The fund posted returns of 7.47% (Institutional shares) and 7.38% (Investor A shares, without sales charge) for the second quarter of 2018.

During the quarter, the fund’s outperformance was primarily driven by stock selection across the three underlying sectors of agriculture, energy and mining.

We rotated some of the fund’s energy exposure, exiting two positions in the process and initiating one new position. At the end of the quarter, 36.7% of the fund was allocated to mining, 35.9% of the fund was allocated to energy and 26.3% was invested in the agricultural sector.

Contributors
It was a volatile quarter for the mining industry, as U.S.-dollar strength provided a headwind to mined-commodity prices. At the stock level, the fund’s off-benchmark position in Canadian company Nevsun Resources was the largest individual contributor, due to bid speculation after the copper producer rejected an approach from Lundin Mining. Elsewhere, an overweight position in Devon Energy helped returns. The company reported much-improved first-quarter results following poor performance in the previous quarter.

Detractors
Due to the aforementioned Nevsun Resources rejection, the fund’s off-benchmark position in Lundin Mining was the largest detractor from performance. Elsewhere, an overweight position in Deere & Co detracted. The company suffered from negative sentiment after the market digested the implications of Chinese tariffs on farm incomes and after construction equipment manufacturer Caterpillar stoked fears that margins may have peaked for this cycle.

Further Insight
We continue to believe there is a compelling valuation case for energy equities, underpinned by a number of factors. Financial discipline remains front and center for an industry that has historically overspent in pursuit of top-line growth. In mining, after two strong years, investors with no exposure may now be questioning if they have missed the opportunity. We are, however, still a long way below the peak of 2011 and the industry continues to trade at a valuation discount to broader equity markets. In agriculture, we believe that crop prices will be predominately driven by any changes in supply expectations, given we are entering the critical growing period for the Northern hemisphere, rather than expectations of trade tariffs.
## % Average Annual Total Returns as of 6/30/18

<table>
<thead>
<tr>
<th></th>
<th>2018 (not annualized)</th>
<th>YTD (not annualized)</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Since Inception¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional¹</td>
<td>7.47</td>
<td>-0.03</td>
<td>21.58</td>
<td>2.58</td>
<td>0.38</td>
<td>-2.59</td>
<td>7.45</td>
</tr>
<tr>
<td>Investor A (Without Sales Charge)³</td>
<td>7.38</td>
<td>-0.16</td>
<td>21.28</td>
<td>2.30</td>
<td>0.11</td>
<td>-2.86</td>
<td>7.17</td>
</tr>
<tr>
<td>Investor A (With Sales Charge)³</td>
<td>1.74</td>
<td>-5.40</td>
<td>14.91</td>
<td>0.48</td>
<td>-0.96</td>
<td>-3.38</td>
<td>6.98</td>
</tr>
</tbody>
</table>

Expenses for Institutional shares: Total 0.85%. For Investor A shares: Total 1.13%. 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. Current performance may be lower or higher than that shown. All returns assume reinvestment of dividends and capital gains. Refer to [www.blackrock.com](http://www.blackrock.com) for current 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 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.

**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. 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. 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, 2018, 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. Past performance is no guarantee of future results. There is no guarantee that any forecasts made will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment. Investment involves risk. Reliance upon information in this material is at the sole discretion of the reader.

1 The share classes have different sales charges, fees and other features.
2 Fund Inception date shown (10/24/88) reflects inception of Institutional shares, which are used as the basis for Investor A share performance prior to share class launch. Actual fund inception was marked on 8/2/85 with inception of B shares.
3 Performance for Investor A shares prior to their introduction (10/21/94) is based on the performance of Institutional shares adjusted to reflect the fees applicable to Investor A at time of such share class launch. This information may be considered when assessing the fund’s performance, but does not represent actual performance of this share class.
4 Lipper category is as of 06/30/18 and may not accurately represent the current composition of the portfolio.
5 The S&P Global Natural Resources Index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure to agriculture, energy, and metals & mining.

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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07/18 — Natural Resources Fund