

# **BlackRock** **Investor Day** 2021

# Forward-looking Statements

This presentation, and other statements that BlackRock may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock's future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" and similar expressions.

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BlackRock has previously disclosed risk factors in its Securities and Exchange Commission ("SEC") reports. These risk factors and those identified elsewhere in this report, among others, could cause actual results to differ materially from forward-looking statements or historical performance and include: (1) a pandemic or health crisis, including the COVID-19 pandemic, and its continued impact on financial institutions, the global economy or capital markets, as well as BlackRock's products, clients, vendors and employees, and BlackRock's results of operations, the full extent of which may be unknown; (2) the introduction, withdrawal, success and timing of business initiatives and strategies; (3) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management ("AUM"); (4) the relative and absolute investment performance of BlackRock's investment products; (5) BlackRock's ability to develop new products and services that address client preferences; (6) the impact of increased competition; (7) the impact of future acquisitions or divestitures; (8) BlackRock's ability to integrate acquired businesses successfully; (9) the unfavorable resolution of legal proceedings; (10) the extent and timing of any share repurchases; (11) the impact, extent and timing of technological changes and the adequacy of intellectual property, information and cyber security protection; (12) attempts to circumvent BlackRock's operational control environment or the potential for human error in connection with BlackRock's operational systems; (13) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock; (14) changes in law and policy and uncertainty pending any such changes; (15) any failure to effectively manage conflicts of interest; (16) damage to BlackRock's reputation; (17) terrorist activities, civil unrest, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (18) the ability to attract and retain highly talented professionals; (19) fluctuations in the carrying value of BlackRock's economic investments; (20) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products or transactions, which could affect the value proposition to clients and, generally, the tax position of the Company; (21) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (22) the failure by a key vendor of BlackRock to fulfill its obligations to the Company; (23) operational, technological and regulatory risks associated with BlackRock's major technology partnerships; (24) any disruption to the operations of third parties whose functions are integral to BlackRock's exchange-traded funds ("ETF") platform; (25) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (26) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

BlackRock's Annual Report on Form 10-K and BlackRock's subsequent filings with the SEC, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on BlackRock's website at [www.blackrock.com](http://www.blackrock.com), discuss these factors in more detail and identify additional factors that can affect forward-looking statements. The information contained on the Company's website is not a part of this presentation, and therefore, is not incorporated herein by reference.

BlackRock reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"); however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Management reviews non-GAAP financial measures to assess ongoing operations and considers them to be helpful, for both management and investors, in evaluating BlackRock's financial performance over time. Management also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance the comparability of this information for the reporting periods presented. Non-GAAP measures may pose limitations because they do not include all of BlackRock's revenue and expense. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Non-GAAP measures may not be comparable to other similarly titled measures of other companies.

This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations in the appendix to this presentation, as well as BlackRock's other periodic reports which are available on BlackRock's website at [www.blackrock.com](http://www.blackrock.com). The information provided on our website is not part of this presentation, and therefore, is not incorporated herein by reference.

## Important Notes

As indicated in this presentation, certain financial information for 2012 to 2015 reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, Significant Accounting Policies, in the consolidated financial statements in our 2018 Form 10-K.



**BlackRock Investor Day 2021**

# **Listening to and delivering for clients: Our strategy**

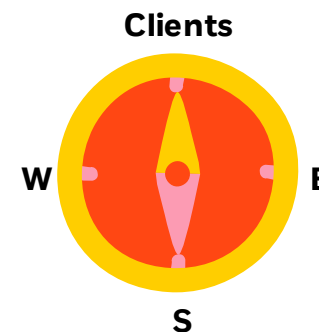
**Rob Goldstein**

Chief Operating Officer & Head of BlackRock Solutions

**Mark Wiedman**

Head of International and of Corporate Strategy

# Everything we offer clients is in the context of the whole portfolio



## 01

We start with the client

## 02

We deliver as 1BLK

## 03

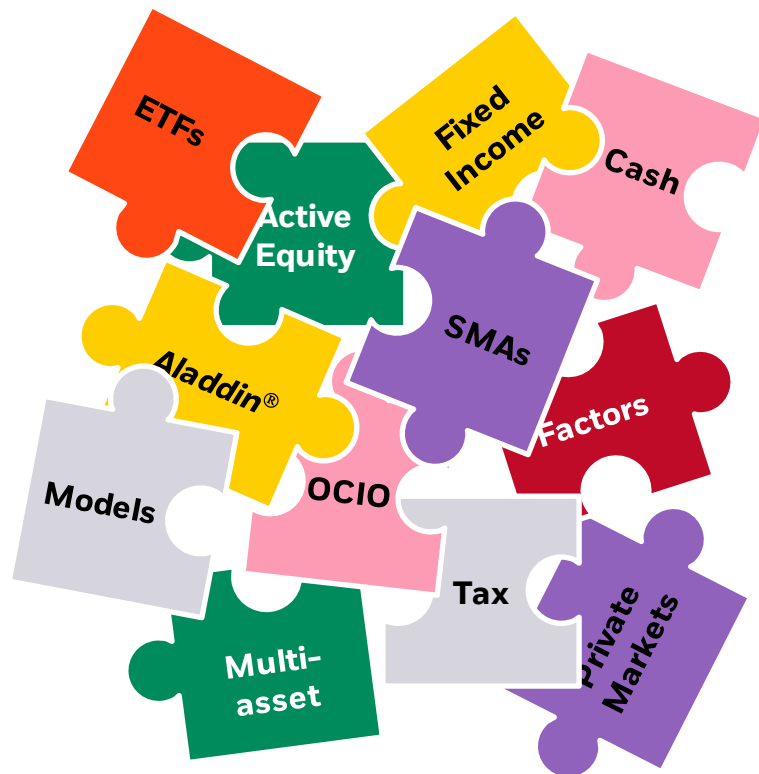
We operate with excellence and provide scale benefits to clients

## 04

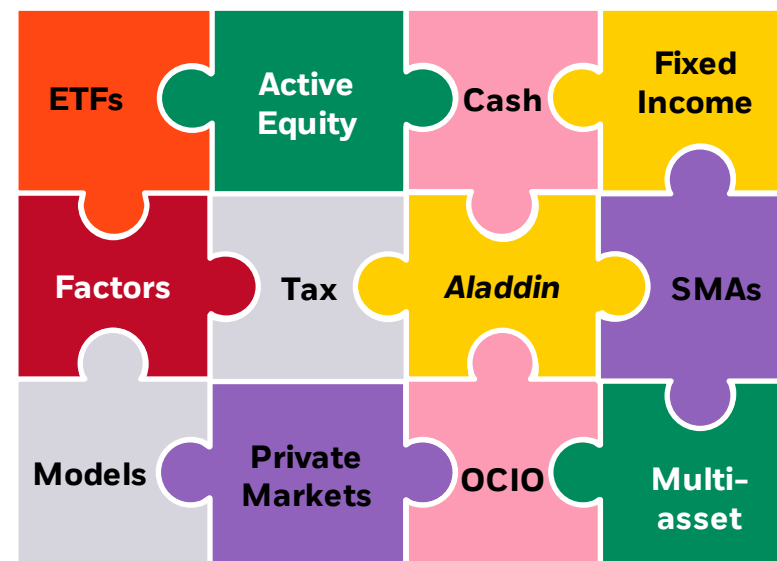
We evolve with clients, leading them to trust us with more of their portfolio

# We offer a spectrum of capabilities from individual building blocks to fully customized solutions

## Building blocks



## Whole portfolios



# Our strategy starts by understanding clients' needs

## Client trends

- 1 From products to **whole portfolios**
- 2 Power shifting to those **closest to end client**
- 3 **Value for money**, pressure on operating efficiency
- 4 **Data and analytics** are paramount

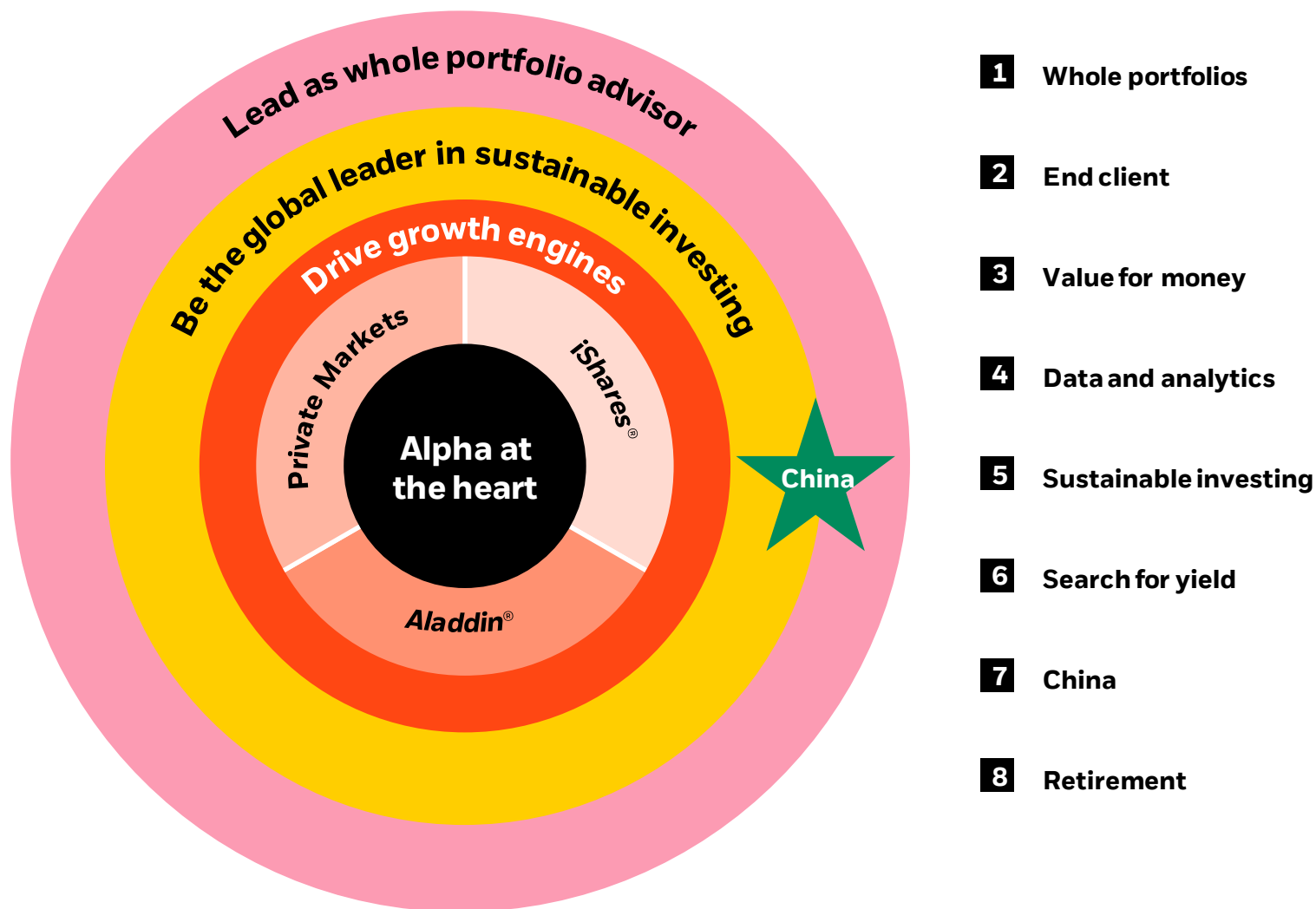
## Investment drivers

- 5 Sustainable investing
- 6 Search for **yield** amid **unprecedented liquidity**

## New opportunities

- 7 Opening of China
- 8 Global **retirement gap**

# Our strategy serves clients over the long-term

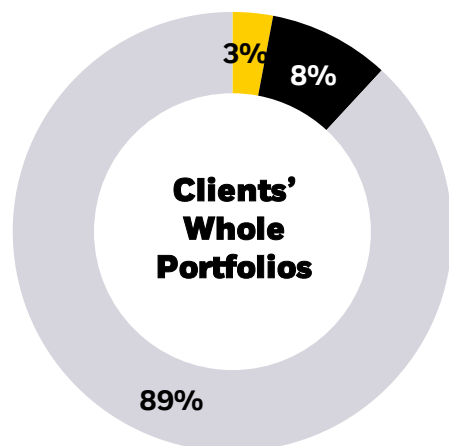


# Asset management revenue remains highly fragmented

## Asset Management<sup>1</sup>

Revenue share of top firm in each industry:

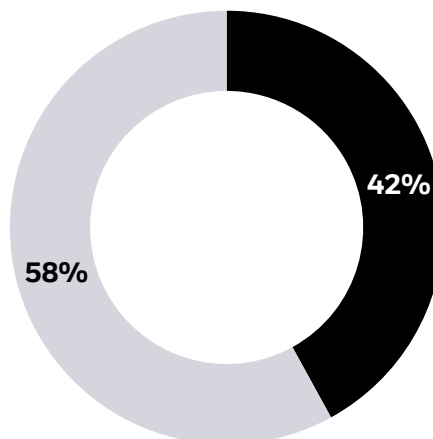
**3%**



● BlackRock ● #2-5 ● The rest

## Sales & Trading<sup>2</sup>

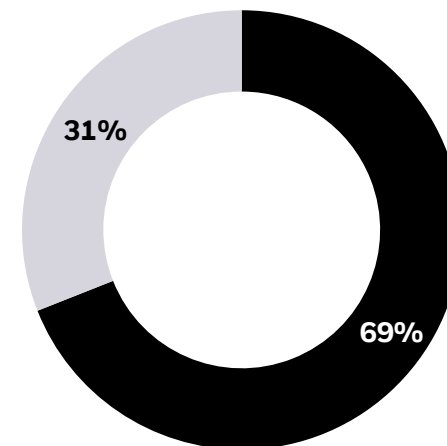
**13%**



● Top 5 ● The rest

## Cloud Computing<sup>3</sup>

**32%**



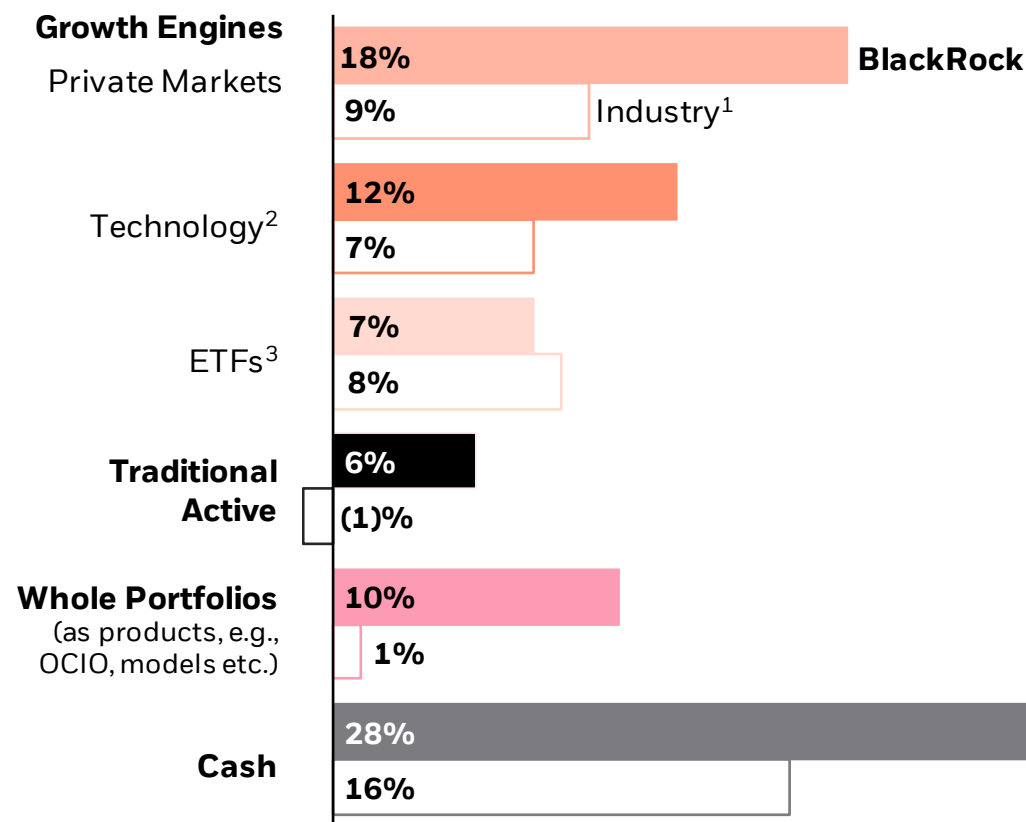
● Top 5 ● The rest

Note: For footnoted information, refer to slide 13.



