

Commodity Strategies Fund



Inst: **BICSX** A: **BCSAX** C: **BCSCX** K: **BCSKX**

Commentary as of 09/30/25

- The fund posted returns of 8.92% (Institutional shares) and 8.79% (Investor A shares, without sales charge) for the third quarter of 2025.
- The fund's outperformance of its benchmark was largely attributable to natural resources equities, particularly those exposed to precious metals and gold, relative to physical commodities.
- At quarter-end, the fund had an overweight holding in the precious metals sector, a neutral position in the agriculture sector, and underweight allocations to the energy and industrial metals sectors.

| Contributors | Detractors |
|---|--|
| Allocations to gold producers were a key driver of performance, as gold prices rose strongly to end the quarter at an all-time high. The leading contributors – Kinross Gold, Agnico Eagle Mines, and Newmont – benefited from strong margins amid the record prices and stabilizing costs. The sector reported second-quarter earnings that delivered free-cash-flow expansion. Encouragingly, most companies remained disciplined about returning capital to shareholders through increased dividends and share buybacks. | The fund's exposure to agriculture equities was the key detractor from returns. Corteva was the largest detractor due to rumors – and then the announcement – that it would be split into two separate entities, which met with investor skepticism. Shares in Darling Ingredients, which converts animal by-products into renewable fuels, fell as higher feedstock prices kept some of the company's facilities offline. Mondi, a paper and packaging company, lagged due to headwinds from weakening economic data. |

Further insight

We view natural resources equities and commodities as effective portfolio diversifiers amid persistent inflation, geopolitical tensions, and economic uncertainty. In energy, we see varied opportunities, driven by strong U.S. power demand from a reshoring of manufacturing and artificial intelligence data center expansion. Mining faces near-term headwinds from China's economic uncertainty, but long-term growth is supported by global infrastructure development. Government actions suggest an increasing focus on securing metals and minerals, though investors may underappreciate this. We hold a positive outlook for gold producers, supported by higher gold prices and structural drivers, including inflation concerns, high government debt, and elevated geopolitical risk.

★★★★ Morningstar Overall™

Institutional shares rated against 95 Us Fund Commodities Broad Basket Funds, as of 9/30/25, 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.†

Portfolio management

Alastair Bishop, Hannah Johnson

Investment approach

Invests in two strategies, approximately equally. One strategy focuses on commodity-linked derivatives, the other focuses on equity investments in commodity-related companies, including mining, energy and agricultural companies.

Average annual total returns (%) as of 9/30/25

| | 3Q25 (not annualized) | YTD (not annualized) | 1 Year | 3 Year | 5 Years | 10 Years |
|---|--------------------------|-------------------------|--------|--------|---------|----------|
| Institutional | 8.92 | 21.24 | 16.15 | 10.02 | 13.41 | 7.95 |
| Investor A (Without Sales Charge) | 8.79 | 20.95 | 15.79 | 9.75 | 13.09 | 7.69 |
| Investor A (With Sales Charge) | 3.08 | 14.60 | 9.71 | 7.80 | 11.88 | 7.11 |
| Morningstar US Fund Commodities Broad Basket Category Avg. | 8.79 | 20.95 | 15.79 | 9.75 | 13.09 | 7.69 |
| Bloomberg Commodities¹ | 3.65 | 9.38 | 8.88 | 2.76 | 11.53 | 3.96 |

Expenses for Institutional shares: Total **0.87%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.72%**. For Investor A shares: Total **1.14%**; Net, Including Investment Related Expenses **0.97%**. Institutional and Investor A shares have contractual waivers with an end date of 06/30/2027 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 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: **0.72%**; for Investor A shares: **0.97%**.

Important Risks: The fund is actively managed and its characteristics will vary. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. Holdings shown should not be deemed as a recommendation to buy or sell securities. Investing in commodity-linked derivatives and commodity-related companies may increase volatility. Price movements are outside of the fund's control and may be influenced by weather and climate conditions, livestock disease, war, terrorism, political conflicts and economic events, interest rates, currency and exchange rates, government regulation and taxation. 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. Investments in natural resources industries can be affected by variations in commodities markets, weather, disease, embargoes, political and economic developments, taxes and other government regulations. Futures trading can lead to large losses. Trading losses can sharply reduce the value of an interest in the fund. The fund may trade foreign futures contracts. Transactions on markets outside the United States may be subject to regulations that offer different or diminished protection. Commodity futures exposure is achieved through investments in, but not limited to, commodity-linked notes, swap agreements, commodity options, futures and options on futures. 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 September 30, 2025, 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 The unmanaged Bloomberg Commodity Index is comprised of exchange-traded futures on physical commodities.† 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 Us Fund Commodities Broad Basket funds over the following time periods: 95 in the last 3 years, 91 in the last 5 years and 66 in the last 10 years. With respect to these Us Fund Commodities Broad Basket funds, the fund received a Morningstar Rating of 4, 3 and 5 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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10/25 — Commodity Strategies Fund

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