

# International V.I. Fund

# BlackRock®

Class I: **IVVVI**

## Commentary as of 06/30/24

- The fund posted a return of -1.34% (Class I shares) for the second quarter of 2024.
- The largest contributor to relative performance was an overweight exposure to the communication services sector. An overweight allocation to the health care sector performed well, as did an underweight position in the real estate sector. The largest detractors were the financials, information technology, and consumer discretionary sectors.
- During the quarter, the fund purchased Taiwan Semiconductor Manufacturing (TSMC), Nintendo, AstraZeneca, Saint-Gobain, Teck Resources, and Julius Baer. Among the sales, we took profits on Freepport-McMoRan, and sold the holdings in Vestas Wind Systems and BBVA in Europe. We exited Lojas Renner and B3 in Brazil, as well as Smith & Nephew and Remy Cointreau.

### Contributors

The largest contributors to relative performance were Recruit, Tencent, and Novo Nordisk. Recruit's share price increased due to strong results and its commitment to return more cash to shareholders. Tencent benefited from the release of its long-awaited Dungeon & Fighter mobile game, which became a top seller in China. Novo Nordisk continued its strong performance, buoyed by further favorable data for its blockbuster weight-loss drug, Wegovy.

### Detractors

The largest detractors were Lojas Renner, TSMC, and XP. Brazilian retailers such as Lojas Renner were impacted by "stronger-for-longer" interest rates in the United States and the subsequent re-pricing of rates expectations in Brazil. An underweight holding in TSMC weighed on relative returns. The stock performed strongly as revenue rose, driven by improving market conditions, booming demand for AI chips, and a better product cycle outlook from leading customer Apple. XP was affected by macroeconomic developments that led to weak performance.

## Further insight

We have seen some disappointing economic data across international markets, such as declining new order numbers, while some "bellwether" companies have reported weakness. At the same time, input cost inflation has continued to normalize. This aligns with our expectation of a global economic slowdown, though we do not foresee a recession. We continue to hold a focused portfolio with idiosyncratic earnings drivers to navigate this market environment.

## Portfolio management

James Bristow, Gareth Williams

## Top 10 holdings (%)

Novo Nordisk Class B	6.55
Sony Group Corp	5.66
Beiersdorf Ag	5.24
Recruit Holdings Ltd	5.23
Deutsche Telekom N Ag	4.77
Tencent Holdings	4.74
Mastercard	4.56
Canadian National Railway	4.55
ASML Holding	4.49
Taiwan Semiconductor Manufactur- ing	4.17

## Investment approach

The fund seeks current income and long-term growth of income and capital by investing primarily in equities of companies in developed countries outside the United States that fund management believes are currently undervalued by the market.

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

	2Q24 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
<b>Class I (Without Sales Charge)<sup>1</sup></b>	-1.34	1.98	7.32	-4.52	6.09	3.96
<b>Morningstar Foreign Large Blend Category Avg.</b>	-0.07	5.16	10.30	1.52	5.82	3.76
<b>MSCI EAFE<sup>2</sup></b>	-0.42	5.34	11.54	2.89	6.46	4.33

Data quoted 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. Current performance may be lower or higher than that shown, which assumes reinvestment of dividends and capital gains. Insurance fees and charges are not included. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Expenses for Class I shares: Total **1.18%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.87%**; Net, Excluding Investment Related Expenses **0.86%**. Refer to (800)-441-7762 for most recent month-end performance.

**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. Derivatives entails 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.

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**1** All data refers to the underlying variable insurance product and not the retail mutual fund of the same name. All returns assume reinvestment of all dividends and capital gains distributions. Total investment returns exclude separate account fees, insurance-related fees and expenses. See the fund's prospectus and the prospectus for the applicable variable insurance product for more information including fees and expenses. **2** Morgan Stanley Capital International (MSCI) EAFE Index comprises large- and mid-capitalization developed market equities, excluding the United States and Canada.

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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