

Morningstar Overall (Inst) ★★★★★

INST: MADVX • A: MDDVX • C: MCDVX

Equity Dividend Fund

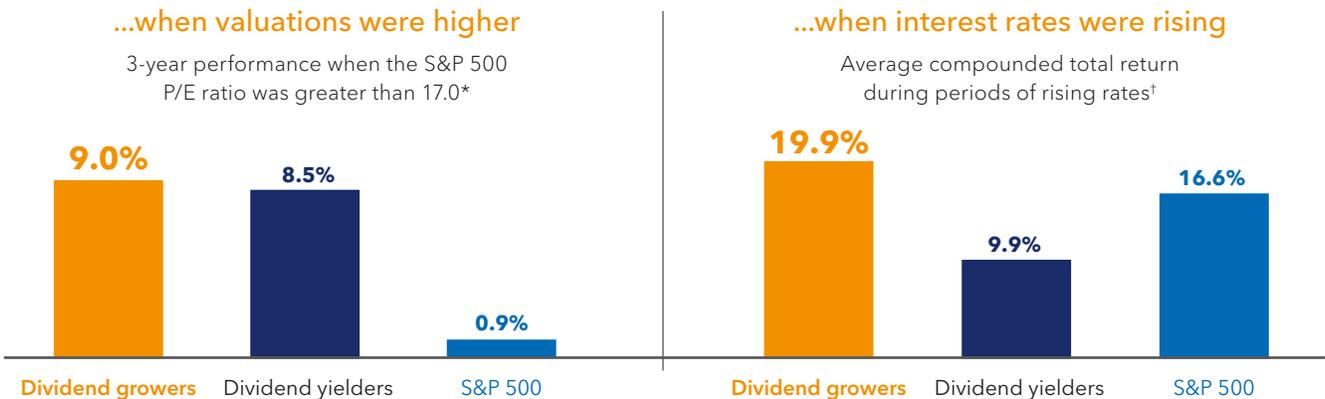
Performance highlights

Performance: As U.S. stocks sold off in May, the fund fared better than the Russell 1000 Value Index thanks to favorable stock selection in health care and energy, while an underweight to real estate and utilities detracted.

Positioning: We prefer areas of the market that are poised for future dividend growth versus sectors offering high current yields. A large portion of the fund is allocated to financials, health care, IT and energy.

- ▲ **Increased:** Consumer discretionary and materials
- ▼ **Decreased:** Industrials and information technology

Dividend growth stocks have outperformed...



A dividend strategy built for diverse markets‡

The BlackRock Equity Dividend Fund seeks to invest in high quality companies with histories of paying and growing their dividend at attractive valuations. With this strategy, the fund has outperformed 95% of its peers over the last 15 years.

	BlackRock Equity Dividend Fund	Russell 1000 Value Index
3-year return on equity	13.5%	11.1%
3-year dividend growth rate	7.3%	4.8%
Forward P/E ratio	13.3	14.2
3-year annualized return	9.6%	8.0%
3-year standard deviation	11.1%	11.4%

The overall Morningstar Rating pertains to the fund's Institutional shares, rated against 1,101 Large Value funds as of 5/31/19. Ratings are based on risk-adjusted return and derived from a weighted average of the performance figures associated with 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. Ratings are determined monthly and subject to change.¹

Morningstar ranking based on total return of Institutional shares as of 5/31/19. Fund performance ranked against 758 funds over the past 15-year period.²

* Source: BlackRock, Bloomberg, Morningstar as of 5/31/19. Dividend growers represented by Russell 1000 Dividend Growth TR Index. Dividend yielders represented by MSCI USA High Dividend Yield NR Index. † Source: BMO Capital Markets Investment Strategy Group, FactSet, CompuStat, IBES, Bloomberg, Federal Reserve as of 5/31/19. Analyzed all periods beginning in 1990 where the 10-year Treasury note yield rose for a year or longer. Six total periods were identified; compound total returns were calculated for each period. BMO Dividend Growth Stocks screening methodology: No dividend cuts in each of the past five completed fiscal years; latest one-year dividend growth per share greater than the S&P 500; current dividend yield greater than the S&P 500; free cash flow yield greater than the dividend yield; and dividend payout ratio lower than the S&P 500. ‡ There is no guarantee that a company will continue to pay dividends. The 3-year dividend growth rate represents the median annual growth of the underlying stocks; it is not a dividend yield. Volatility is measured by standard deviation of returns. Higher deviation represents higher volatility.

