

Health Sciences Opportunities Fund

BlackRock®

Inst: **SHSSX** A: **SHSAX** C: **SHSCX** R: **BHSRX¹** K: **SHSKK**

Commentary as of 12/31/24

- The fund posted returns of -8.85% (Institutional shares) and -8.93% (Investor A shares, without sales charge) for the fourth quarter of 2024.
- The fund's positive performance relative to its benchmark was driven by security selection.
- During the quarter, the fund increased its exposure to the medical devices & supplies industry and select biopharmaceutical companies with strong fundamentals. Elsewhere, it reduced its allocation to the health care providers & services industry due to heightened volatility and regulatory overhang.

Contributors	Detractors
At a security level, an overweight position in Boston Scientific was the top contributor to relative returns. The medical device company saw robust sales growth in both its cardiovascular and medical surgery device segments. An off-benchmark position in Argenx was helpful as the biotechnology company continued to expand sales of its autoimmune treatment, Vyvgart. An overweight position in McKesson was beneficial due to increased drug prescription volumes and growth of its oncology network.	An underweight position in Bristol-Myers Squibb was the top detractor at a security level. The biopharmaceutical company's stock rose due to negative clinical trial data for a competing schizophrenia treatment from AbbVie. An underweight position in Pfizer was unhelpful as the pharmaceutical company reported better-than-expected third-quarter results. Not holding Cardinal Health hurt returns after the drug distributor upgraded full-year guidance due to increased demand for higher-margin medications.

Further insight

The health care sector underperformed broader equity markets, driven by headline events such as U.S. President-elect Donald Trump's health agency nominations. The nominations introduced volatility due to prior statements on issues such as vaccine regulations. Managed care companies faced pressure following the death of UnitedHealthcare chief executive officer Brian Thompson. Additionally, pharmacy benefit manager stocks declined after Congress introduced regulatory reforms in a pending bill. We expect continued market volatility and seek attractive opportunities in stable, strong cash-flow-generating companies. Over the long term, secular drivers such as aging demographics and technological innovation remain.

Portfolio management

Erin Xie, PhD, Xiang Liu

Top 10 holdings (%)

Eli Lilly and Company	8.83
Boston Scientific	7.50
Intuitive Surgical	5.22
Abbvie Inc	4.68
UnitedHealth Group	4.46
Abbott Laboratories	4.01
Stryker Corporation	3.32
Danaher Corporation	3.14
Thermo Fisher Scientific Inc	3.00
Gilead Sciences	2.65

Investment approach

Invests at least 80% of total assets in securities of companies in health sciences and related industries. The fund will concentrate its investments (i.e., invest more than 25% of its assets) in health sciences or related industries, and may invest in companies in non-U.S. countries.

Average annual total returns (%) as of 12/31/24

	4Q24 (not annualized)	YTD (not annualized)	1 Year	3 Year	5 Years	10 Years
Institutional¹	-8.85	4.12	4.12	0.65	6.48	9.35
Investor A (Without Sales Charge)	-8.93	3.86	3.86	0.40	6.21	9.06
Investor A (With Sales Charge)	-13.70	-1.60	-1.60	-1.39	5.07	8.47
S&P 500²	2.41	25.02	25.02	8.94	14.53	13.10
Russell 3000 Health Care³	-9.75	3.48	3.48	-0.02	7.18	8.81

Expenses for Institutional shares: Total **0.84%**. For Investor A shares: Total **1.09%**. 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. 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. 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. 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. Investments in health services industries may be affected by changes in regulations, advancing technological developments and product liability lawsuits.

The opinions expressed are those of the fund's portfolio management team as of December 31, 2024, 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 Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details. **2** The S&P 500 Index comprises large-capitalization U.S. equities. The unmanaged index represents about 75% of NYSE market capitalization and 30% of NYSE issues. **3** The Russell 3000 Health Care Index is an unmanaged index representative of companies involved in medical services or health care in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies as determined by total market capitalization.

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.

©2025 BlackRock, Inc. or its affiliates. All Rights Reserved. BLACKROCK is a trademark of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners.

Prepared by BlackRock Investments, LLC, member FINRA.

Not FDIC Insured • May Lose Value • No Bank Guarantee

01/25 — Health Sciences Opportunities Fund

Want to know more?

blackrock.com

BlackRock