# Clients are entrusting us with more of their portfolios

## Organic revenue growth, 2020<sup>1</sup>



**7% vs. 3%**

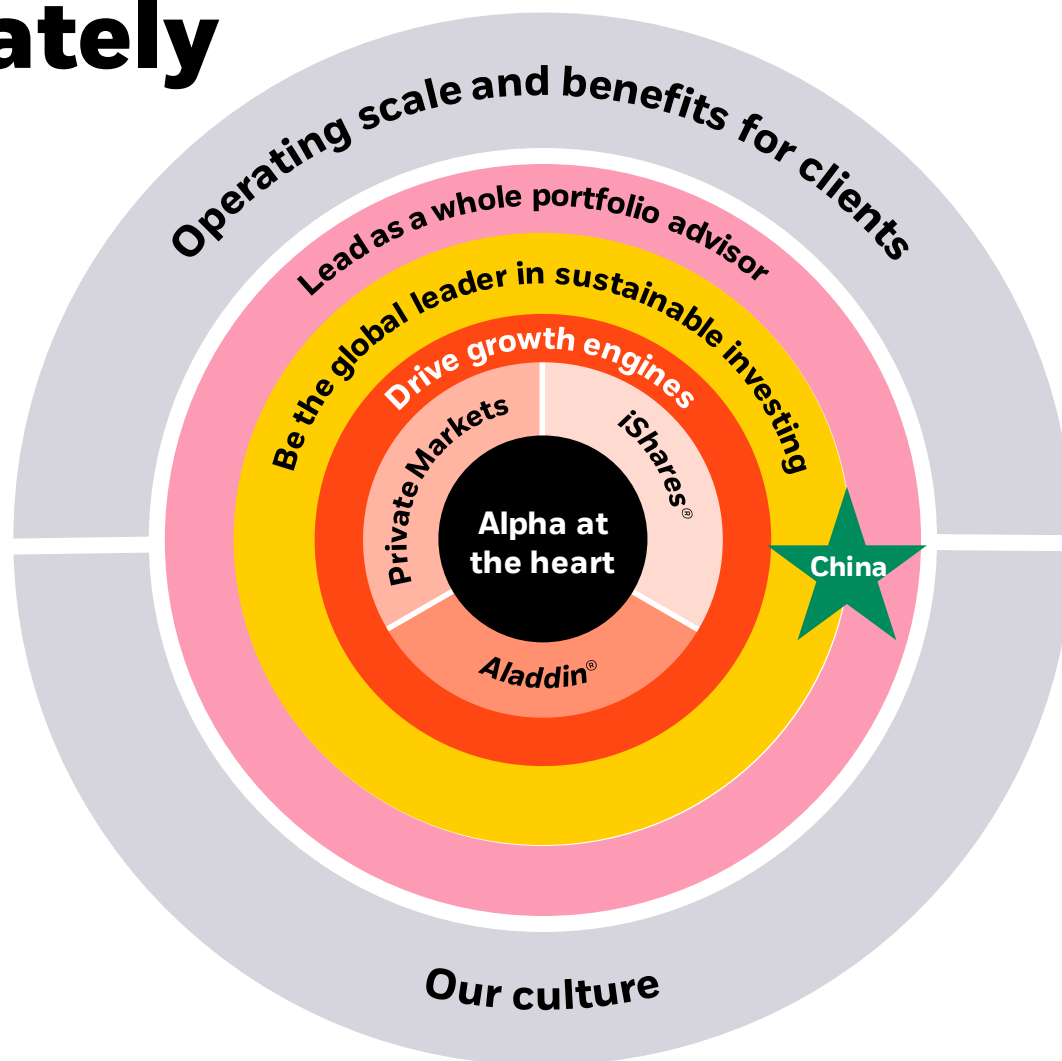
BLK organic growth vs. industry<sup>1</sup>

**57%**

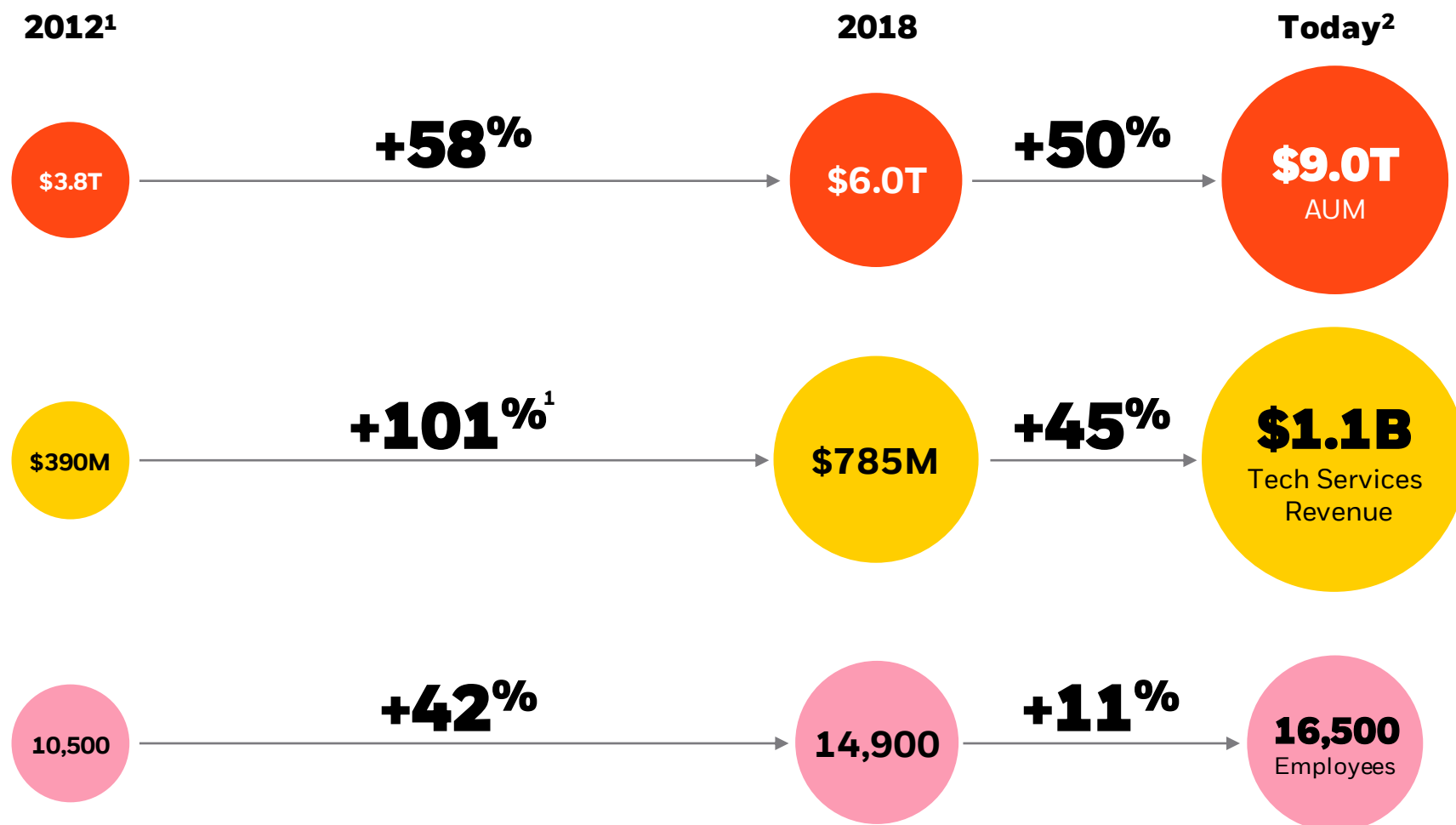
of our top clients have >3 BLK products (up 8 points since 2016)<sup>4</sup>

Note: BlackRock technology growth represents Annual Contract Value (ACV). ACV represents forward-looking recurring subscription fees under client contracts for the next twelve months at the end of a respective quarter, assuming all client contracts that come up for renewal are renewed. ACV excludes nonrecurring fees such as implementation and consulting fees. See note (5) in the supplemental information on page 10 of BlackRock's first quarter 2021 earnings release for more information on ACV. For footnoted information, refer to slide 13.

# Our scale and culture ultimately benefit clients and shareholders



# Growth, efficiency and operating excellence



Note: For footnoted information, refer to slide 13.

# Our culture: the BlackRock principles

**1** ● We are a fiduciary to our clients

**2** ● We are One BlackRock

**3** ● We are passionate about performance

**4** ● We take emotional ownership

**5** ● We are committed to a better future



**35 million U.S. retirement savers** invest in our products through their defined contribution plans<sup>1</sup>

Our current portfolio of over **270 solar and wind projects** has provided approximately **20,000 jobs**<sup>1,2</sup>



In 2020, BlackRock deployed more than **\$23B of new capital** into over **1,000 companies** in **Europe** alone<sup>3</sup>

Note: For footnoted information, refer to slide 13.

# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 8 - Asset management revenue remains highly fragmented

1. Sources: Public filings and company websites, McKinsey. As of 2020.
2. Sources: S&P Global Market Intelligence, McKinsey. As of 2019.
3. Sources: Synergy Research Group, Canalys. As of 2020.

## Slide 9 - Clients are entrusting us with more of their portfolios

1. Industry represents the asset management industry. Industry sources: Simfund , Broadridge, Spence Johnson, HFR, Preqin, iMoneyNet , Bloomberg, Markit, P&I, Cerulli and BlackRock estimates.
2. BLK technology growth represents Annual Contract Value (ACV). Industry tech growth represents 2020 YoY total revenue growth for 10 fintech peers.
3. Comprises Index ETFs, i.e., Equity ETFs, Fixed Income ETFs, and Alts/Other ETFs. Excluded Active ETFs and Inverse/Leveraged ETFs.
4. Based on BLK Internal data on our top 500 firm clients.

## Slide 11 - Growth, efficiency and operating excellence

1. 2012 technology services revenue reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, *Significant Accounting Policies*, in the consolidated financial statements in our 2018 Form 10-K.
2. Reflects assets under management as of 3/31/2021, technology services revenue for 2020 and employees as of 12/31/20.

## Slide 12 – Our culture: the BlackRock principles

1. Source: BlackRock as of 12/31/2020
2. Jobs provided are estimated using Political Economy Research Institute, University of Massachusetts Amherst, Green Growth, "A U.S. Program for Controlling Climate Change and Expanding Job Opportunities."
3. Source: BlackRock

# BlackRock®

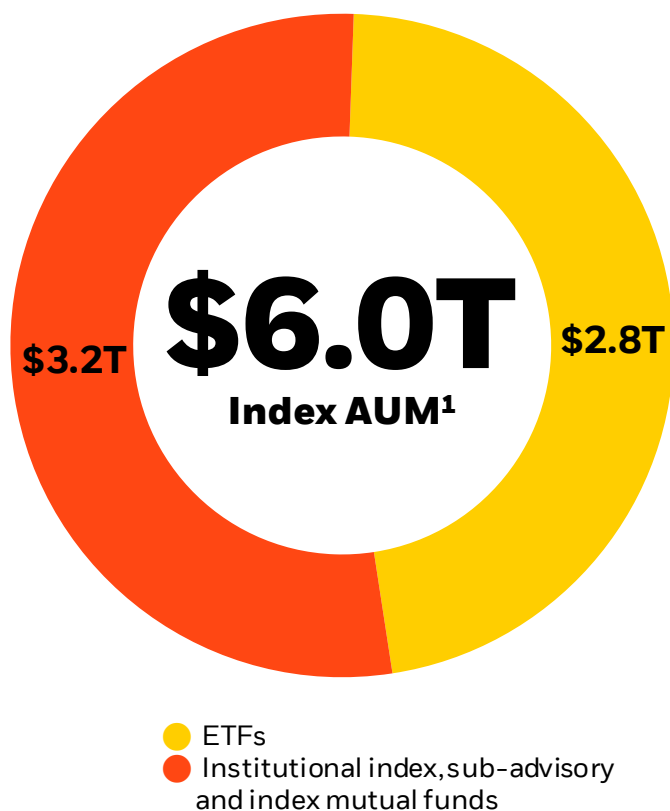
BlackRock Investor Day 2021

# Decades of growth ahead in ETFs and index investing

**Salim Ramji**

Global Head of *iShares*® and Index Investments

# BlackRock's global ETF and index investing business



## ETF organic growth and revenue

**\$240B**

1Q21 LTM net new business<sup>2</sup>



Organic asset growth<sup>3</sup>

**\$525M**

1Q21 LTM net new base fees<sup>2</sup>



Organic base fee growth<sup>4</sup>

**\$4.8B**

2020 Revenue

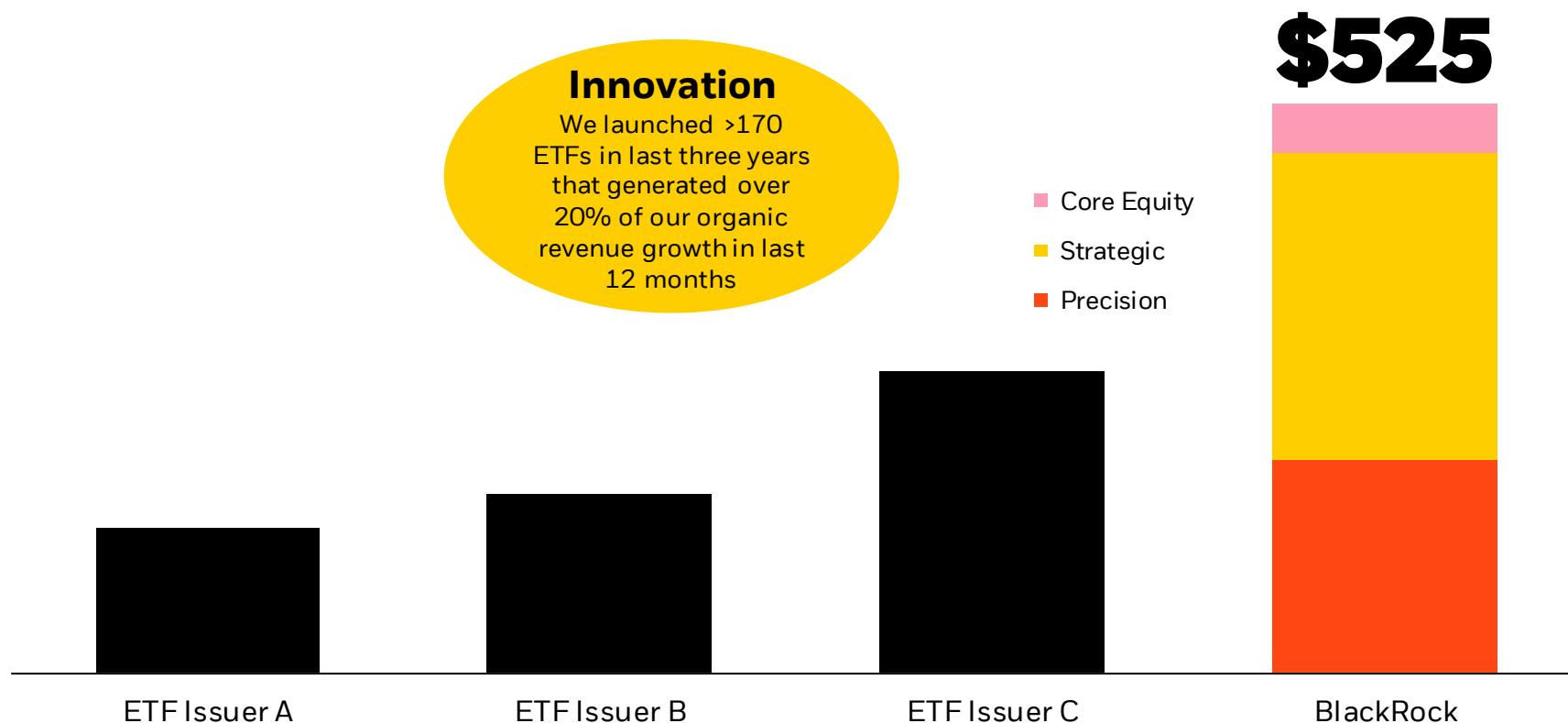


Year-over-year growth

Note: For footnoted information, refer to slides 30-31.

