Commentary as of 12/31/20

- The fund posted returns of 8.18% (Institutional shares) and 8.09% (Investor A shares, without sales charge) for the fourth quarter of 2020.
- The fund underperformed its benchmark during the quarter.
- The health care sector continued to be underpinned by long-term, secular-growth drivers. There were powerful diversification characteristics in the sector, given its limited reliance on economic growth. We maintained overweight positions in the health care providers & services and medical devices & supplies industries, and underweight holdings in the biotechnology and pharmaceuticals industries.

Contributors

Sector positioning contributed to relative returns during the quarter, primarily driven by the fund’s underweight exposure to pharmaceuticals. At the stock level, an off-benchmark position in Chinese contract development and manufacturing provider Wuxi Biologics was the top contributor to relative performance, as the company continued to benefit from increased demand for its services during the COVID-19 pandemic. Elsewhere, an off-benchmark position in JD Health added value, following the company’s successful initial public offering in December.

Detractors

Stock selection in the biotechnology and medical devices & supplies industries weighed on performance. Not holding a position in biotechnology company AbbVie was the top individual detractor as the company reported strong third-quarter earnings. Similarly, not holding a position in medical-device company Align Technology hurt returns, after it reported increased demand for its line of clear dental aligners, Invisalign.

Further insight

With Joe Biden winning the U.S. presidential election and the Democrats taking control of both houses of Congress, we believe the health care sector faces potential policy changes. For example, the new administration is likely to strengthen the Affordable Care Act to expand health care coverage, although we expect the effects of any changes to be muted. Given the likely low-key policy impact and attractive valuations, we believe now is a favorable entry point for health care equities that can offer resiliency. Over the longer term, secular drivers for the sector remain in place: aging populations in both developed and developing countries, increased spending from emerging-market economies, and strong innovation in medical technology.

Morningstar Overall™

Institutional shares rated against 133 Health Funds, as of 12/31/20, based on risk-adjusted total return. 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.

Portfolio management

Erin Xie, PhD

Top 10 holdings (%)

- UnitedHealth Group: 7.78
- Abbott Laboratories: 4.82
- Johnson & Johnson: 4.34
- Thermo Fisher Scientific Inc: 3.23
- Cigna Corp: 2.84
- Medtronic: 2.82
- Eli Lilly and Company: 2.76
- Humana Inc: 2.70
- Stryker Corporation: 2.63
- Edwards Lifesciences Corp: 2.62

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.


Expenses for Institutional shares: Total 0.86%. Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) 0.86%. For Investor A shares: Total 1.13%. Net, Including Investment Related Expenses 1.13%. Institutional and Investor A shares have contractual waivers with an end date of 01/31/2021 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: 0.85%; for Investor A shares 1.12%.

### 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, 2020, 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. Class R shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details.
2. Class A shares are sold to a limited group of investors, including certain retirement plans. See prospectus for details.
3. The performance information for periods prior to the inception date of Institutional shares (10/16/00) shows the performance of the fund’s Investor A shares. The performance of the Institutional share class would be substantially similar to Investor A shares because the Institutional share class and Investor A shares invest in the same portfolio of securities and performance would only differ to the extent that the Institutional share class and Investor A shares have different expenses. See the fund prospectus for more details.
4. 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.
5. 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.
6. The Morningstar Rating for a mutual fund is calculated for managed products (including funds) on a scale of 1 to 5, with 1 being the lowest rating. The Morningstar Rating is intended to provide an independent measure of a fund’s historical risk-adjusted performance. The Morningstar Rating of 3 years is 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. The Morningstar Rating 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. The Morningstar Rating 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. The Morningstar Rating 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.

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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**Average annual total returns (%) as of 12/31/20**

<table>
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<tr>
<th>Fund Type</th>
<th>4Q20 (not annualized)</th>
<th>YTD (not annualized)</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Since Inception</th>
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<tbody>
<tr>
<td>Institutional</td>
<td>8.18</td>
<td>19.78</td>
<td>19.78</td>
<td>17.67</td>
<td>13.95</td>
<td>17.56</td>
<td>15.78</td>
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<tr>
<td>Investor A (Without Sales Charge)</td>
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<td>19.47</td>
<td>19.47</td>
<td>17.35</td>
<td>13.64</td>
<td>17.23</td>
<td>15.46</td>
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<tr>
<td>Investor A (With Sales Charge)</td>
<td>2.42</td>
<td>13.20</td>
<td>13.20</td>
<td>15.26</td>
<td>12.42</td>
<td>16.60</td>
<td>15.16</td>
</tr>
<tr>
<td>Morningstar Health Category Avg.</td>
<td>14.70</td>
<td>27.63</td>
<td>27.63</td>
<td>16.12</td>
<td>11.77</td>
<td>15.97</td>
<td>—</td>
</tr>
<tr>
<td>Russell 3000 Health Care</td>
<td>10.08</td>
<td>19.34</td>
<td>19.34</td>
<td>15.46</td>
<td>12.87</td>
<td>16.63</td>
<td>—</td>
</tr>
</tbody>
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Not FDIC Insured • May Lose Value • No Bank Guarantee

01/21 — Health Sciences Opportunities Fund

**Want to know more?**
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