

As of 12/31/2023 | Class K: SHSKX | Class R: BHSRX | Institutional: SHSSX | Investor A: SHSAX | Investor C: SHSCX | Service: SHISX

Access to innovative healthcare equities

Investment expertise enhanced by scientific experience

Seeks diversified returns with lower volatility



Rated against 158 Health Funds, as of 12/31/2023 based on risk adjusted total return. Overall 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.††

ANNUALIZED PERFORMANCE

| | 1 Year | 3 Year | 5 Year | 10 Year |
|----------------------|--------|--------|--------|---------|
| With Sales Charge | | | | |
| Investor C | 1.81 | 2.12 | 9.45 | 10.79 |
| Without Sales Charge | | | | |
| Investor C | 2.79 | 2.12 | 9.45 | 10.79 |
| Benchmark | 2.87 | 4.63 | 10.79 | 10.92 |
| Morningstar Average | 3.22 | -2.35 | 8.65 | 8.95 |

CALENDAR YEAR PERFORMANCE

| | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | 4Q2023 |
|----------------------|-------|-------|-------|--------|------|------|--------|
| Without Sales Charge | | | | | | | |
| Investor C | 24.37 | 18.60 | 10.95 | -6.62 | 2.79 | 2.79 | 5.59 |
| Benchmark | 22.11 | 19.34 | 18.60 | -6.10 | 2.87 | 2.87 | 6.96 |
| Morningstar Average | 26.23 | 27.63 | 6.88 | -15.16 | 3.22 | 3.22 | 9.77 |

Performance data shown represents past performance which 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 all dividend and capital gain distributions. Refer to blackrock.com for current month-end performance. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Returns with sales charge reflect the deduction of applicable contingent deferred sales charges (CDSC) for Investor C shares. The maximum CDSC of 1% for Investor C shares is reduced to 0% after 1 year. The calendar year performance shown does not reflect the deduction of the sales load. If reflected, the performance would have been lower. Please see the fund prospectus for more details.

MORNINGSTAR RANKINGS

| | 1 Year | 3 Year | 5 Year | 10 Year |
|---------------------|---------|--------|--------|---------|
| Morningstar Ranking | 128/176 | 66/158 | 83/135 | 27/113 |
| Quartile Rank | 3 | 2 | 2 | 2 |

Rankings based on total return excluding sales charges, independently calculated and not combined to create an overall ranking. For periods not shown, Morningstar does not provide rankings based on synthetic performance.

KEY 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. International investing involves special risks including, but not limited to currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. 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. Investing in small- and mid-cap companies may entail greater risk than large-cap companies, due to shorter operating histories, less seasoned management or lower trading volumes. Investments in health services industries may be affected by changes in regulations, advancing technological developments and product liability lawsuits. 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.

KEY FACTS

| | |
|-------------------------|-------------------------------|
| Size of Fund (Millions) | \$8,105.9M |
| Fund Launch Date | 12/21/1999 |
| Share Class Launch Date | 10/16/2000 |
| Morningstar Category | Health |
| Number of Holdings | 118 |
| Benchmark | Russell 3000 HealthCare Index |

ANNUAL EXPENSES

| | |
|---------------------|-------|
| Gross Expense Ratio | 1.85% |
| Net Expense Ratio | 1.85% |

The Net Expense Ratio excluding Investment Related Expenses is 1.85%. Investment Related Expenses include acquired fund fees of 0.00%, and interest expense (cost of borrowing securities to seek to enhance return or reduce risk) of 0.00%, and certain other expenses, if applicable. Expenses stated as of the fund's most recent prospectus. The difference between gross and net expense ratios are due to contractual and/or voluntary waivers, if applicable. This share class has a contractual waiver with an end date of 06/30/2025 terminable upon 90 days' notice. BlackRock may agree to voluntarily waive certain fees and expenses, which the adviser may discontinue at any time without notice.