# BlackRock's global ETF business delivered nearly as much revenue growth as the next three ETF issuers combined

Net New Base Fees (\$M) – 1Q21 LTM<sup>1</sup>



Note: For footnoted information, refer to slides 30-31.



# We believe there are decades of growth ahead for ETFs

## ETFs have significant room to grow

ETF penetration of the total equity and bond market and by client segment is still very low. We expect generational shifts to unlock new growth

**1**

## BlackRock's ETF business is different

We believe our product breadth, client reach and investment engine are different and have generated differentiated and diversified revenue growth

**2**

## We are investing for the future

We are investing in innovation - in our ability to manage scale and complexity across our investment engine and to connect it to the rest of the ETF and indexing ecosystem

**3**

# ETFs have significant room to grow

## ETF industry AUM penetration<sup>1</sup>

### By market

**3%**

of total global market

**5%**

of global equity market

**1%**

of global bond market

### By region

**5%**

of total U.S. market

**2%**

of total EMEA market

**1%**

of total APAC market

### By client

**1%**

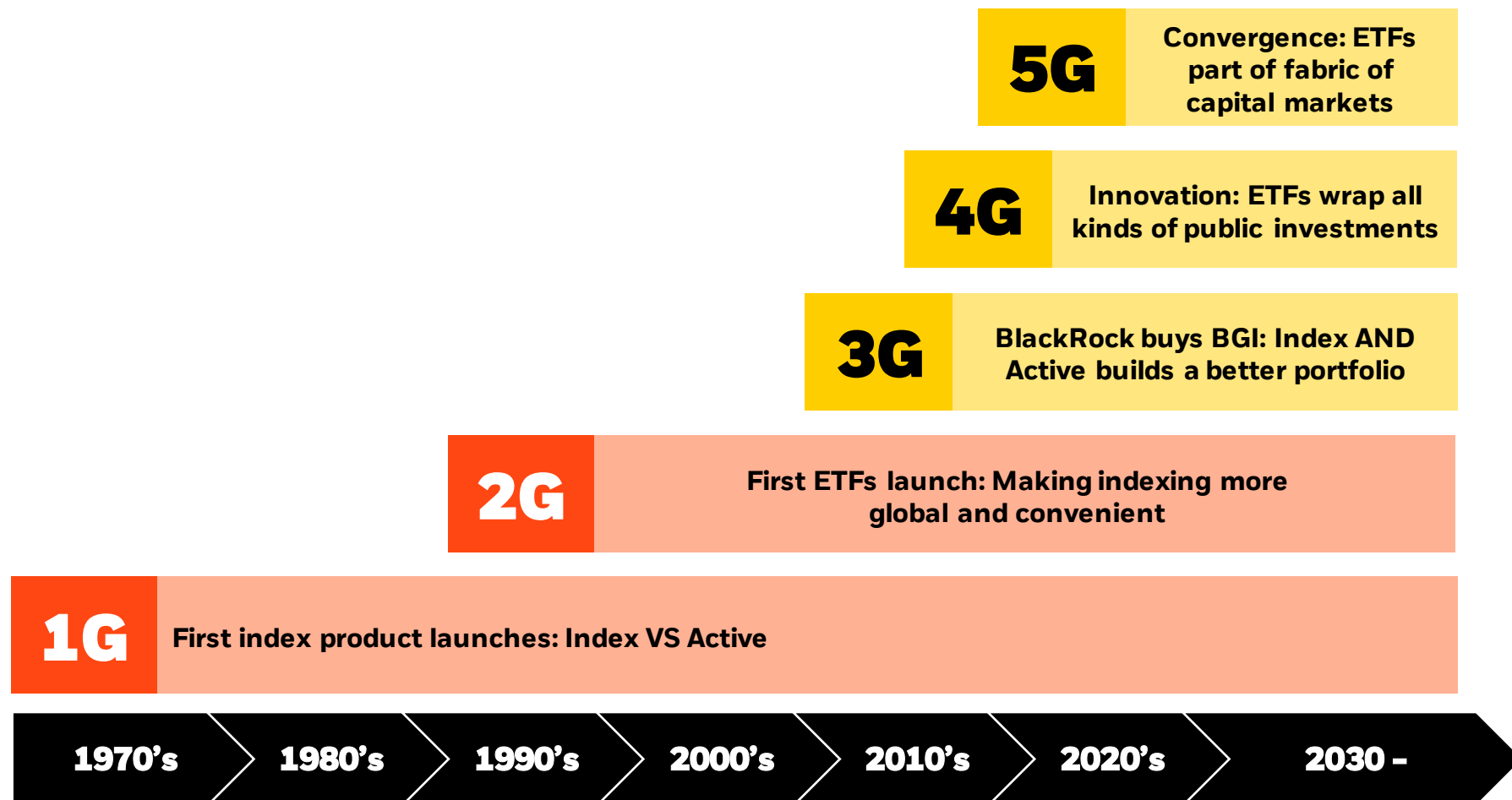
of total asset managers globally

**11%**

of fee-based wealth globally

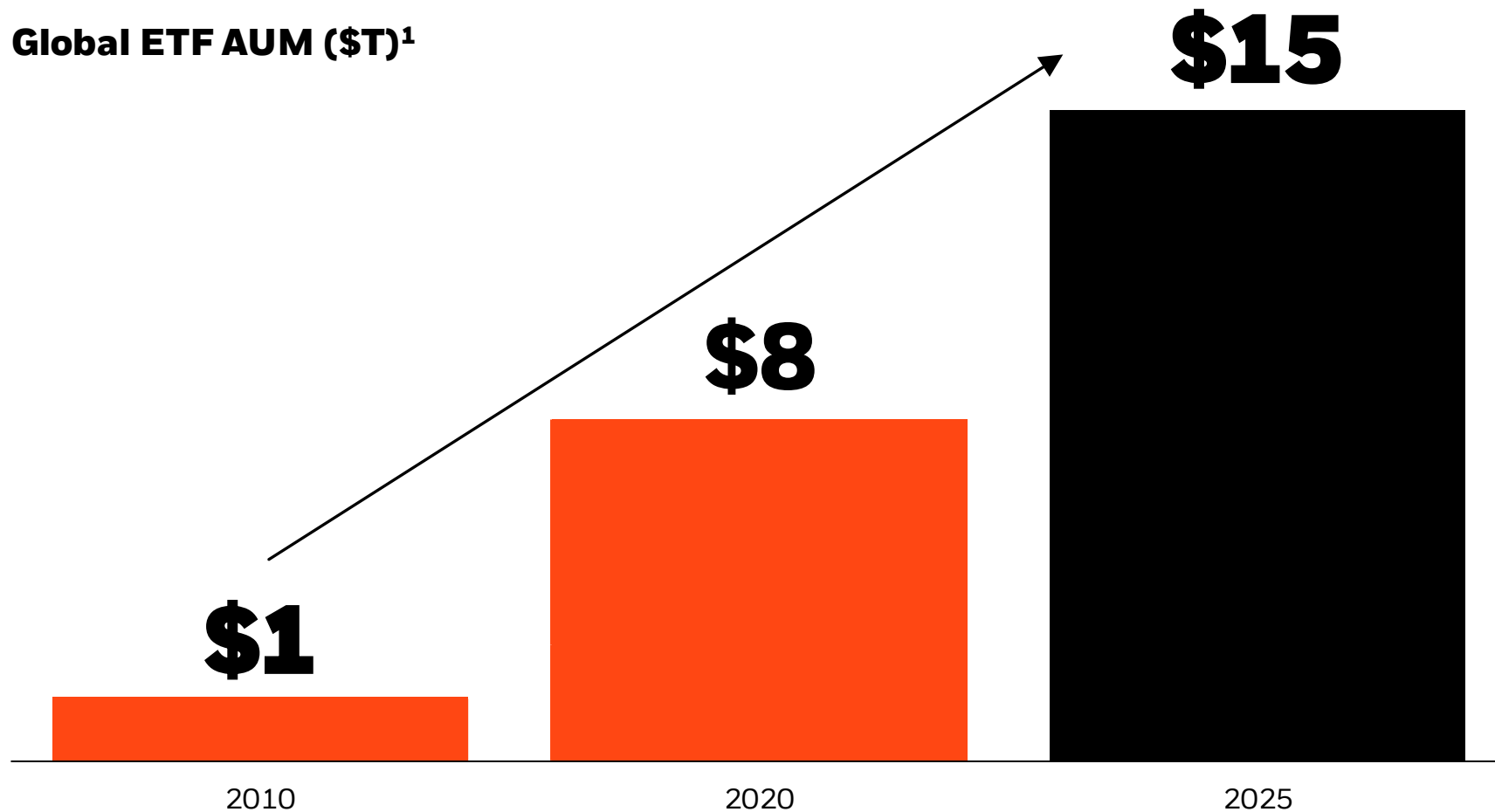
Note: For footnoted information, refer to slides 30-31.

# Generational shifts are propelling ETF growth



Note: For illustrative purposes only

# We expect industry ETF AUM to reach \$15T by 2025



Note: For footnoted information, refer to slides 30-31.

# BlackRock's global ETF business is different

## Offering 1,100+ ETFs wrapping all kinds of investments

*iShares*® core equity

*iShares* fixed income

*iShares* sustainable

*iShares* factors

*iShares* thematic

*iShares* precision

BlackRock active ETFs

BlackRock and third party managed models

## Serving over 30 million clients globally

Self-directed & retirement platforms

Wealth managers

Active asset managers

Insurance

Pensions

Official institutions

## Investment engine that manages complexity at scale with precision

>1,000  
benchmarks

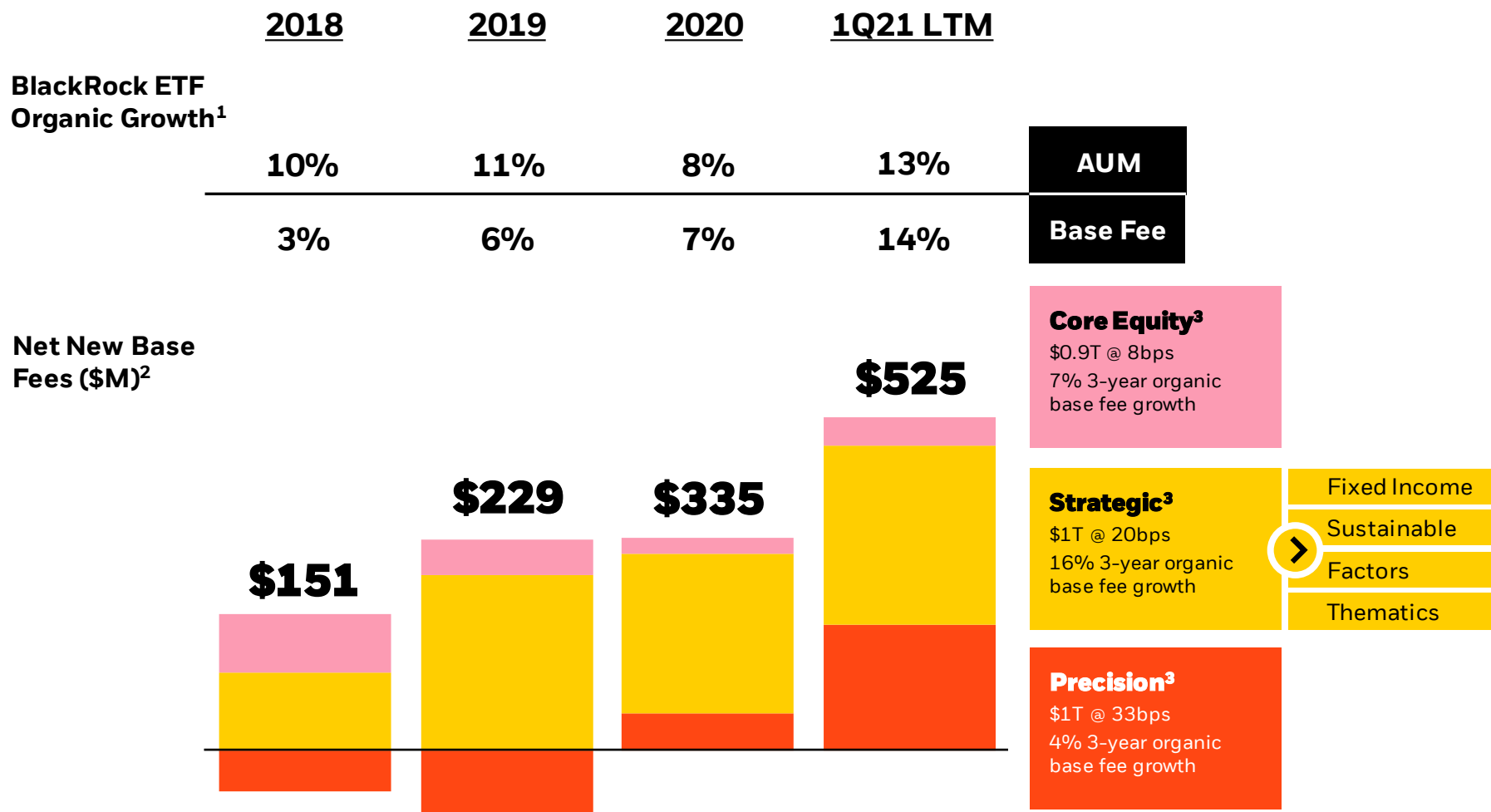
Custom / self-  
indexing

ETF market  
quality

Precision  
tracking

Ecosystem  
integration

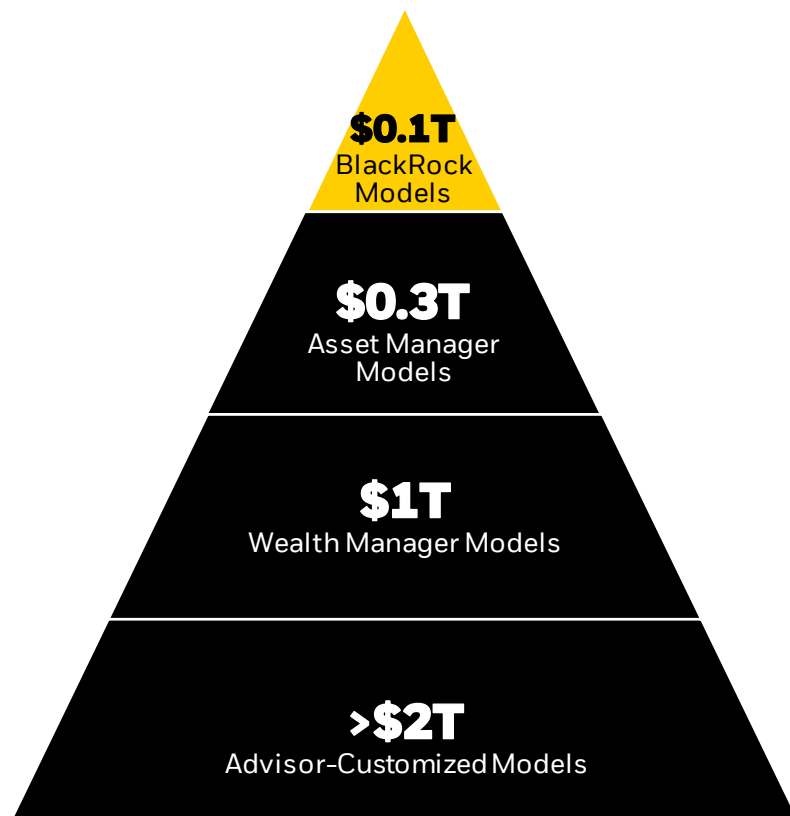
# We have delivered differentiated revenue growth



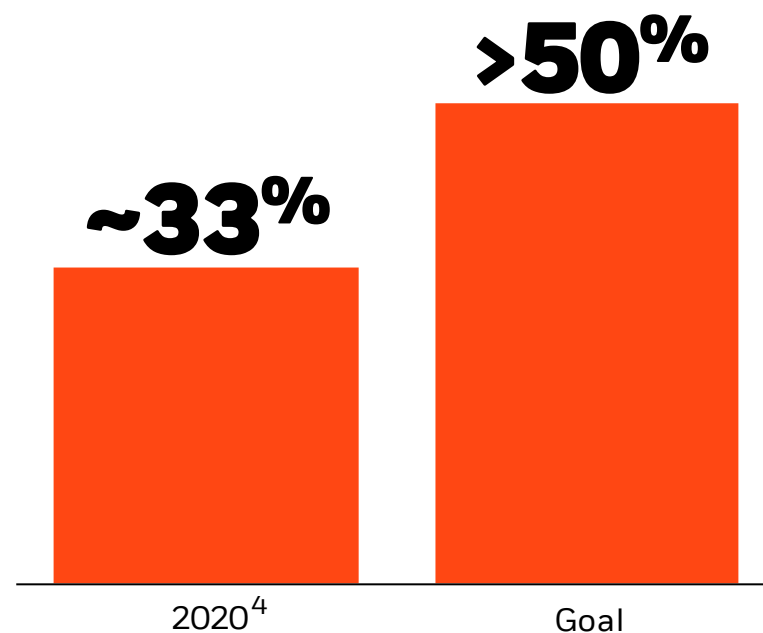
Note: For footnoted information, refer to slides 30-31.

