86-1065772	
	Firm's address ▶ 1700 Market Street, Philadelphia, PA 19103	Phone no.		215-246-2300	

## STATEMENT 1

BLACKROCK REAL ESTATE SECURITIES FUND OF BLACKROCK FUNDS  
 F.E.I.N. 46-0991955  
 FOR THE TAXABLE YEAR ENDED JANUARY 31, 2021  
ATTACHMENT TO FORM 8937

NON-TAXABLE RETURN OF CAPITAL

<u>Share Class</u>	<u>Ticker</u>	<u>Cusip</u>	<u>Payable Date</u>	<u>Per Share Reduction of Basis in Stock</u>
CLASS A	BAREX	091936617	04/09/2020	0.009414549
CLASS A	BAREX	091936617	07/17/2020	0.016517693
CLASS A	BAREX	091936617	10/09/2020	0.017440288
CLASS A	BAREX	091936617	12/08/2020	0.020228728
CLASS C	BCREX	091936591	04/09/2020	0.002797291
CLASS C	BCREX	091936591	07/17/2020	0.010599021
CLASS C	BCREX	091936591	10/09/2020	0.011056384
CLASS C	BCREX	091936591	12/08/2020	0.013971705
INSTITUTIONAL	BIREX	091936583	04/09/2020	0.011135562
INSTITUTIONAL	BIREX	091936583	07/17/2020	0.018362391
INSTITUTIONAL	BIREX	091936583	10/09/2020	0.019305887
INSTITUTIONAL	BIREX	091936583	12/08/2020	0.022216782