PORTFOLIO MANAGEMENT

Erin Xie Xiang Liu

TOP HOLDINGS (%)²

| | |
|-------------------------------|--------------|
| UNITEDHEALTH GROUP INC | 9.22 |
| ELI LILLY AND COMPANY | 8.09 |
| ABBVIE INC | 4.51 |
| BOSTON SCIENTIFIC CORPORATION | 4.46 |
| MERCK & CO INC | 4.31 |
| AMGEN INC | 3.73 |
| ABBOTT LABORATORIES | 3.55 |
| DANAHER CORPORATION | 3.10 |
| STRYKER CORPORATION | 2.50 |
| INTUITIVE SURGICAL INC | 2.48 |
| Total of Portfolio | 45.95 |

TOP SECTORS (%)²

| | Fund | Benchmark | Active |
|--|------|-----------|--------|
| Biotechnology | 25.1 | 20.1 | 4.9 |
| Health Care Equip. & Supplies | 22.6 | 20.6 | 2.0 |
| Health Care Providers & Services | 21.5 | 18.6 | 2.9 |
| Pharmaceuticals | 19.7 | 28.6 | -8.9 |
| Life Sciences Tools & Services | 8.4 | 11.2 | -2.8 |
| Cash and/or Derivatives | 2.5 | 0.0 | 2.5 |
| Health Care Technology | 0.2 | 0.8 | -0.6 |
| Chemicals | 0.0 | 0.1 | -0.1 |
| Specialty Retail | 0.0 | 0.0 | -0.0 |
| Commercial Services & Supplies | 0.0 | 0.0 | -0.0 |
| Electronic Equipment, Instruments & Components | 0.0 | 0.0 | 0.0 |

PORTFOLIO CHARACTERISTICS

| | |
|--|--------------|
| Price to Earnings | 26.23x |
| Forward Price to Earnings | 22.59x |
| Price to Book Ratio | 5.13x |
| Average Market Capitalization (millions) | \$189,978.6M |

MARKET CAPITALIZATION (%)²

| | Fund | Benchmark | Active |
|----------------------|------|-----------|--------|
| Cash and Derivatives | 2.5 | 0.0 | 2.5 |
| Large Cap ->\$10bn | 89.8 | 88.9 | 0.9 |
| Mid Cap - \$2-\$10bn | 5.7 | 8.3 | -2.7 |
| Small Cap -<\$2bn | 1.8 | 2.8 | -1.0 |
| Other | 0.2 | 0.0 | 0.2 |

RISK STATISTICS (3 YEARS)

| | Fund | Benchmark |
|--------------------|--------|-----------|
| Alpha | -0.18 | - |
| Beta | 0.94 | - |
| R-Squared | 97.10 | - |
| Standard Deviation | 13.92% | 14.65% |
| Sharpe Ratio | 0.07 | 0.24 |

² % of net assets represents the Fund's exposure based on the economic value of securities and is adjusted for futures, options, swaps, and convertible bonds. Allocations subject to change.

Price to Earnings Ratio: The price-to-earnings ratio is used to assess a company's valuation. To compute this ratio, the latest closing price is divided by the company's last fiscal year's Earnings Per Share. The ratio represents a weighted harmonic mean of the price-to-earnings ratios of its holdings with negative values being excluded from the calculation. **Price to Book Ratio:** represents the ratio of the current closing price of the share to the latest quarter's book value per share. **Average Market Cap:** The average size of the securities the fund invests in. **Alpha:** A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Beta:** Beta measures the funds sensitivity to market movements beta greater than 1 is more volatile than the market beta less than 1 is less volatile than the market. **R-Squared:** R-Squared reflects the percentage of a funds movements that are explained by movements in its benchmark, showing the degree of correlation between the fund and benchmark. This figure is helpful in assessing how likely it is that beta is statistically significant. **Standard Deviation:** Standard Deviation measures the volatility of the funds returns. Higher deviation represents higher volatility. **Sharpe Ratio:** Sharpe Ratio uses a funds standard deviation and its excess return (difference between the funds return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk.

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. Investing involves risks including possible loss of principal.

†† 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 3-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 (excluding any applicable sales charges) 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 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-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 3-year period actually has the greatest impact because it is included in all 3 rating periods. The fund was rated against the following numbers of U.S.-domiciled funds: 158, 135 and 113, over the 3, 5 and 10 year periods, respectively. With respect to these funds and time periods, the fund received a rating of 3, 3 and 4 stars. Other classes may have different performance characteristics.