# Managed model portfolios are important to ETF growth

**ETFs are a key ingredient in the \$4T U.S. model portfolio market which is set to more than double to \$10T in the next five years<sup>1,2,3</sup>**



**Our goal is for more than half of our U.S. ETF flows to come from managed models**

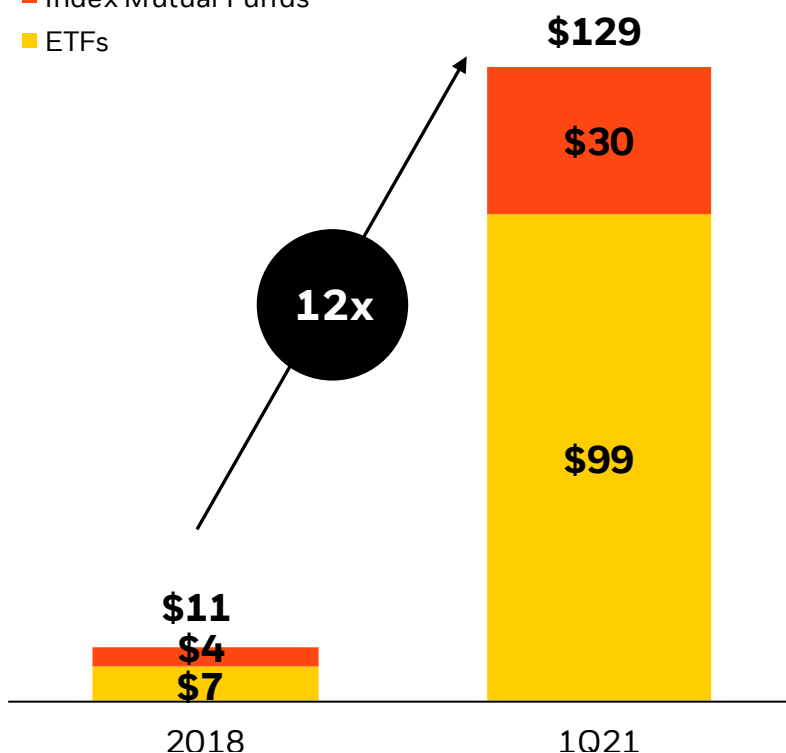


Note: For footnoted information, refer to slides 30-31.

# BlackRock's sustainable ETFs and index funds are expanding the market for sustainable investing

## BlackRock sustainable AUM in ETFs and index mutual funds (\$B)<sup>1</sup>

Index Mutual Funds  
ETFs



Expanded product offering to >150



Customized ETF product lines – baseline screens, broad, thematic, impact – aligned to client portfolio journeys



Active sustainable ETFs with proprietary analytics

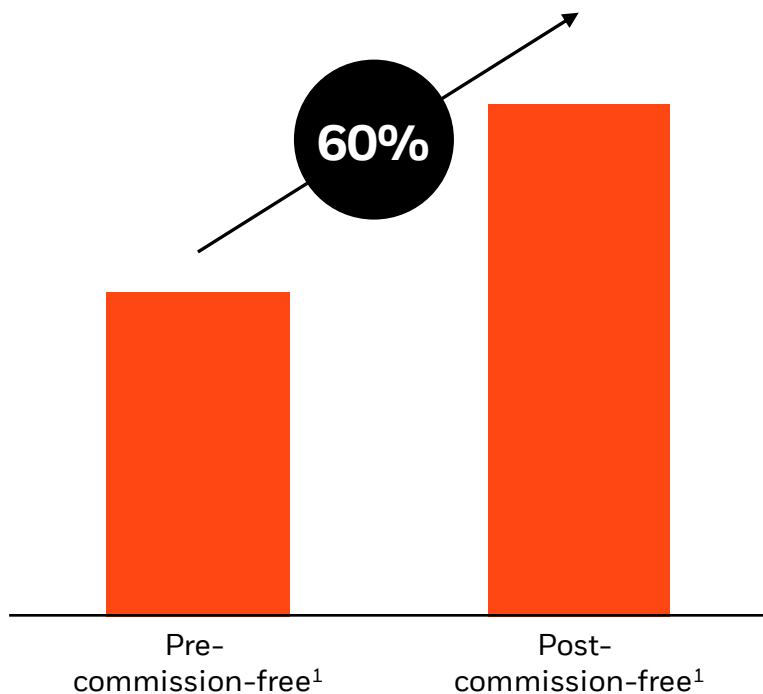


Note: For footnoted information, refer to slides 30-31.



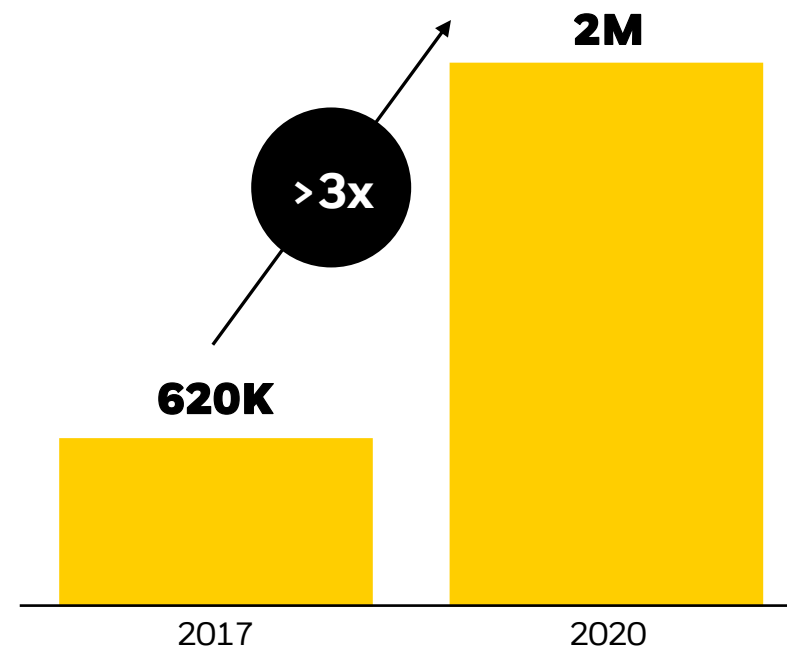
# As barriers come down, millions of investors are adopting ETFs globally

**ETF flows from U.S. RIAs increased as commission barriers fell away, and our share remained strong**



**ETF-based retirement savings plans are building an investing culture in Germany**

Number of Germans contributing to ETF saving plans<sup>2</sup>:

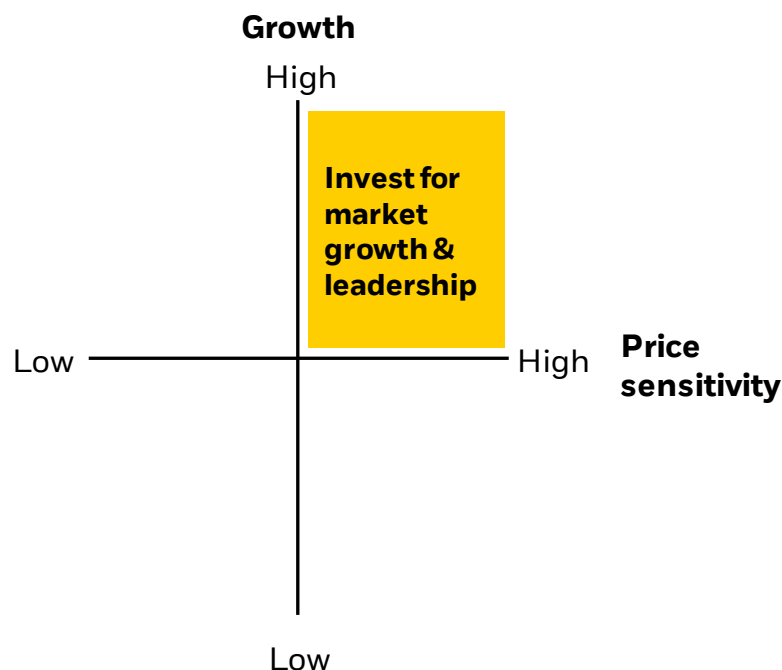


Note: For footnoted information, refer to slides 30-31.

# BlackRock is investing through pricing to grow revenue and clients

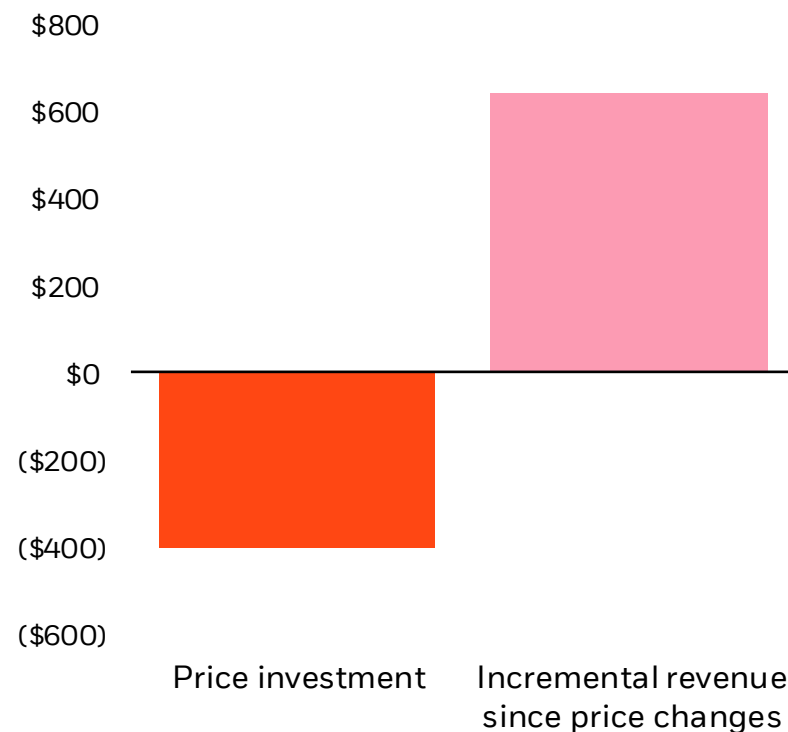
**Invest 1.5-2.5% of ETF revenue annually in price changes**

Our pricing framework:



**Our pricing strategy is resulting in long-term revenue growth**

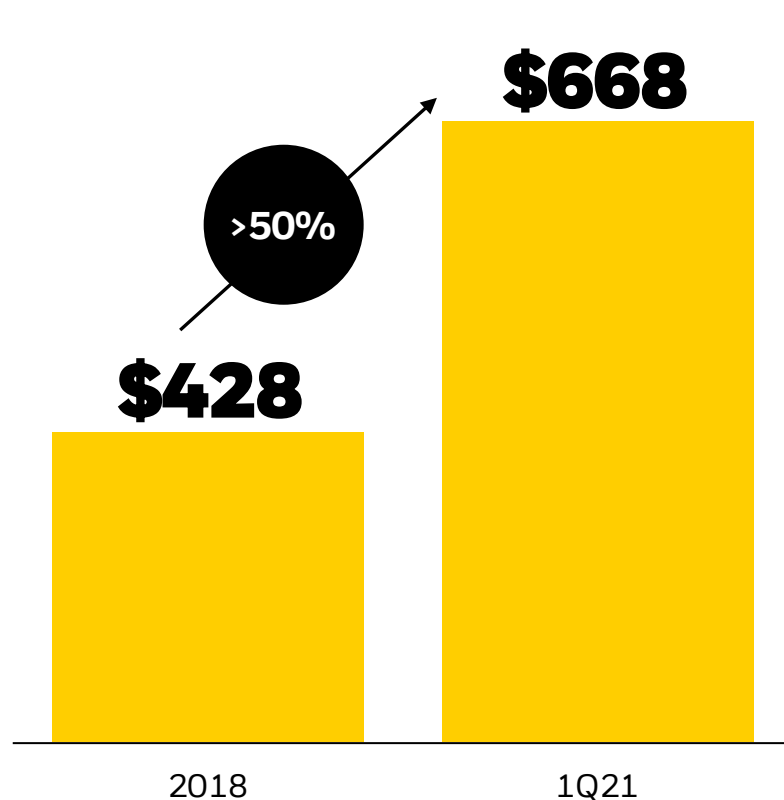
Impact of price investments, 2015-2020 (\$M)<sup>1</sup>:



Note: Pricing Framework for illustrative purposes only. For footnoted information, refer to slides 30-31.

# More institutional investors are using fixed income ETFs

## BlackRock global fixed income ETF AUM (\$B)



Note: For footnoted information, refer to slides 30-31.

# Managing complexity at scale and with precision

## Our ETFs delivered under extreme stress conditions in 2020

### Greater usage

**29%** increase in *iShares*® ETF trading volume (U.S. and Europe)<sup>1</sup>

### Lower trading costs

**45%** tighter spreads for *iShares* ETFs than competitors in the U.S.; **29%** in Europe<sup>1</sup>

### Price discovery

Our U.S. fixed income ETFs traded **hundreds** of times more than their underlying bonds<sup>2</sup>

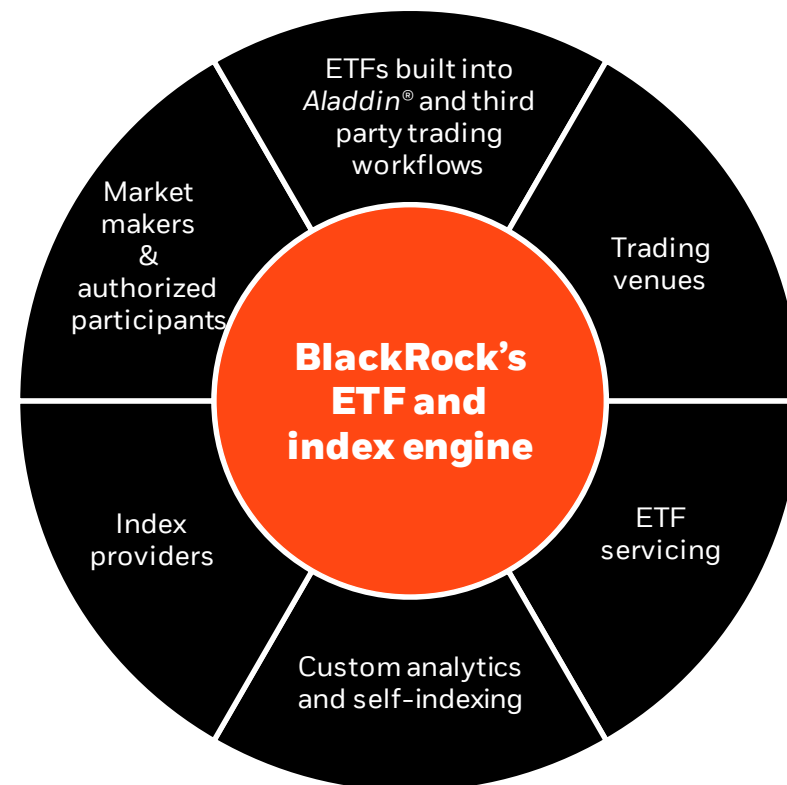
### Tight tracking

On average, U.S. *iShares* equity ETFs tracked their benchmarks **more closely** than their peers<sup>1</sup>

### Efficient market making

**Over two dozen** different APs created and redeemed *iShares* ETFs in Europe and the U.S.

## We are integrating deeply into the ETF ecosystem to maintain high market quality and increase scale



Note: For footnoted information, refer to slides 30-31.

# There are decades of growth ahead

**ETFs have  
significant room  
to grow**



**BlackRock's ETF  
business is  
different**



**We are investing  
for the future**



# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 15 - BlackRock's ETF and index investing business

1. AUM as of 3/31/21.
2. LTM "Last Twelve Months" represents last twelve months ending 3/31/21. Net new business represents net asset inflows and net new base fees represents net new base fees earned on net asset inflows.
3. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets.
4. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of period.