All data as of 5/31/19. **Fund data based on Institutional shares, which may not be available to all investors; other share classes will vary.**

Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Performance data quoted 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.

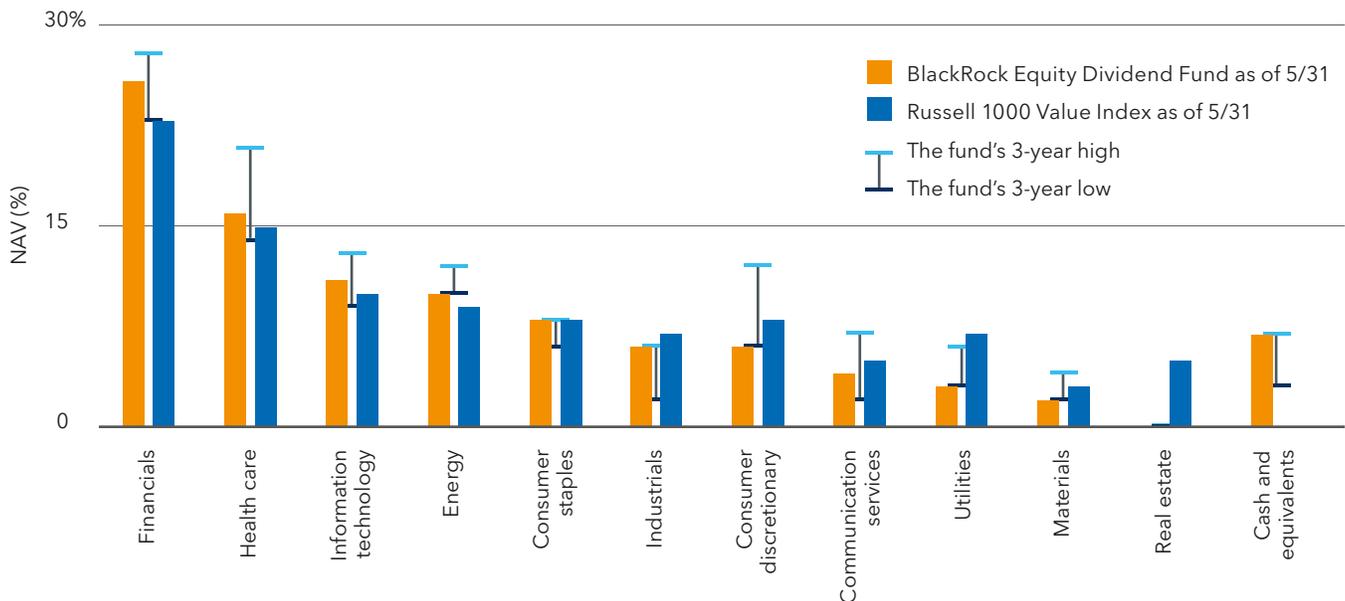
Individual stock selection drives changes in sector allocation

During the month of May, we increased exposure to health care, and decreased our allocation to technology.



Allocations relative to the index and fund history

The fund's allocation to the materials sector stands at a 3-year low.



Dividend growth of the fund's ten largest holdings

During the month of May, UnitedHealth Group (0.48% of net assets) increased its dividend payment by 20%.

