EQUITY DIVIDEND FUND

BLACKROCK®

Institutional: MADVX • Investor A: MDDVX • Investor C: MCDVX
Class R: MRDVX[1]

1Q 2014
COMMENTARY

The BlackRock Equity Dividend Fund is a conservative, core holding that may be suitable for almost any long-term investor. Its sound, consistent philosophy is reflected by its history of successful dividend growth and proven track record through diverse markets over the long-term.

We believe finding income has never been more difficult, but that dividend-paying stocks in many cases can offer yields in excess of traditional fixed income securities. We also believe that fundamentally, not all dividends are created equal. Some of the generous payouts seen in the market today are no guarantee of dividends in the future. Companies with strong balance sheets and solid earnings, among other attributes, may provide the best combination of income generation, sustainability and growth over the long-term.

Performance Highlights

- The Fund posted returns of 1.23% (Institutional shares) and 1.15% (Investor A shares, without sales charge) for the first quarter of 2014, while its benchmark, the Russell 1000 Value Index, returned 3.02% and the Lipper Equity Income Funds category posted an average return of 2.13%.
- The largest detractor from performance was a combination of stock selection and an underweight in the financials sector, followed by stock selection and an underweight in health care. Stock selection in consumer staples also weighed on returns, as did overweight positions in consumer discretionary and industrials.
- The largest contributor to relative performance was stock selection in the industrials, particularly within aerospace & defense. A combination of stock selection and an underweight in energy also added to returns. A general overweight in materials and stock selection within information technology (IT) and utilities also added marginally to performance.

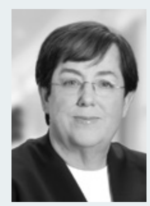
Market Overview

With accommodative monetary policies from the U.S. Federal Reserve continuing to provide support for financial markets in a modest growth environment, U.S. large cap stocks, as represented by the S&P 500® Index, gained 1.81% for the quarter. Large cap value stocks outperformed their growth counterparts in the first quarter as the Russell 1000 Value Index® moved up 3.02% while the Russell 1000 Growth Index® gained 1.12%.

Overall Morningstar Rating™

★★★★

Institutional shares rated against 1,068 Large Value Funds, as of 3/31/14, 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.[2]


Robert Shearer, CFA, Kathleen Anderson and David Cassese, CFA have more than 70 years of combined investment experience and lead a team that has amassed a record of strong performance through diverse market environments by focusing on companies that pay and grow their dividends.

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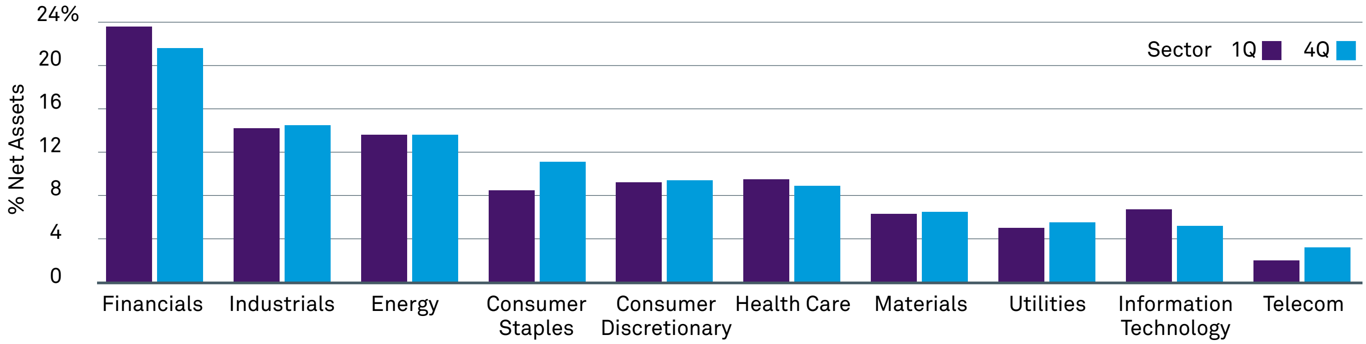
For additional information, or to subscribe to quarterly updates to this piece.

Sector Strategies

QUARTERLY CHANGES TO SECTOR ALLOCATIONS*



* Data as of 12/31/13.

Industrials — 4.1% overweight (14.2% of portfolio)
Over the long term, a growing middle class in emerging markets will demand a higher quantity and quality of food, and we favor industrial names with the willingness and ability to enter these markets ahead of population surges. The Fund is overweight in aerospace & defense, where many stocks have been less impacted by government austerity measures than previously thought and have benefited from the strong tailwind of a slowly growing domestic economy.

Materials — 3.4% overweight (6.3% of portfolio)
We believe infrastructure development and spending will continue to be a critical part of the investment landscape, both domestically and abroad. Ultimately, we believe companies with higher quality and diverse assets in geographies close to developing markets will be able to reap the benefits of high barriers to entry within local industries and deliver stronger topline growth.