## Slide 16 - BlackRock's global ETF business delivered nearly as much revenue growth as the next three ETF issuers combined

1. Source: Bloomberg and BlackRock

## Slide 18 - ETFs have significant room to grow

1. Sources: Global and regional Equity market size from World Federation of Exchanges Database as of 12/31/19. Global and regional bond market size from Bank of International Settlements (BIS) as of 12/31/19. ETF AUM as of 3/31/21 per Markit, Bloomberg. Client penetration rates, sources: McKinsey, Cerulli and BLK estimates.

## Slide 20 - We expect industry ETF AUM to reach \$15T by 2025

Sources: Bloomberg for ETF industry AUM.

1. 2025 scenario calculations based on proprietary BlackRock estimates, as of March 31, 2021.

## Slide 22 - We have delivered differentiated revenue growth

1. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows for each of the respective periods by the base fee run-rate at the beginning of period.
2. Net New Base Fees represents net new base fees earned on net asset inflows.
3. AUM of 3/31/21 and fee rates represent average annualized effective fee rate as of 1Q21

## Slide 23 - Managed model portfolios are important to ETF growth

1. BlackRock model AUM figures include both ETF and non-ETF positions.
2. Source: AUM figures for asset manager, wealth manager and Advisor-Customized models from Cerulli as of 12/31/20.
3. Model portfolio growth per Broadridge reported through <https://www.wsj.com/articles/model-portfolios-surg-ing-as-advisers-look-for-quick-ways-to-invest-client-money-11607091645>.
4. Source: BlackRock from 1/1/20 to 12/31/20

## Slide 24 - BlackRock's sustainable ETFs and index funds are expanding the market for sustainable investing

1. Source: BlackRock. 2018 AUM figures as of 12/31/2018 and 1Q21 AUM figures as of 3/31/21

## Slide 25 - As barriers come down, millions of investors are adopting ETFs globally

1. Source: Share of RIA flows into our BlackRock ETFs are based on BlackRock internal data. BlackRock as of 3/31/21. Pre commission-free represents 2017 to Q3 2019; Post commission-free represents Q4 2019 to Feb 2021.
2. Source: extraETF as of 02/10/21.

# End notes

## Slide 26 - BlackRock is investing through pricing to grow revenue and clients

1. Price investment is calculated by taking the difference between the previous fund expense ratio and the new fund expense ratio from 2015 through 2020, multiplied by fund assets under management at the time of the price reduction. Incremental revenue since price changes is the difference between run-rate revenue at the time of price cut (fund assets under management multiplied by new fund expense ratio) and 2020 year-end run-rate revenue (12/31/20 fund assets under management multiplied by current fund expense ratio).

## Slide 27 - More institutional investors are using fixed income ETFs

1. Fixed income holdings, as of 12/31/20, based on 13F filings and additional BLK internal data for EMEA and APAC regions. List of global top asset managers from ADV ratings (<https://www.advratings.com/top-asset-management-firms>).

## Slide 28 - Managing complexity at scale and with precision

1. Source: Bloomberg. Usage percent increase as of 12/31/20. Tighter spreads range 12/31/2019 vs 12/31/20. Tracking vs ETF industry peers as of 02/28/21.
2. Source: Bloomberg and BlackRock for full year 2020. There can be no assurance an active trading market for shares of an ETF will develop or be maintained.

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**BlackRock Investor Day 2021**

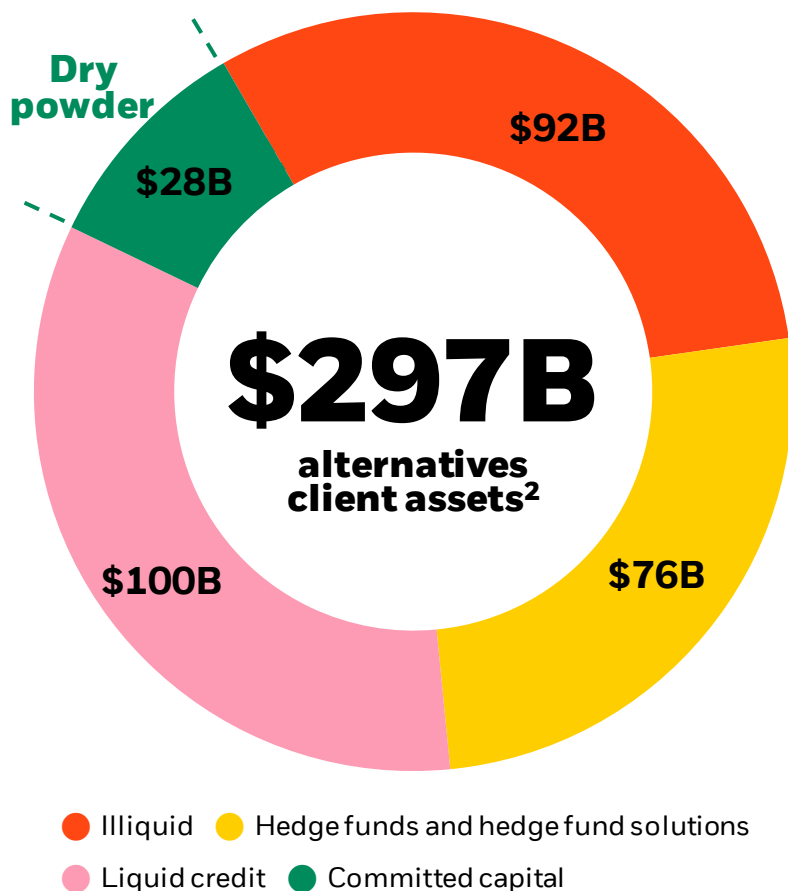
# **Building tomorrow's alternatives platform**

**Edwin Conway**

Global Head of BlackRock Alternative Investors



# BlackRock is a top 5 alternatives manager<sup>1</sup>



## Organic growth and revenue

**\$47B**

1Q21 LTM net new business<sup>3</sup>

**24%**

Organic asset growth<sup>4</sup>

**\$299M**

1Q21 LTM net new base fees<sup>3</sup>

**25%**

Organic base fee growth<sup>5</sup>

**\$2.4B**

2020 Revenue<sup>6</sup>

**49%**

Year-over-year growth

**Client assets have grown at a 13% CAGR over the past 5 years**

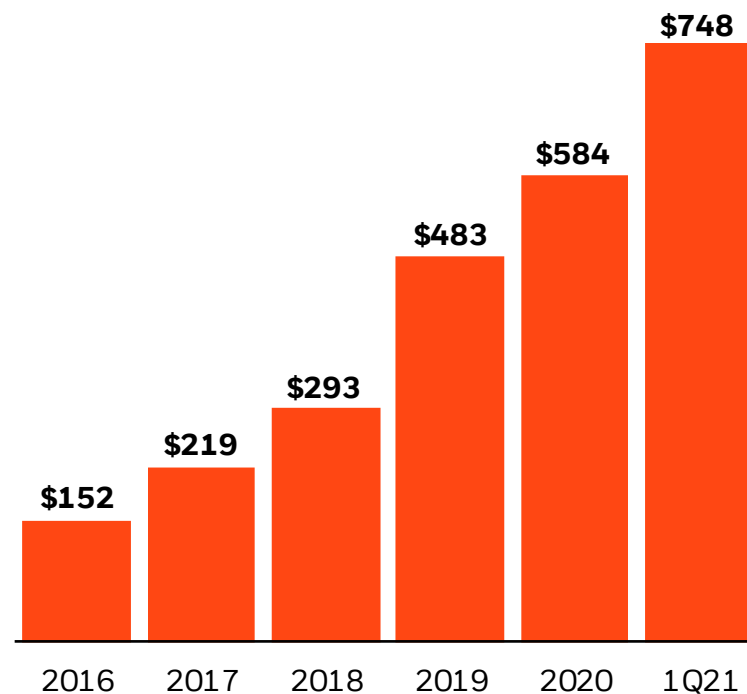
Note: For footnoted information, refer to slide 45.

# Well positioned for future revenue growth

## Committed capital (\$B)



## Gross carried interest balance (\$M)<sup>3</sup>



Note: For footnoted information, refer to slide 45.

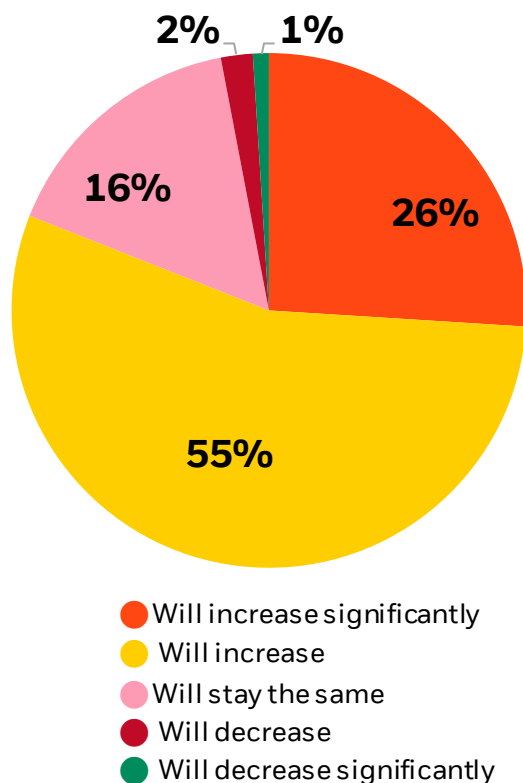
# Alternatives industry continues to expand as investors globally increase their allocations

**BlackRock has significant room to grow**

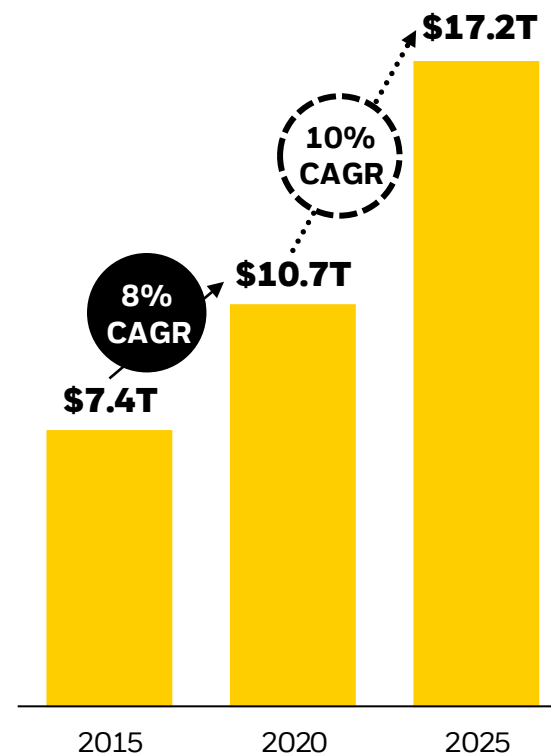
## 2%

market share  
of client assets<sup>1</sup>

**81% of investors plan to increase allocation to alternatives<sup>2</sup>**



**Alternatives expected to grow to \$17T by 2025<sup>2</sup>**



Note: For footnoted information, refer to slide 45.

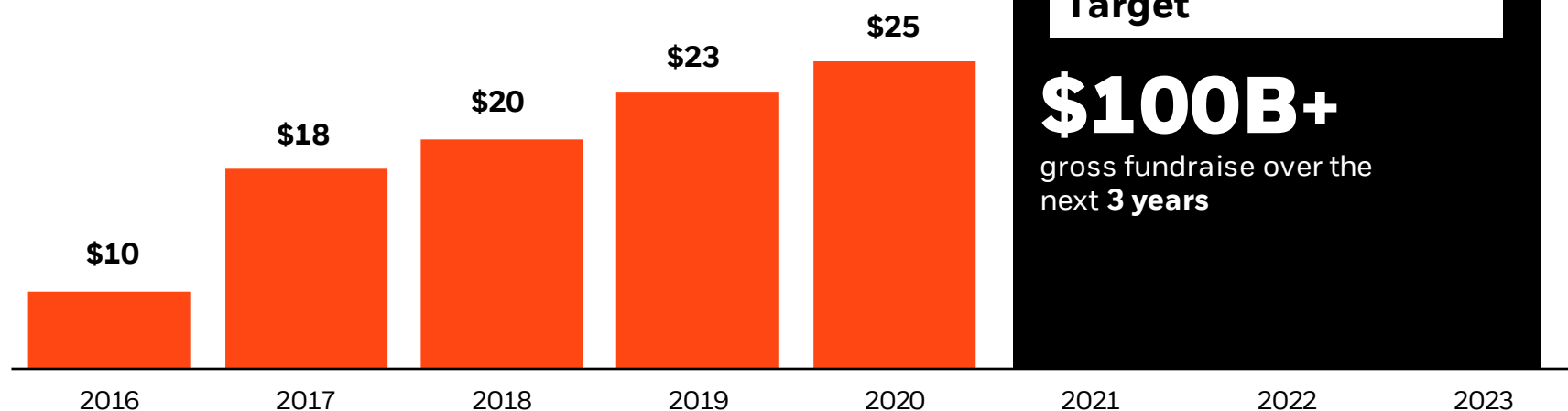
**As clients actively  
consolidate  
managers, BlackRock  
is well positioned as a  
multi-alternatives  
provider**

# Strong fundraising momentum continues across platform

## Gross fundraising (\$B)<sup>1</sup>

**~\$100B**

raised from clients over the last 5 years



**14** strategies  
over \$1B

**7x** growth since 2016

**98** clients with \$500M+ in  
alternative commitments

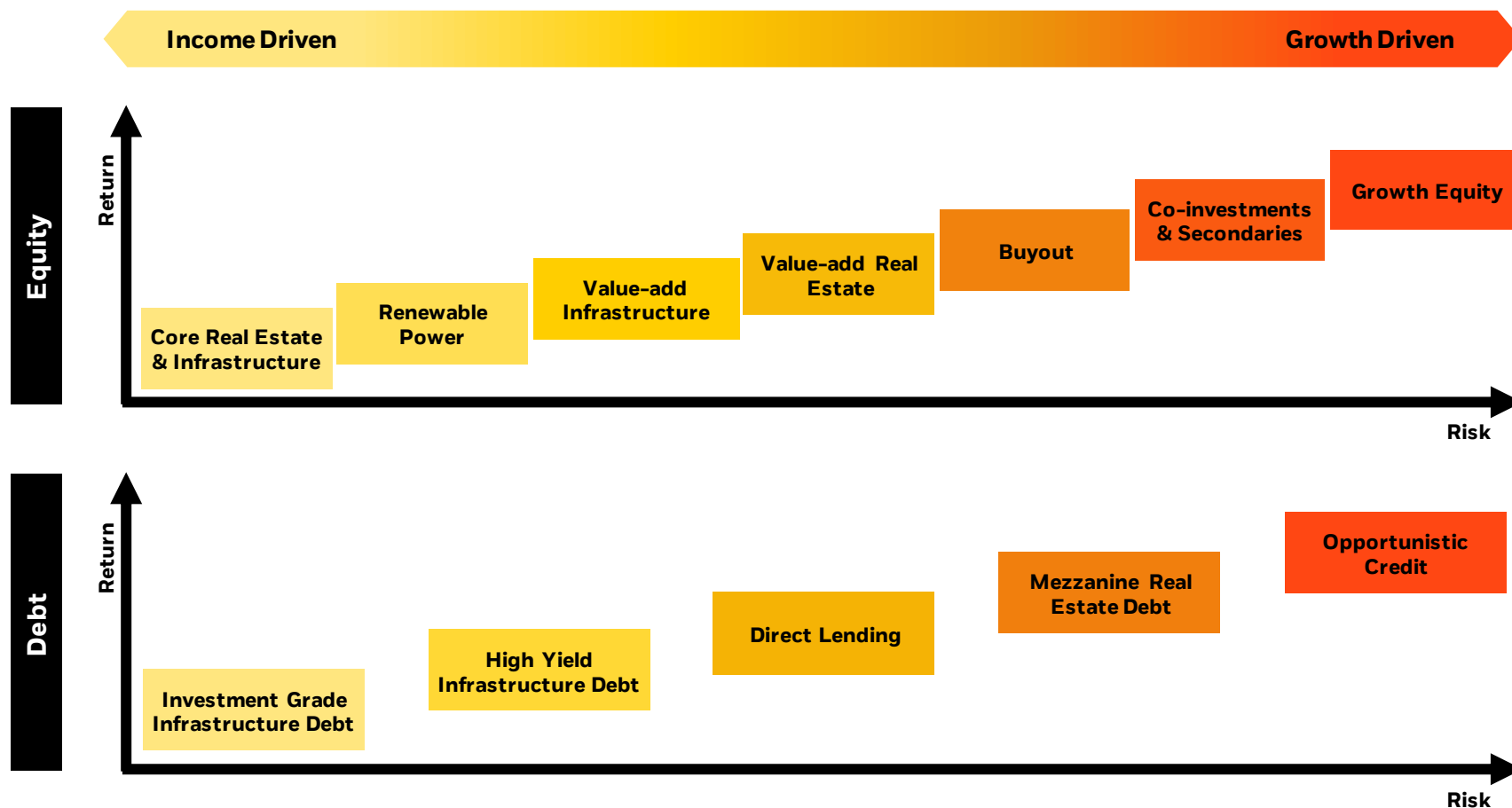
**60%** growth since 2016

**100+** clients invested  
in multiple  
alternative strategies

Note: For footnoted information, refer to slide 45.