Largest holdings	% of net assets	3-yr. dividend growth rate (%)	Largest holdings	% of net assets	3-yr. dividend growth rate (%)
Verizon Communications, Inc.	4.20	2.21	Oracle Corp.	2.44	10.52
JPMorgan Chase & Co.	3.62	18.92	Microsoft Corp.	2.42	9.09
Citigroup, Inc.	3.42	108.01	BP PLC	2.37	5.41
Wells Fargo	3.17	5.36	Koninklijke Philips NV	2.25	2.04
Bank of America Corp.	2.79	44.42	Pfizer, Inc.	2.24	6.47

All data as of 5/31/19.

How near-term market risks can be a positive for health care stocks

History tells us financial markets focus on only one risk at a time—and right now, it's U.S.-China trade talks. That may take the heat off the U.S. health care sector, where stock prices had weakened under the looming cloud of increased federal oversight and regulation. While the S&P 500 Index returned 10.7% over the first four months of 2019, the S&P 500 Health Care Index returned just 1.3%. But, when trade discussions turned south in May, health care outperformed the market by 4% for the month.

Health care is typically recognized as a high-quality sector that exhibits solid free cash flow and low sensitivity to global growth—a combination that has historically provided resilience in late-cycle periods. After a 10-year expansion, this business cycle appears to be headed there now, even though few ominous signs have yet to emerge. The macro picture appears supportive of health care stocks, and to the extent markets continue to focus on the risk du jour, the diversion could be a short-term positive for the sector.

Health care stock valuations stand at 15 times forward earnings, which is appealing versus the S&P 500 Index average at 16.7x as of May 31, 2019. The sector's earnings outlook is attractive, too. Consensus estimates for forward one-year earnings growth at 8% are on par with the S&P 500 overall, but well above other defensive sectors, including consumer staples (3%), real estate (4%) and utilities (6%). Although we reduced exposure to health care this year for risk management purposes, we maintain high conviction that the underlying fundamentals of our preferred holdings are on solid footing.



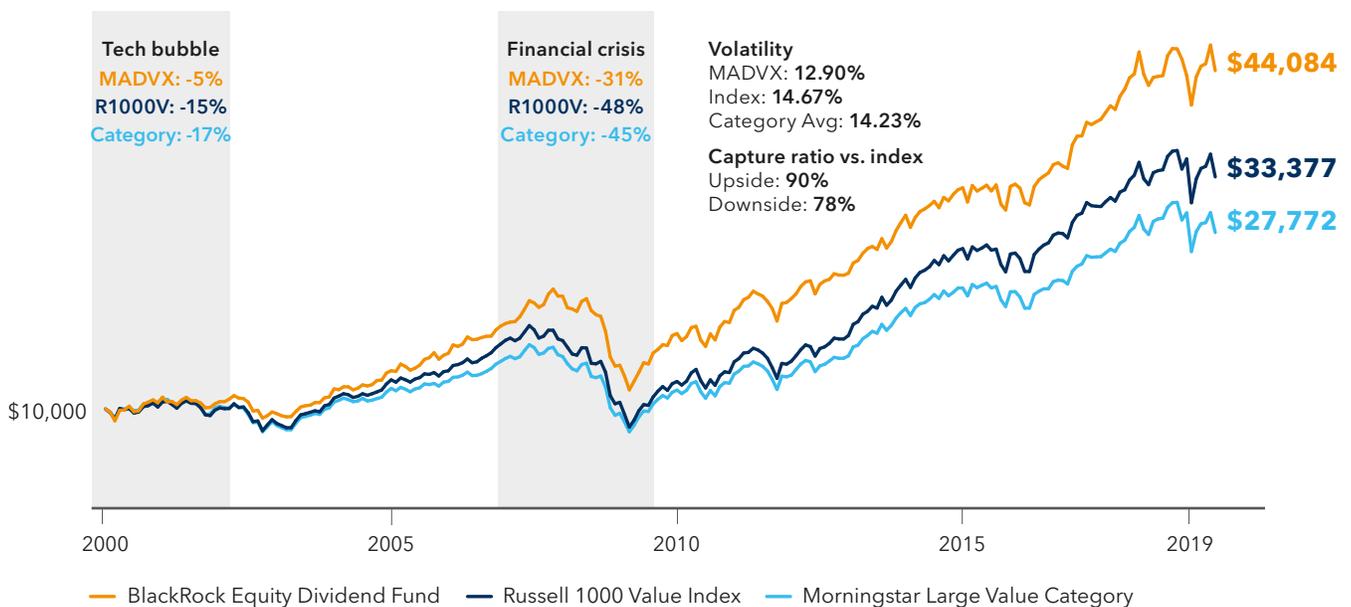
Tony DeSpirito, JD

Director of U.S. Equity Investments and Lead Portfolio Manager of the Equity Dividend Fund.