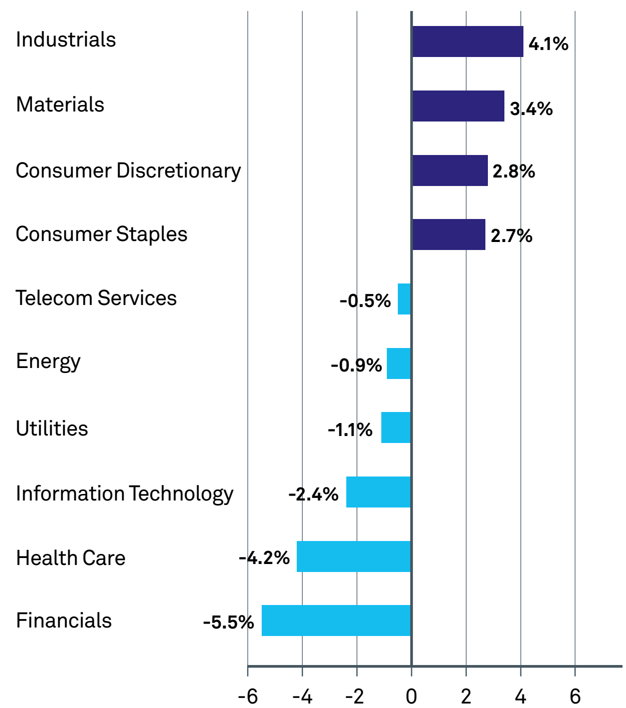
Consumer Staples — 2.7% overweight (8.5% of portfolio)
We continue to be attracted to the sector's recurring purchase nature, solid brand leadership and stable earnings growth evident in many consumer staples companies. We believe many consumer staples stocks have ample room for cost cutting, which may ultimately provide an opportunity for accelerating earnings growth and multiple expansion within the sector. We continue to like companies in the space who are supplying essential goods into emerging market regions and believe the current slowdown in emerging markets is cyclical and not a secular issue.

Information Technology — 2.4% underweight (6.7% of portfolio)
Typically, the industry has changed so frequently that there has been little incentive for firms to return value to shareholders via dividends, but we see this evolving given higher absolute levels of cash flow, stronger business models and less income variability among industry titans and relative newcomers alike. Where applicable, we continue to look for exposure to big data, analytics and cloud computing.

Health care — 4.2% underweight (9.5% of portfolio)
While our stance on health care has characteristically been cautious due to our wariness of the sector's longer-term growth prospects, we see this changing throughout the next few years as companies focus on efficiencies and begin to benefit from the volume increases evident under the Affordable Care Act. We are finding investment opportunities among the diversified pharmaceutical manufacturers, while avoiding more volatile areas of the sector including hospitals.

Financials — 5.5% underweight (23.6% of portfolio)
This sector represents the Fund's largest absolute sector allocation and we maintain exposure in four key areas: U.S. diversified banks, insurance companies, regional banks and

THE FUND'S OVERWEIGHT/UNDERWEIGHT VERSUS THE RUSSELL 1000 VALUE INDEX*



* Data as of 3/31/14.

Canadian financial institutions. We have added to the Fund's insurance holdings in recent months, as a combination of higher interest rates and continued loan growth is a positive backdrop for the industry.

Stock Selection

The team seeks to identify well-managed companies that have a history of dividend growth, strong balance sheets and an ability to continue returning capital to shareholders. Typically, these companies are industry leaders with dominant franchises, easily recognizable brands and sustainable competitive advantages compared to their peers. The fund's management team uses a fundamentally based, bottom-up approach to isolate these companies, and prefers to invest over a long time horizon.

Notable Contributors*	
Wells Fargo (Financials) 3.2	Wells Fargo, the Fund's top holding, was a strong contributor to total return during the quarter. The firm's balance sheet strength, overall quality and exceptional industry positioning have secured its spot as a top performer relative to the market and peers since the depths of the credit crisis.
Merck (Health Care) 1.9	Merck's quarterly return of 12.73% contributed strongly to the Fund's total return. The company has a strong pipeline and is showing exciting prospects in some key product categories, like Hepatitis C and Immuno-Oncology, which we believe will grow into very large categories in the coming years.
Raytheon (Industrials) 1.9	Raytheon was a top contributor during the quarter as the recent Department of Defense budget was supportive of missile defense programs, providing a strong tailwind for the company. Outside of missiles, many of Raytheon's other programs were also funded in the budget, affording additional support for the stock.

* % of net assets as of 3/31/14.

Notable Detractors*	
General Electric (Industrials) 3.2	Though the quarter was a weaker one for General Electric, we continue to value the company's status relative to its competitors, its exceptional depth and breadth of products and ability to secure pricing in the marketplace. General Electric is on track to deliver on its goal of 4%-7% revenue growth in its industrial segment.
Prudential Financial (Financials) 2.0	A high-quality holding within the financial sector, Prudential Financial was negatively impacted by its correlation to the ten-year Treasury yield, which came in from around 3.00% to 2.70%. While the firm's core earnings were strong, there were some smaller external charges that caused investors to pause following their earnings release.
Chevron (Energy) 3.0	Chevron, like much of the energy sector, was slower during the first quarter given the sluggish pace of the global economic recovery. The firm, however, maintains its position as one of the highest-quality, highest-growth companies in the oil & gas space.