# Comprehensive equity and debt solutions across our alternatives platform

## Solutions across the risk/return spectrum



Note: For illustrative purposes only. There are no guarantees the segment return range will be met in any given investment in future.

# BlackRock is well positioned as clients look for true partnership in their alternatives managers

## **An integrated whole-portfolio view**

Managing private and public market assets on one platform



## **Transparency and technology**

Bringing eFront and *Aladdin*® together



## **Sourcing and underwriting**

Access to high-quality opportunities



## **A higher standard of alignment**

Strategies developed with investor goals in mind



# Looking ahead: investing in strategic growth drivers and accelerators

## Growth drivers

Credit

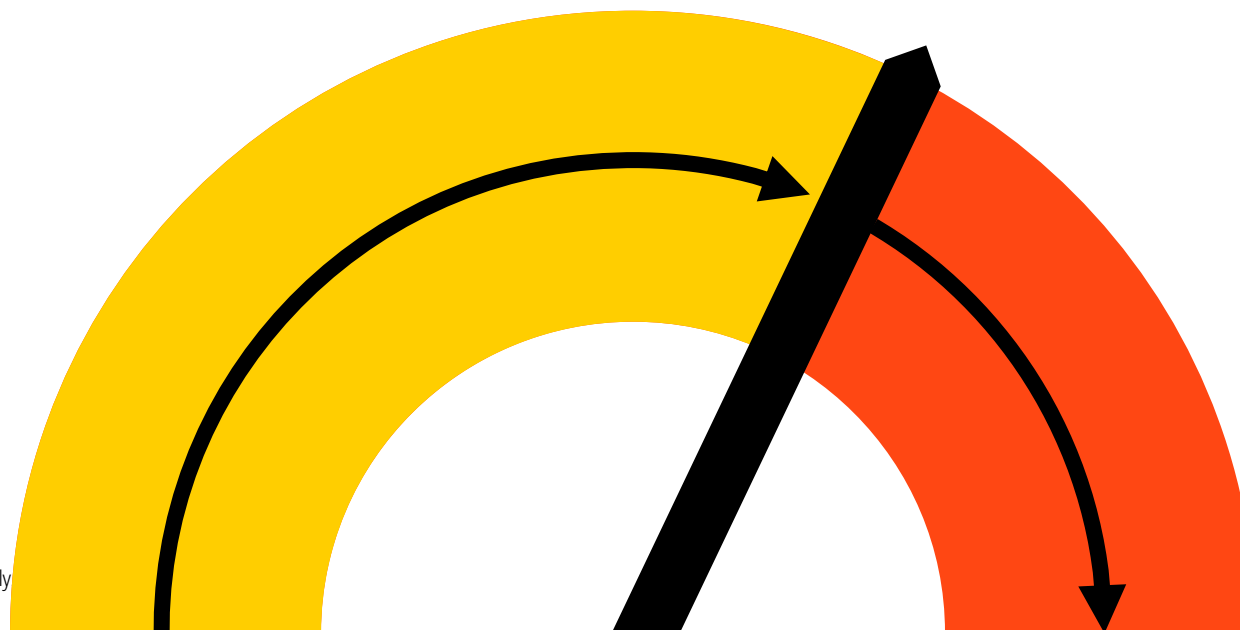
Infrastructure

## Growth accelerators

Wealth

APAC

Sustainability

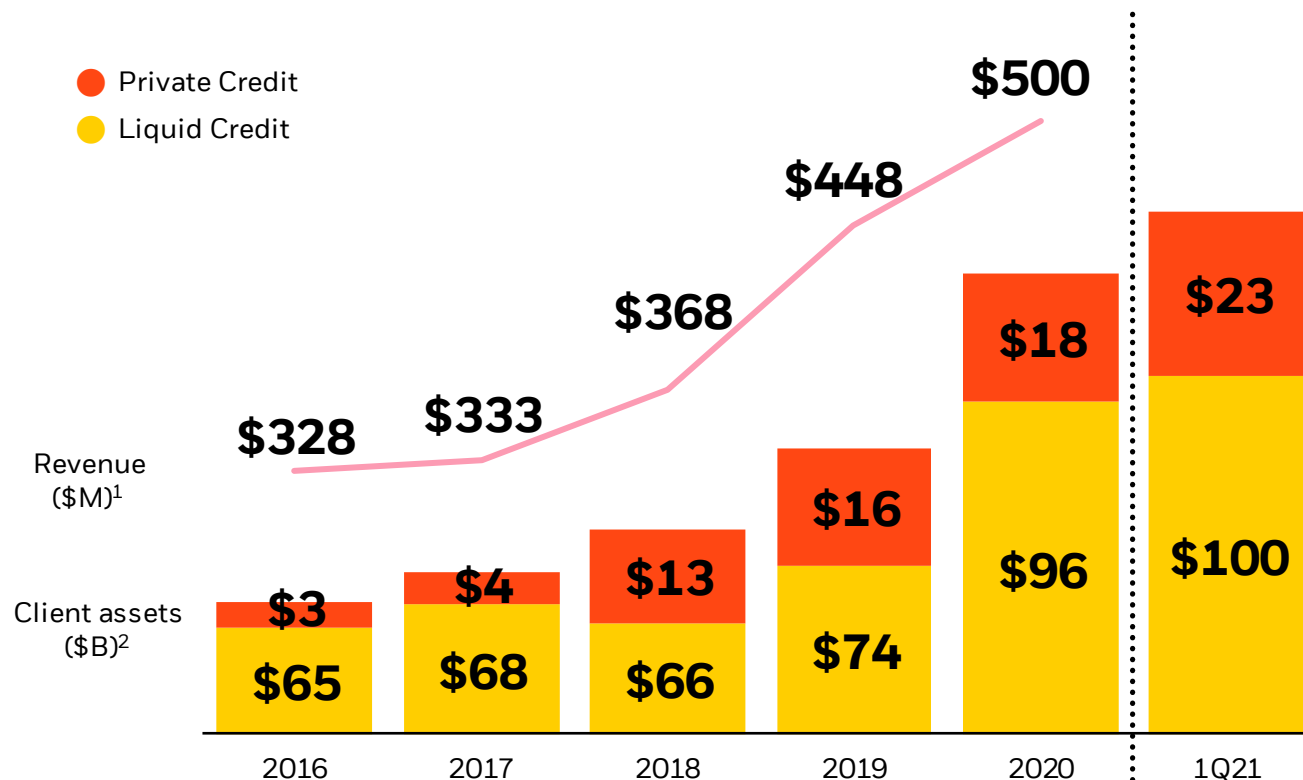


For illustrative purposes only



# Our leading global credit platform provides solutions across the full spectrum of credit investing

## BlackRock's Global Credit Platform



### 3rd

industry ranking<sup>3</sup>

### \$123B

client assets as of 1Q21<sup>2</sup>

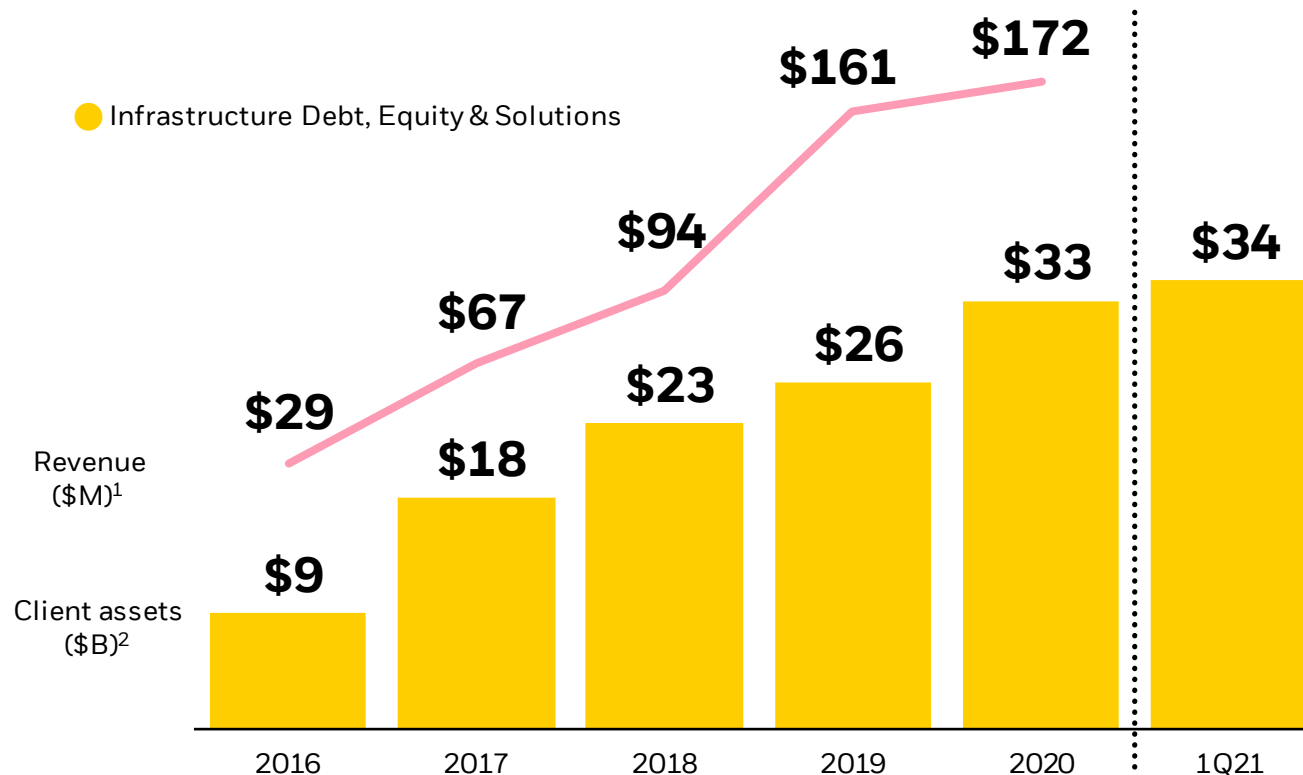
### \$500M

2020 revenue<sup>1</sup>

Note: For footnoted information, refer to slide 45.

# We are building a premier infrastructure platform to meet increasing client demand

## BlackRock Global Infrastructure Platform



# 7th

industry ranking<sup>3</sup>

# \$34B

client assets as of 1Q21<sup>2</sup>

# \$172M

2020 revenue<sup>1</sup>

Note: For footnoted information, refer to slide 45.

# Supercharging our growth by staying ahead of key trends

**We aim to further accelerate our growth by:**

- |   |   |   |
|---|---|---|
| <p><b>①</b> Making alternatives less alternative in<br/><b>Wealth</b></p> | <p><b>②</b> Delivering the best of BlackRock in<br/><b>APAC</b></p> | <p><b>③</b> Positioning for the future with<br/><b>Sustainability</b></p> |
|---|---|---|

**How we will differentiate ourselves**

- Product innovation
- Technology-enabled
- Global partnerships, locally executed

- Localize
- Scalability
- Expertise

Integrating ESG in:

- How we invest
- How we grow
- How we are recognized

# BlackRock is making alternatives less alternative

**Focusing on high-quality opportunities, the whole portfolio and better technology**



**Investing in strategic growth areas: infrastructure and credit**



**Doubling down on growth accelerators: wealth, APAC and sustainability**



**We believe double-digit growth in asset and revenue across our alternatives platform is here to stay**

# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 33 - BlackRock is a top 5 alternatives manager

1. By client assets as of March 31, 2021. Source: peer public filings.
2. Client assets include \$268B AUM and \$28B committed capital as of 3/31/21. Illiquid client assets include alternative solutions, private equity solutions, opportunistic and private credit, Long Term Private Capital, real estate and infrastructure. Committed capital refers to client assets that currently do not earn fees and are not counted in AUM. Liquid credit reflects \$100B of AUM across credit strategies reported under fixed income in BlackRock's form 10-K and 10-Q. AUM excludes \$69B of currency and commodities AUM, primarily ETFs. The client asset subtotals do not add up to \$297B due to rounding.
3. LTM "Last Twelve Months" represents last twelve months ending 3/31/21. Net New Business represents net asset inflows and Net New Base Fees represents net new base fees earned on net asset inflows.
4. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets.
5. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of period.
6. Includes base fees, securities lending revenue and performance fees.

## Slide 34 - Well positioned for future revenue growth

1. As of 3/31/21.
2. Based on fee rates as of 3/31/21. Past fee rates and future assumptions may not be indicative of future results. Future base fees expected to materialize as we deploy committed capital.
3. Reflects gross deferred carried interest liability as disclosed in BlackRock form 10-Ks and 10-Q for the applicable time period.

## Slide 35 - Alternatives industry continues to expand as investors globally increase their allocations

1. Source: Preqin and HFR, 12/31/20
2. Source: Preqin Future of Alternatives 2025: Includes private equity, private debt, real estate, infrastructure, natural resources, and hedge funds. Survey results from the Preqin Investor Survey, August 2020.

## Slide 37 - Strong fundraising momentum continues across platform

1. Gross fundraising includes assets counted in net inflows and committed capital. Committed capital that earns fees during the commitment stage is included in NNB and AUM. Fundraising data includes alternative solutions, hedge fund solutions, private equity solutions, opportunistic and private credit, Long Term Private Capital, real estate and infrastructure.

## Slide 41 - Our leading global credit platform provides solutions across the full spectrum of credit investing

1. Revenue represents base fees, securities lending and performance fees for each of the respective full year time periods.
2. Client assets include AUM and committed capital.
3. Industry ranking is based on client assets as of 12/31/20 and is sourced from peer public filings.

## Slide 42 - We are building a premier infrastructure platform to meet increasing client demand

1. Revenue represents base fees and performance fees for each of the respective full year time periods.
2. Client assets include AUM and committed capital.
3. Industry ranking is based on client assets as of 6/30/20 and is sourced from the July/August issue of IPE Real Assets.

**BlackRock**

BlackRock Investor Day 2021

# ***Aladdin*<sup>®</sup>: Shaping the future**

**Sudhir Nair**

Global Head of the *Aladdin* Business

# BlackRock's technology platform

## A diverse range of solutions for various client types

### For institutional investors

Aladdin Enterprise

Aladdin Risk

Aladdin Climate

eFront®

Aladdin Accounting

Aladdin Studio

### For asset servicers

Aladdin Provider

### For wealth managers

Aladdin Wealth

## Technology revenue

# \$1.1B

2020 Revenue

# 17%

Revenue growth in 2020

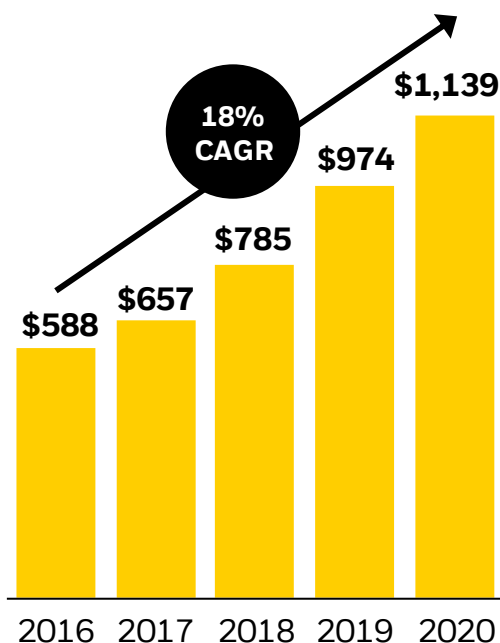
# 12%

Annual Contract Value (ACV)  
growth in 2020

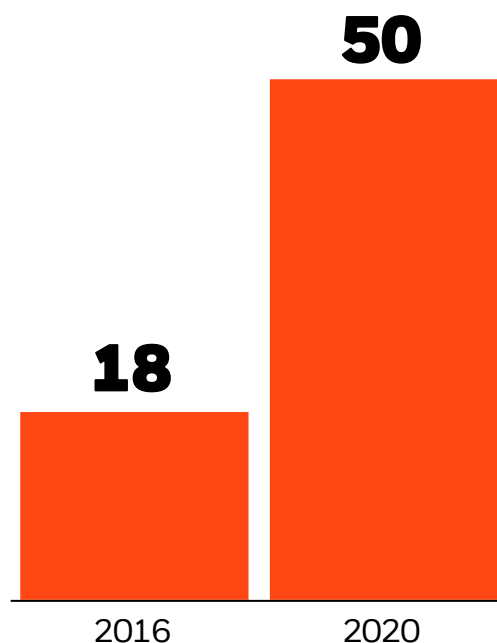
Note: ACV represents forward-looking recurring subscription fees under client contracts for the next twelve months at the end of a respective quarter, assuming all client contracts that come up for renewal are renewed. ACV excludes nonrecurring fees such as implementation and consulting fees. See note (5) in the supplemental information on page 10 of BlackRock's first quarter 2021 earnings release for more information on ACV.