Portfolio Managers

Tony DeSpirito, JD; Franco Tapia, CFA; David Zhao

The fund has outperformed the market and its peers with less volatility



Source: Morningstar, January 2000 - May 2019. Fund data is based on Institutional shares. Performance reflects a hypothetical investment of \$10,000. Volatility is measured by annualized standard deviation. Capture ratios are based on monthly returns. Capture ratios measure a fund's performance vs an index. An upside capture ratio above 100 indicates that a fund gained more than the index when the index generated positive returns. A downside capture ratio below 100 indicates that a fund has lost less than the index when the index generated negative returns.

Average annual total returns (%) as of 5/31/19

	1 Month (not annualized)	YTD (not annualized)	1 Year	3 Years	5 Years	10 Years	30-day SEC yield as of 5/31*	
							Subsidized	Unsubsidized
Institutional	-5.53	8.53	1.33	9.62	7.65	11.64	2.14	2.14
Investor A (Without Sales Charge)	-5.54	8.44	1.02	9.34	7.38	11.35	1.78	1.78
Investor A (With Sales Charge)	-10.50	2.75	-4.28	7.40	6.23	10.75		
Lipper Equity Income Funds Avg.†	-5.80	7.87	1.05	7.81	6.09	11.32	–	–
Morningstar Large Value Funds Avg.	-6.74	7.32	-0.60	7.89	5.93	11.45	–	–
Russell 1000 Value Index‡	-6.43	8.45	1.45	7.98	6.53	12.33	–	–

Annualized total returns as of 3/31/19 for Institutional shares: 1 yr, 5.13%; 5 yrs, 8.43%; 10 yrs, 13.34%; for Investor A shares without/with maximum sales charge: 1 yr, 4.82%/-0.68%; 5 yrs, 8.15%/6.99%; 10 yrs, 13.04%/12.43%.

Investment returns reflect total fund operating expenses, net of all fees, waivers and/or expense reimbursements. Total fund expenses, as stated in the fund's most recent prospectus, for Institutional shares: **0.73%**; for Investor A shares: **0.98%**. Institutional and Investor A shares have contractual waivers with an end date of 11/30/19, terminable upon 90 days' notice. Performance data quoted 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 all dividends and capital gain distributions. Refer to blackrock.com for most recent month-end performance. 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. Investor A share has a maximum front-end sales charge of 5.25%. **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. 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. 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 May 31, 2019, 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 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 three-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 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 three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-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 three-year period actually has the greatest impact because it is included in all three rating periods. With respect to U.S.-domiciled funds in the Large Value Funds category, the fund received a Morningstar Rating of 4 stars for the 3-year period, rated against 1,101 funds; 4 stars for the 5-year period, rated against 949 funds; and 3 stars for the 10-year period, rated against 698 funds. Ratings are for Institutional share class. Other classes may have different performance characteristics. **2** The fund outperformed 54% of peers over the 10 years (rated against 698 funds), 82% of peers over 5 years (rated against 949 funds) and 63% of peers over 1 year (rated against 1,241 funds). ***** 30-day SEC Yield reflects the income earned by an investor in the fund during a 30-day period after deducting the fund's expenses. Unsubsidized SEC Yield represents what a fund's 30-day SEC Yield would have been had no fee waiver or expense reimbursement been in place during the period. **†** Lipper category is as of 5/31/19 and may not accurately represent the current composition of the portfolio. **‡** The Russell 1000 Value Index comprises the large-cap value segment of U.S. equities.

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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