Positioning and Outlook

After an exceptionally strong 2013 for U.S. markets, the first quarter of 2014 was underscored by an increase in volatility and mixed signals in key economic indicators. Strong January retail sales figures were augmented by a good gross domestic product report in February and then softened by weaker confidence data toward the end of the month. On the international side, an emerging market credit scare caused a selloff during the middle of the quarter and geopolitical tensions escalated with Russia, putting additional pressure on global and multinational equities. At the same time, U.S. companies guided lower on earnings and raised questions about the state of the consumer given weaker volumes during the quarter. Severe weather in the United States also muddied the waters, making it harder to discern true weakness from the impact of winter storms.

However, all of these events are taking place within the reaches of an economic recovery, where broader data has improved substantially. For this reason, we are constructive on the ability of corporations to continue to generate cash, especially in the mega-cap space, where many firms are well positioned to thrive in a slower-growth environment. This could lead to companies exceeding (slightly lower) earnings expectations, setting the stage for stronger markets later in 2014. For the time being, we expect dividend growth to be an important consideration for investors and remain attentive to overall volatility, rising rates, valuation, market correlations and inflation.

The Fund's largest absolute allocations remain in the financials, industrials, energy and health care sectors, with smaller exposures to telecommunication services, utilities, materials and IT. During the quarter, we added to U.S. financial companies, select IT names and holdings in industrials. We eliminated positions within telecommunication services, utilities and consumer staples where valuations have become more stretched in recent months. The Fund remains positioned in high-quality stocks, with a special emphasis on affording relative protection and growth of income.

% AVERAGE ANNUAL TOTAL RETURNS AS OF 3/31/14

	1Q14 (not annualized)	YTD (not annualized)	1 Year	3 Years	5 Years	10 Years	Since Inception[3]
Institutional[1]	1.23	1.23	16.39	12.04	18.48	9.34	10.14
Investor A (Without Sales Charge)[4]	1.15	1.15	16.10	11.74	18.14	9.05	9.86
Investor A (With Sales Charge)[4]	-4.16	-4.16	10.00	9.75	16.87	8.46	9.62
Lipper Equity Income Funds Avg.[5]	2.13	2.13	17.74	12.41	19.21	7.54	—
Morningstar Large Value Funds Avg.	2.27	2.27	20.74	13.09	19.82	6.91	—
Russell 1000 Value Index[6]	3.02	3.02	21.57	14.80	21.75	7.58	—

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. Index performance is shown for illustrative purposes only. You cannot invest directly in an index. Share classes are 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. Minimum initial investment for Institutional shares is $2 million. Institutional shares also are available to clients of registered investment advisors with $250,000 invested in the fund, and offered to participants in various wrap fee programs and other sponsored arrangements at various minimums. Expenses for Institutional shares: Total 0.74%; Net, Including Investment Related Expenses (dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses) 0.74%; Net, Excluding Investment Related Expenses 0.73%. For Investor A shares: Total 1.00%; Net, Including Investment Related Expenses 1.00%; Net, Excluding Investment Related Expenses 0.99%. Expenses stated as of the fund's most recent prospectus.*

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 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 March 31, 2014, 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. Past performance is no guarantee of future results. There is no guarantee that any forecasts made will come to pass. This material does not constitute investment advice and is not intended as an endorsement of any specific investment. Investment involves risk. Reliance upon information in this material is at the sole discretion of the reader.

1 Institutional and Class R shares are not available to all investors. Please see prospectus for details. **2** For each fund with a 3-year history, a Morningstar Rating™ is calculated based on risk-adjusted returns that account for variations in a fund's monthly performance (including sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds 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. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The fund was rated against the following numbers of US-domiciled Large Value funds over the following time periods: 1,068 in the last 3 years, 951 in the last 5 years and 626 in the last 10 years. With respect to these Large Value funds, the fund received a Morningstar Rating of 3, 3 and 5 stars for the 3-, 5- and 10-year periods, respectively. Other classes may have different performance characteristics. **3** Fund inception date 11/29/88 reflects inception of Institutional shares, which are used as the basis for Investor A share performance prior to share class launch. Actual Fund inception was marked on 11/25/87 with inception of B shares. **4** Performance for Investor A shares prior to their introduction (10/21/94) is based on the performance of Institutional shares adjusted to reflect the fees applicable to Investor A at time of such share class launch. This information may be considered when assessing the Fund's performance, but does not represent actual performance of this share class. **5** Lipper category is as of 3/31/14 and may not accurately represent the current composition of the portfolio. **6** The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

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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