

International Dividend Fund

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Inst: **BISIX** A: **BREAX** C: **BRECX**

Commentary as of 06/30/21

- The fund posted returns of 5.95% (Institutional shares) and 5.90% (Investor A shares, without sales charge) for the second quarter of 2021.
- Stock selection in the industrials, communication services, and consumer discretionary sectors contributed to performance. Conversely, stock selection in the consumer staples, information technology (IT), and financials sectors detracted from returns.
- At quarter-end, the fund had overweight positions in the health care, consumer staples, and industrials sectors. The fund had underweight holdings in the consumer discretionary, materials, and financials sectors.

Contributors

The top contributors to performance were stock selection in the industrials, communication services, and consumer discretionary sectors. At the industry level, positioning in pharmaceuticals, machinery, and trading companies & distributors added value. From a regional perspective, the fund's lack of exposure to Japanese stocks helped returns.

Detractors

The largest detractors from performance were stock selection in the consumer staples, IT, and financials sectors. At the industry level, food products, insurers, and health care equipment weighed on returns. From a regional perspective, the fund's exposure to emerging Asian stocks performed poorly.

Further insight

The fund bought a new position in Wal-Mart de Mexico (Walmex), Mexico's largest food retailer. Because formal retail makes up only around 50% of consumption in Mexico, Walmex enjoys significant structural-growth potential as retail formalizes further. The company also has the advantage of a market-leading position in the online grocery space. Following strong recent performance, we funded the position in Walmex by trimming AstraZeneca and Novo Nordisk, two health care stocks that have performed well in recent months.

Portfolio management

Stuart E. Reeve, Andrew Wheatley-Hubbard, CFA

Top 10 holdings (%)

Sanofi	4.95
Reckitt Benckiser Group Plc	4.85
Relx Plc	4.70
Ferguson Plc	4.62
TSMC	4.54
Diageo Plc	4.49
Telus	4.44
AstraZeneca	4.24
Essilorluxottica Sa	4.22
Unilever	4.20

Investment approach

Invests in the equity securities of international companies that pay attractive, sustainable and growing dividends with the aim of providing international equity returns with less volatility.

Average annual total returns (%) as of 6/30/21

	2Q21 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years	Since Inception ¹
Institutional	5.95	9.27	26.30	11.41	9.24	4.74	10.53
Investor A (Without Sales Charge)	5.90	9.16	26.01	11.14	8.96	4.44	10.15
Investor A (With Sales Charge)	0.34	3.43	19.40	9.16	7.79	3.88	9.90
Morningstar Foreign Large Blend Category Avg.	5.12	9.07	33.76	8.50	10.08	5.80	—
MSCI All Country World ex-U.S.¹	5.48	9.16	35.72	9.38	11.08	5.45	—

The fund's annual total returns prior to June 12, 2017 reflect a different investment strategy.

Expenses for Institutional shares: Total **1.17%**; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) **0.84%**. For Investor A shares: Total **1.48%**; Net, Including Investment Related Expenses **1.09%**. Institutional and Investor A shares have contractual waivers with an end date of 09/30/2021 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: **0.84%**; for Investor A shares: **1.09%**.

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. Investing in small-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. Investing in mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. 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. 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 emerging markets may be considered speculative and are more likely to experience hyperinflation and currency devaluations, which adversely affect returns. In addition, many emerging securities markets have lower trading volumes and less liquidity. Performance may be attributable to unusually high IPO profits. There is no guarantee this level of performance will be repeated. IPO securities have no trading history and the price may be volatile.

The opinions expressed are those of the fund's portfolio management team as of June 30, 2021, 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.

¹ The MSCI All-Country World Index represents large- and mid-cap stocks across 22 of 23 developed markets (excluding the United States) and 24 emerging market countries.

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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