# We have delivered strong, consistent revenue growth and expanded our client base

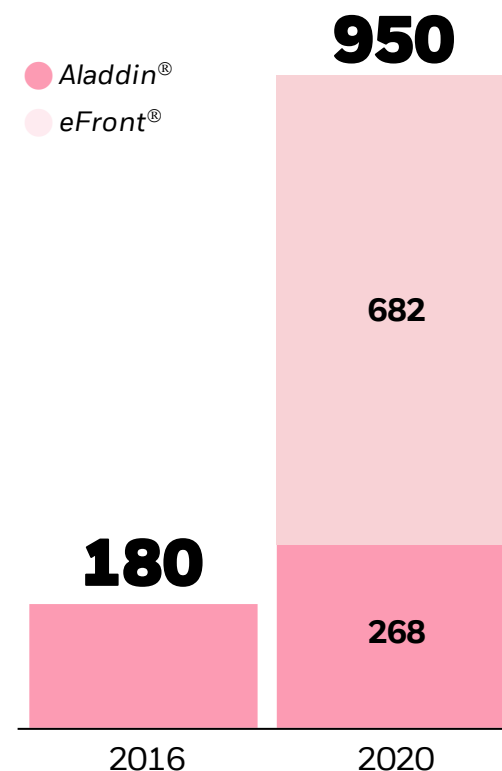
**Technology services revenue (\$M)<sup>1</sup>**



**Countries generating revenue**



**Number of clients<sup>2</sup>**



Note: For footnoted information, refer to slide 60.



# Our mission: to make *Aladdin*® the language of all portfolios

**Enable clarity  
at every point in  
the investment  
process**



**Drive scale and  
ecosystem  
connectivity**



**Help achieve  
better outcomes  
for investors**



**In pursuit of this goal, we are leveraging our user-provider model to understand market trends and evolve *Aladdin* to meet client needs**

# ***Aladdin*® transforms our clients' investment ecosystems and delivers scale benefits with flexibility**

## **One client's transformation on the *Aladdin* platform**

**Separate business units with different systems and processes**

**No central source of data**

**Siloed risk management function**



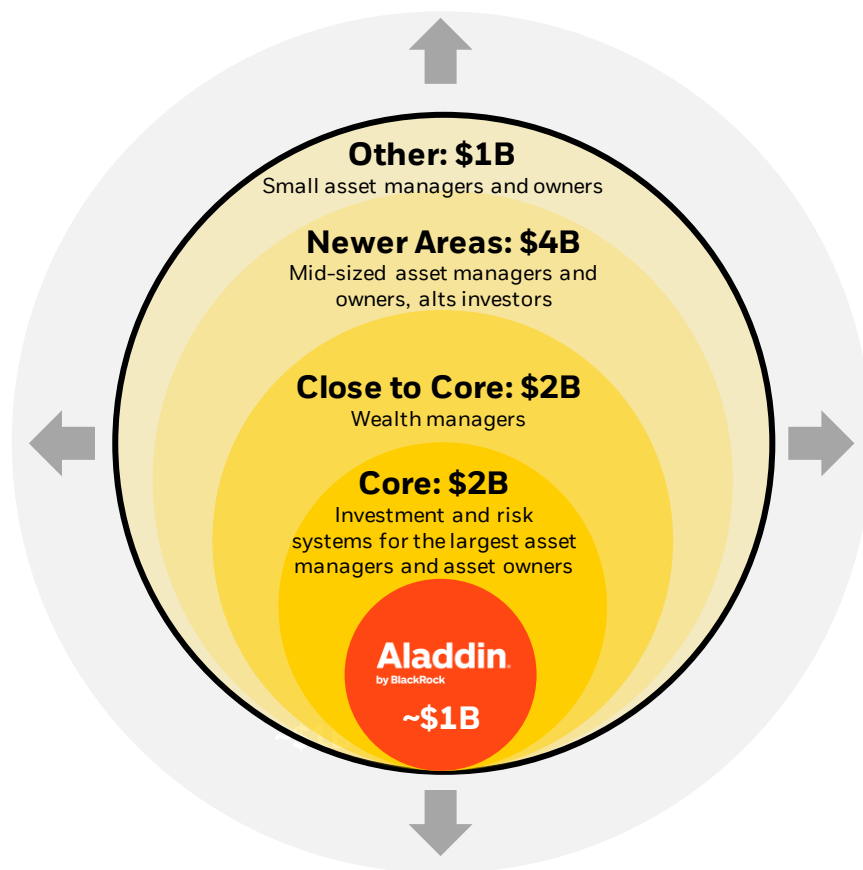
**Single, integrated operating model**

**Consolidated book of record across every portfolio and asset class**

**Enterprise view of risk across the entire organization**

# We have significant opportunity for future growth

~\$10B addressable market<sup>1</sup>:



**Aladdin® Platform:**

---

**Captured ~11%** share of ~\$10B addressable market

---

Increasing our share by continuously **investing in our platform** and innovating ahead of client needs

---

Expanding into **adjacent addressable markets**, such as alternatives, sustainability and data-as-a-service

Note: For footnoted information, refer to slide 60.

# We are constantly investing in our platform

## Talent

- 67% growth of dedicated *Aladdin*® talent since 2016<sup>1</sup>
- Tailored talent strategy for technologists & engineers
- ~4,500 technologists across the firm<sup>1</sup>

## Infrastructure

- Migrating technical infrastructure to Microsoft Azure cloud
- Open access to *Aladdin* APIs and developer tools

## Acquisitions & strategic partnerships

- Including:

 **eFront**

 CLARITY AI

 **INVESTNET**

Note: For footnoted information, refer to slide 60.

# Focused on the needs of the investor of the future

**Whole portfolio solutions**



**Sustainability at the center of portfolios**



**Flexibility without sacrificing scale**



**Integrated data ecosystem**



**Holistic advice in wealth management**



# Future investor needs

## Whole portfolio solutions

Sustainability at the center of portfolios

Flexibility without sacrificing scale

Integrated data ecosystem

Holistic advice in wealth management

The combined power of **Aladdin®** and **eFront®**

Managing **public and private** market assets in the same portfolio

End-to-end solution that **streamlines workflows** across the investment process, including **accounting**

# Future investor needs

Whole portfolio solutions

**Sustainability at the center of portfolios**

Flexibility without sacrificing scale

Integrated data ecosystem

Holistic advice in wealth management

Quantifies **climate risk** as an investment risk

**Climate-adjusted analytics** incorporated into portfolio construction

Access to over **2,000 leading ESG metrics**

# Future investor needs

Whole portfolio solutions

Sustainability at the center of portfolios

**Flexibility without sacrificing scale**

Integrated data ecosystem

Holistic advice in wealth management

**Open access** and interoperable platform through **APIs**, allowing clients to **build on top of Aladdin®** to create the perfect fit

Benefit from the **scale** of the *Aladdin* platform

*Aladdin* Provider supports seamless integration with 8 of the largest **asset servicers**



# Future investor needs

Whole portfolio solutions

Sustainability at the center of portfolios

Flexibility without sacrificing scale

**Integrated data ecosystem**

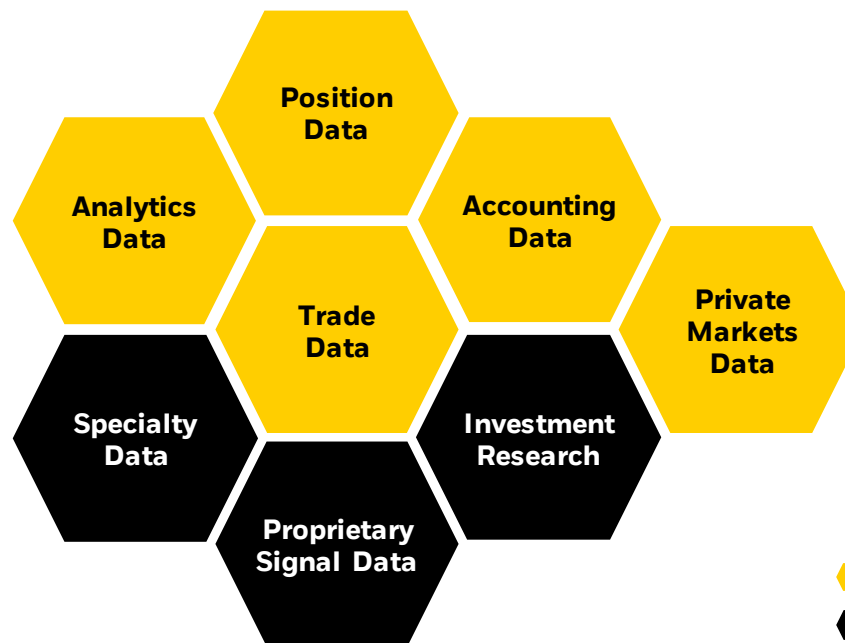
Holistic advice in wealth management

**Scalable access to data** – today's data is tomorrow's alpha

***Aladdin*® + non-*Aladdin* data** in one language on one platform

Managed **data-as-a-service** solution

## Representative data sets:



# Future investor needs

Whole portfolio solutions

Sustainability at the center of portfolios

Flexibility without sacrificing scale

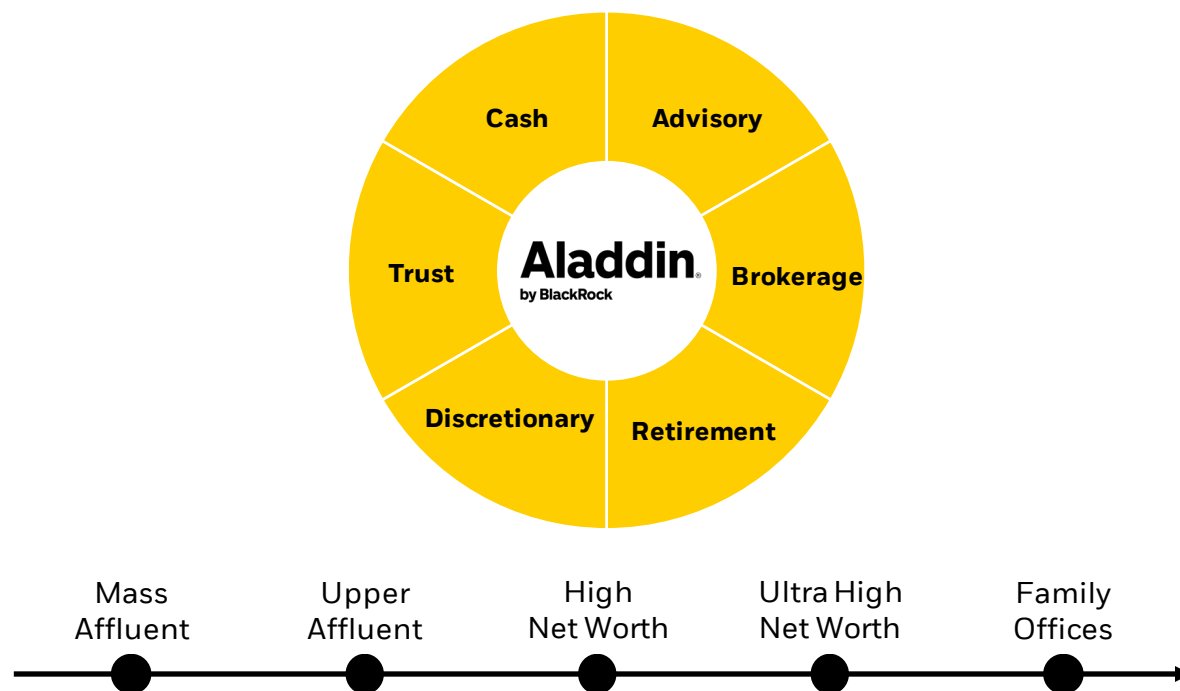
Integrated data ecosystem

**Holistic advice in wealth management**

Deep content to power **personalized** advice for individual client goals

End-to-end **SMA** technology

Make *Aladdin*® **core** to the wealth operating system



# Our mission: to make *Aladdin*® the language of all portfolios

## Evolving and investing in the Aladdin platform

Whole portfolio solutions



Sustainability at the center of portfolios



Flexibility without sacrificing scale



Integrated data ecosystem



Holistic advice in wealth management



## Driving long-term scalable growth

**Continue to deliver low to mid-teens revenue growth**

# End notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 48 - We have delivered strong, consistent revenue growth and expanded our client base

1. Includes the impact of eFront.
2. Joint *Aladdin*® & eFront clients are included within the *Aladdin* category only, to avoid double counting.

Slide 51 - We have significant opportunity for future growth

1. Source: McKinsey estimates as of year-end 2019 and internal BlackRock estimates.

Slide 52 - We are constantly investing in our platform

1. As of year-end 2020. Includes the impact of eFront.



**BlackRock Investor Day 2021**

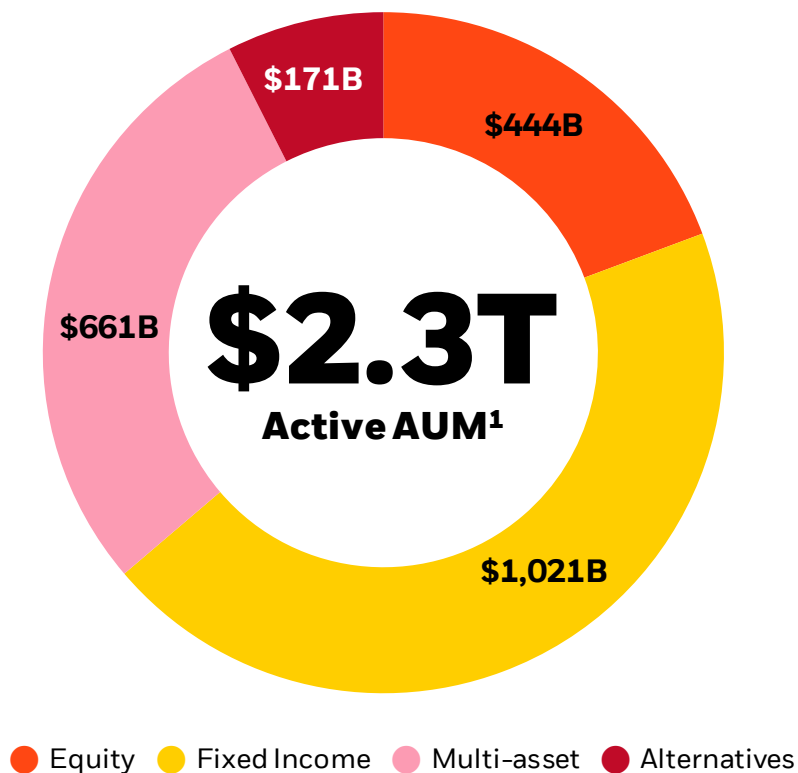
# **Durable alpha: Delivered**

**Rich Kushel**

Head of the Portfolio Management Group

# BlackRock active strategies

Positioned to generate durable alpha for clients over the long-term



## Organic growth and revenue

**\$156B**

1Q21 LTM net new business<sup>2</sup>



Organic asset growth<sup>3</sup>

**\$705M**

1Q21 LTM net new base fees<sup>2</sup>



Organic base fee growth<sup>4</sup>

**\$7.0B**

2020 Revenue<sup>5</sup>



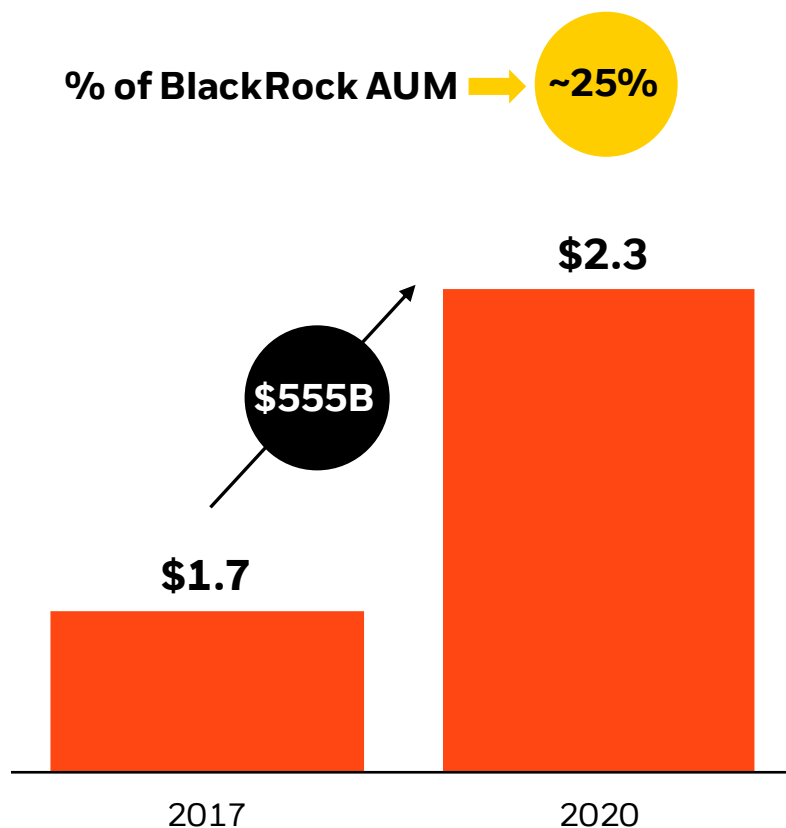
Year-over-year growth

Note: For footnoted information, refer to slides 75-76.

