

Natural Resources Fund

BlackRock®

Inst: **MAGRX** A: **MDGRX** C: **MCGRX**

Commentary as of 06/30/21

- The fund posted returns of 8.24% (Institutional shares) and 8.17% (Investor A shares, without sales charge) for the second quarter of 2021.
- During the quarter, stock selection within each of the underlying sub-industries contributed positively to performance.
- At quarter-end, 41.4% of the fund was invested in the energy sector, 28.9% in the mining sector, 27.8% in the agriculture sector, and 1.9% in cash.

Contributors	Detractors
The fund's overweight position in Vale, the diversified mining company, was among the top contributors to performance after the firm announced a share-buyback program. Vale also benefited from strengthening iron ore prices. Elsewhere, an overweight position in ConocoPhillips added value. The company held a strategy day during the quarter and benefited from synergies created by its acquisition of Concho Resources in 2020.	Agriculture equipment business Deere was among the most significant detractors from performance during the quarter. The company had a strong first quarter but gave back some of its gains at the end of June. We believe the company has exceptional pricing power within its industry and strong technology leadership. Lastly, the fund's underweight position in the gold sub-industry was a notable detractor, as gold prices appreciated.

Further insight

We believe inflation expectations could continue to rise throughout 2021. Historically, commodities and natural resources equities have performed well in absolute terms and relative to broader equity markets during periods of rising inflation expectations. In the energy space, COVID-19 vaccine rollouts and economic recovery should lead to rising oil demand. Meanwhile, production by non-members of the Organization of the Petroleum Exporting Countries is likely to move into structural decline. In mining, mined commodity demand should be supported by fiscal stimulus and increased infrastructure spending this year, and, in the long term, by the transition to a lower-carbon economy. In the agriculture sector, improving crop prices should both persist and benefit upstream agriculture. We also continue to see structural growth opportunities in nutrition.

Portfolio management

Alastair Bishop, Thomas Holl

Top 10 holdings (%)

Vale Sa	6.60
Totalenergies Se	5.50
Chevron	5.42
Royal Dutch Shell	5.06
Cf Industries Holdings Inc	4.79
Anglo American Plc	4.27
Nutrien Ltd	3.73
ConocoPhillips	3.46
Canadian Natural Resources Ltd	3.45
Glencore Plc	3.31

Investment approach

Invests in a portfolio of equity securities with substantial natural resource assets.

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
Institutional	8.24	22.62	51.95	6.30	7.29	1.09	7.34
Investor A (Without Sales Charge)	8.17	22.41	51.48	6.00	6.99	0.82	7.07
Investor A (With Sales Charge)	2.49	15.98	43.53	4.11	5.84	0.27	6.89
Morningstar Natural Resources Category Avg.	7.31	20.74	63.77	9.96	11.51	3.43	—
S&P Global Natural Resources Index²	7.28	19.94	49.35	6.07	11.42	2.25	—

Expenses for Institutional shares: Total **1.00%**. For Investor A shares: Total **1.26%**. 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 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 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.

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, 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 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 agribusiness, 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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07/21 — Natural Resources Fund

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