

## Equity Dividend Fund

Inst: **MADVX** A: **MDDVX** C: **MCDVX** R: **MRDVX**<sup>1</sup> K: **MKDVX**

The BlackRock Equity Dividend Fund is a conservative, core holding with a long-term track record for consistently capturing dividend growth through diverse market conditions. Dividend-paying stocks are an attractive source of income in today's market environment.

### Commentary as of 06/30/24

- The fund posted returns of -0.77% (Institutional shares) and -0.83% (Investor A shares, without sales charge) for the second quarter of 2024.
- The fund outperformed its benchmark, led by security selection in the energy, financials, and industrials sectors. The largest detractor was stock selection in the consumer staples and utilities sectors.
- During the quarter, allocations to the information technology (IT) and communication services sectors increased, while exposures to the financials and consumer staples sectors decreased. The largest overweight positions were in the health care, communication services, and financials sectors, while the fund had underweight holdings in the industrials, real estate, and IT sectors.

Contributors	Detractors
The largest contributor to relative performance was stock selection in the energy sector, specifically in the oil, gas & consumable fuels industry. Returns were positively influenced by stock selection in the financials sector, notably in the banks industry. Security selection in the industrials sector also had a favorable impact, specifically in the professional services industry. Other contributors included security selection in the communication services and IT sectors.	The largest detractor was security selection in the consumer staples sector, specifically in the consumer staples distribution & retail industry. Investment decisions in the utilities sector negatively impacted relative performance, particularly in the electric utilities industry.

### Further insight

The U.S. has tools for economic growth within its resilient consumer base and productivity growth from generative artificial intelligence. Late-cycle risks remain, such as persistent inflation/rates, a weakening U.S. balance sheet, and a deteriorating U.S. consumer, particularly within lower income households. Valuations look stretched due to large technology companies "pulling" indexes and portfolios to be more growth-oriented. Value earnings growth is underappreciated, we believe, and may offer an attractive risk-return skew, given differences in expectations. We have leaned into more defensive areas, such as health care, due to attractive valuations relative to history, while we emphasize stock-specific risks in more cyclical areas, such as financials.

### ★★★★ Morningstar Overall™

Institutional shares rated against 1,099 Large Value Funds, as of 6/30/24, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.<sup>††</sup>

### Portfolio management

Tony DeSpirito, David Zhao

### Top 10 holdings (%)

Wells Fargo	3.53
Citigroup	3.11
First Citizens Bancshares Inc	2.45
American International Group Inc	2.37
Shell Plc	2.35
Samsung Electronics	2.34
L3harris Technologies Inc	2.30
CVS Health	2.25
BP	2.25
Comcast	2.06

### Investment approach

Seeks to invest in the highest quality, dividend-paying companies, primarily domiciled in the U.S. The team pays especially close attention to the potential for dividend growth to drive returns.

## Average annual total returns (%) as of 6/30/24

	2Q24 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
<b>Institutional</b>	-0.77	7.00	13.12	6.19	9.85	9.27
<b>Investor A (Without Sales Charge)</b>	-0.83	6.92	12.88	5.94	9.59	9.00
<b>Investor A (With Sales Charge)</b>	-6.03	1.30	6.95	4.05	8.41	8.41
<b>Morningstar Large Value Category Avg.</b>	-1.44	7.33	14.82	6.46	9.86	8.44
<b>Russell 1000 Value<sup>2</sup></b>	-2.17	6.62	13.06	5.52	9.01	8.23
<b>S&amp;P 500<sup>3</sup></b>	4.28	15.29	24.56	10.01	15.05	12.86

Expenses for Institutional shares: Total **0.70%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.69%**. For Investor A shares: Total **0.94%**; Net, Including Investment Related Expenses **0.93%**. Institutional and Investor A shares have contractual waivers with an end date of 06/30/2026 terminable upon 90 days' notice. For certain share classes, BlackRock may voluntarily agree to waive certain fees and expenses in which the adviser may discontinue at any time without notice. Expenses stated as of the fund's most recent prospectus. Data represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. All returns assume reinvestment of dividends and capital gains. Current performance may be lower or higher than that shown. Refer to [blackrock.com](http://blackrock.com) for most recent month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Share classes have different sales charges, fees and other features. Returns with sales charge reflect deduction of current maximum initial sales charge of 5.25% for Investor A shares. Institutional shares have no front- or back-end load. Institutional shares have limited availability and may be purchased at various minimums. See prospectus for details. Net Expenses Excluding Investment Related Expenses for Institutional shares: **0.68%**; for Investor A shares: **0.92%**.

**Important Risks:** The fund is actively managed and its characteristics will vary. Holdings shown should not be deemed as a recommendation to buy or sell securities. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. International investing involves special risks including, but not limited to political risks, currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility.

The opinions expressed are those of the fund's portfolio management team as of June 30, 2024, and may change as subsequent conditions vary. Information and opinions are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy.

BlackRock provides compensation in connection with obtaining or using third-party ratings and rankings.

**1** Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details. **2** Russell 1000 Value Index comprises the large-cap value segment of U.S. equities. **3** The unmanaged, total return S&P 500 Index covers 500 industrial, utility, transportation and financial companies of the U.S. markets (mostly NYSE issues). It represents about 75% of NYSE market capitalization and 30% of NYSE issues. **4** The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The fund was rated against the following numbers of U.S.-domiciled Large Value funds over the following time periods: 1,099 in the last 3 years, 1,035 in the last 5 years and 809 in the last 10 years. With respect to these Large Value funds, the fund received a Morningstar Rating of 3, 3 and 4 stars for the 3-, 5- and 10-year periods, respectively. Other classes may have different performance characteristics.

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

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