The unmanaged Russell 3000 Health Care Index features companies involved in medical services or healthcare in the Russell 3000 Index, which includes the largest 3,000 US companies as determined by total market capitalization.

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1-800-882-0052



contact.us@blackrock.com

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SUSTAINABILITY CHARACTERISTICS

Sustainability Characteristics provide investors with specific non-traditional metrics. Alongside other metrics and information, these enable investors to evaluate funds on certain environmental, social and governance characteristics. Sustainability Characteristics do not provide an indication of current or future performance nor do they represent the potential risk and reward profile of a fund. They are provided for transparency and for information purposes only. Sustainability Characteristics should not be considered solely or in isolation, but instead are one type of information that investors may wish to consider when assessing a fund.

This fund does not seek to follow a sustainable, impact or ESG investment strategy. The metrics do not change the fund's investment objective or constrain the fund's investable universe, and there is no indication that a sustainable, impact or ESG investment strategy will be adopted by the fund. For more information regarding the fund's investment strategy, please see the fund's prospectus.

| | | | |
|--|---------------------------------|--|---------------|
| MSCI ESG Fund Rating (AAA-CCC) | A | MSCI ESG Quality Score (0-10) | 6.87 |
| MSCI ESG Quality Score - Peer Percentile | 66.34% | MSCI ESG % Coverage | 98.47% |
| Fund Lipper Global Classification | Equity Sector Healthcare | MSCI Weighted Average Carbon Intensity (Tons CO2E/\$M SALES) | 14.72 |
| Funds in Peer Group | 517 | MSCI Weighted Average Carbon Intensity % Coverage | 95.70% |

All data is from MSCI ESG Fund Ratings as of **21 Dec 2023**, based on holdings as of **30 Jun 2023**. As such, the fund's sustainable characteristics may differ from MSCI ESG Fund Ratings from time to time.

To be included in MSCI ESG Fund Ratings, 65% (or 50% for bond funds and money market funds) of the fund's gross weight must come from securities with ESG coverage by MSCI ESG Research (certain cash positions and other asset types deemed not relevant for ESG analysis by MSCI are removed prior to calculating a fund's gross weight; the absolute values of short positions are included but treated as uncovered), the fund's holdings date must be less than one year old, and the fund must have at least ten securities.

ESG GLOSSARY:

MSCI ESG Fund Rating (AAA-CCC): The MSCI ESG Rating is calculated as a direct mapping of ESG Quality Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

MSCI ESG Quality Score - Peer Percentile: The fund's ESG Percentile compared to its Lipper peer group.

Fund Lipper Global Classification: The fund peer group as defined by the Lipper Global Classification.

Funds in Peer Group: The number of funds from the relevant Lipper Global Classification peer group that are also in ESG coverage.

MSCI ESG Quality Score (0-10): The MSCI ESG Quality Score (0 - 10) for funds is calculated using the weighted average of the ESG scores of fund holdings. MSCI rates underlying holdings according to their exposure to industry specific ESG risks and their ability to manage those risks relative to peers.

MSCI ESG % Coverage: Percentage of the fund's holdings for which the MSCI ESG ratings data is available. The MSCI ESG Fund Rating, MSCI ESG Quality Score and MSCI ESG Quality Score – Peer Percentile metrics are displayed for funds with at least 65% coverage (or 50% for bond funds and money market funds).

MSCI Weighted Average Carbon Intensity (Tons CO2E/\$M SALES): Measures a fund's exposure to carbon intensive companies. This figure represents the estimated greenhouse gas emissions per \$1 million in sales across the fund's holdings. This allows for comparisons between funds of different sizes.

MSCI Weighted Average Carbon Intensity % Coverage: Percentage of the fund's holdings for which MSCI Carbon Intensity data is available. The MSCI Weighted Average Carbon Intensity metric is displayed for funds with any coverage. Funds with low coverage may not fully represent the fund's carbon characteristics given the lack of coverage.

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