# Active strategies have delivered strong growth and make up a large share of BlackRock's revenue

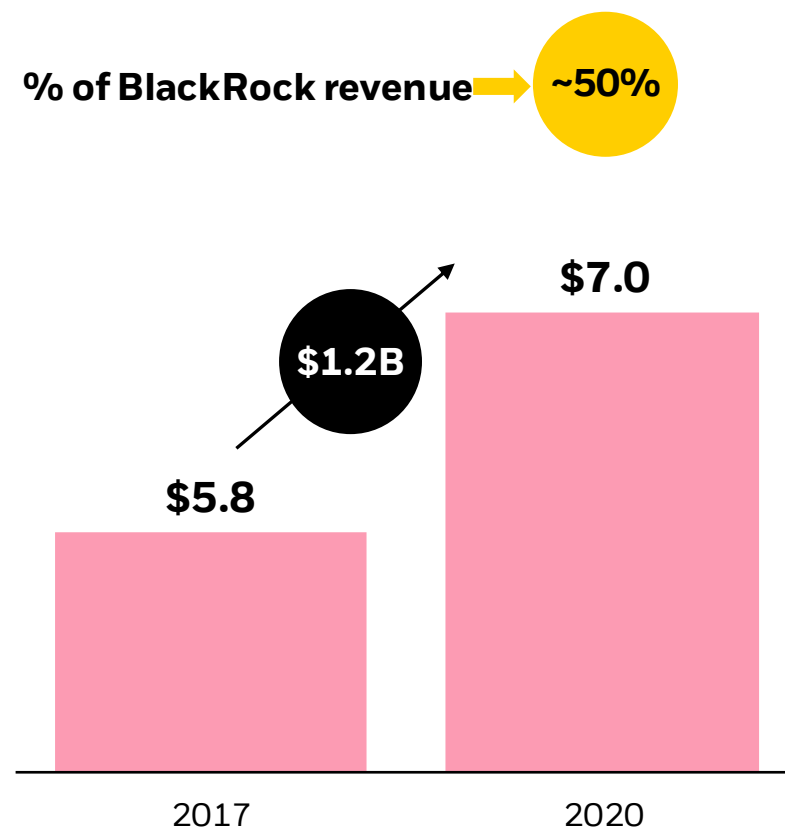
## BlackRock active AUM<sup>1</sup> (\$T)

% of BlackRock AUM → ~25%



## BlackRock active revenue<sup>1</sup> (\$B)

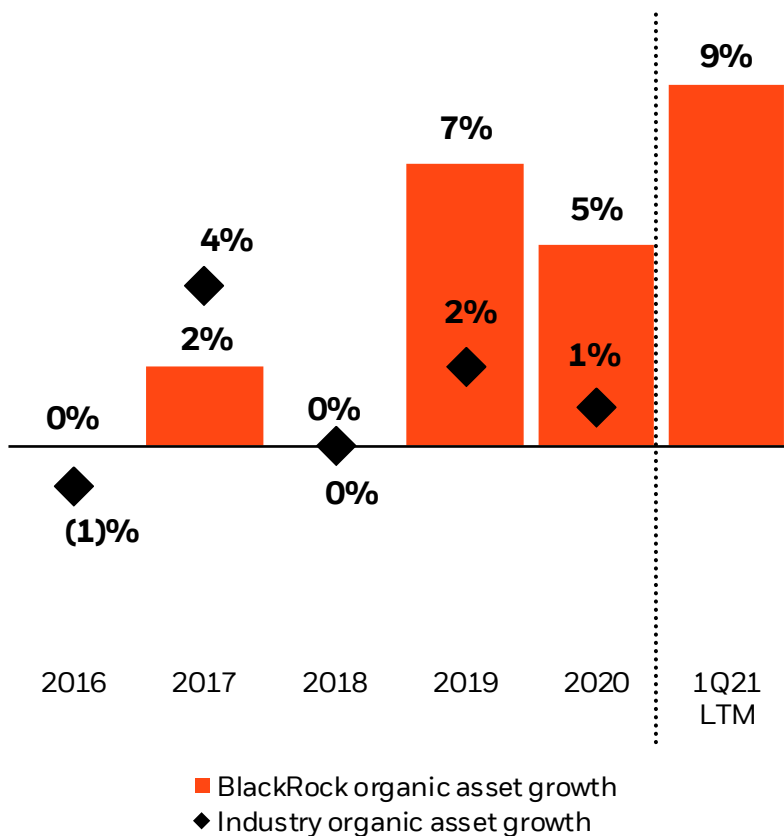
% of BlackRock revenue → ~50%



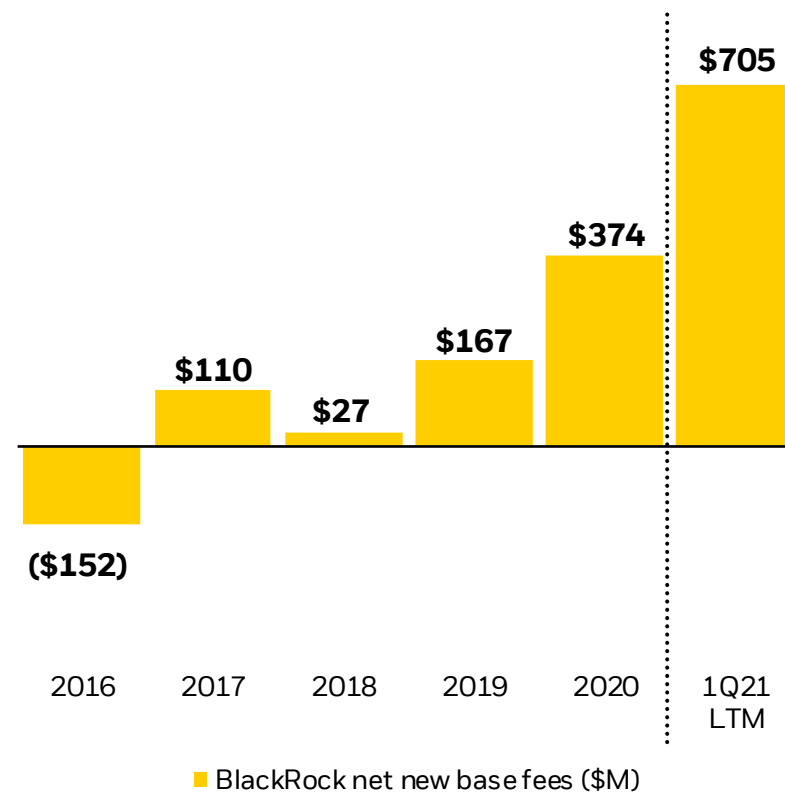
Note: For footnoted information, refer to slides 75-76.

# BlackRock is outpacing industry growth in active

## Growing faster relative to the industry<sup>1,2</sup>



## Net new base fees are accelerating<sup>3</sup> (\$M)



Note: For footnoted information, refer to slides 75-76.



# BlackRock's market share has significant room to run

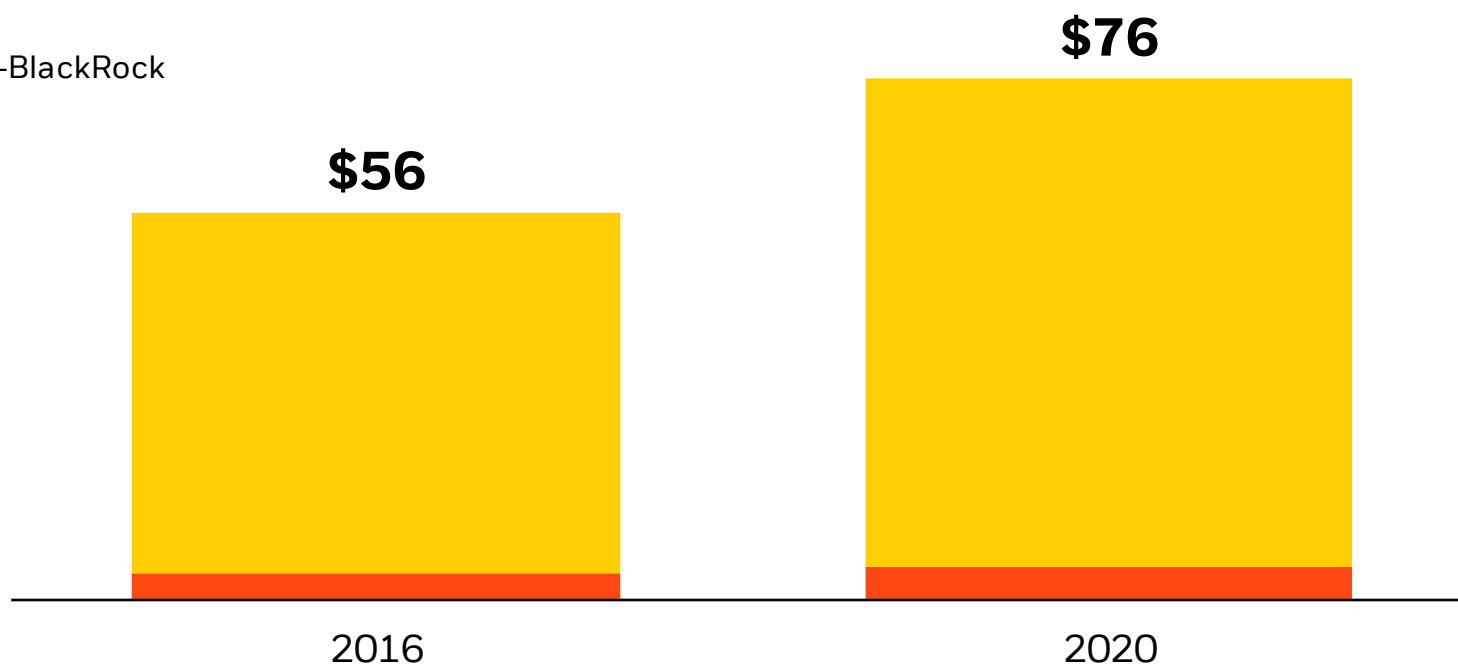
Industry active AUM (\$T) and BlackRock share<sup>1, 2</sup>

BlackRock AUM  
market share:

**2.7%**

**3.0%**

- BlackRock
- Industry ex-BlackRock

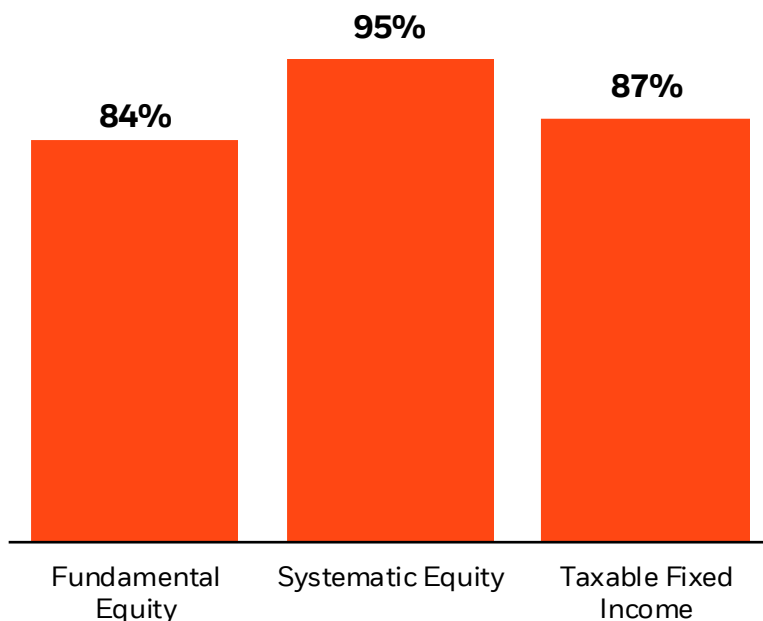


Note: For footnoted information, refer to slides 75-76.

# Strong relative performance across entire platform

## Differentiated long-term performance

% of assets above benchmark or peer median  
for the 5-year period as of 3/31/21<sup>1</sup>



## Growing line-up of 5-star active funds<sup>2</sup>

	March 2016	March 2021
<b>Equity</b>	<b>10</b>	<b>31</b>
<b>Fixed Income</b>	<b>15</b>	<b>17</b>
<b>Multi-Asset &amp; Alternatives</b>	<b>5</b>	<b>13</b>

Note: For footnoted information, refer to slides 75-76. Past performance is not indicative of future results

# BlackRock active strategies are delivering durable alpha<sup>1</sup>

---

## 7.86%

of cumulative alpha  
gross of fees over 5 years  
or 5.43% net of fees<sup>2</sup>

---

## \$49B

of cumulative  
outperformance net of  
fees over 5 years as compared to  
the relative benchmark<sup>3</sup>

---

## 3.2x

For every dollar paid in fees,  
clients received 3.2x in alpha on a  
gross cumulative basis, or 2.2x on  
a net basis, over 5 years<sup>4</sup>

Past performance is not indicative of future results and should not be the sole factor of consideration when selecting a product or strategy. For footnoted information, refer to slides 75-76.

# We expect active management to serve an increasingly important role in investor portfolios

## We see opportunities arising from:

### Volatility

Increasingly volatile markets, combined with the pandemic accelerating structural trends, create inefficiencies and greater dispersion across and within sectors.



### Sustainability

ESG alignment of business practices can propel company growth and drive alpha generation, or expose potential risks.



## We see active management being used in new ways to address:

### Diversification

An expansive set of active tools across markets, geographies and styles can now help address both diversification goals and low returns to beta.



### Access

Idiosyncratic and bespoke investment opportunities can play a larger role in alpha generation as more companies seek financing in private capital markets.



# Our people and our culture of continuous innovation positions us to continue delivering durable alpha

## Differentiated insight generation

Diverse backgrounds, market expertise and collaborative intelligence enable our investors to generate unique investment insights



## Leadership in sustainability

Empowering better investment decisions by viewing sustainable investing as a long-term – and increasingly important – driver of returns



## Advanced data analytics & technology

Turning data generation into research insights – designing distinctive ways to drive alpha



## Leveraging our breadth & reach

Increasing the capacity of our investment teams and enabling informed risk taking with reduced transaction costs



# Differentiated insight generation

Our investors leverage their **deep market knowledge** and our **collaborative intelligence** to generate meaningful investment ideas across multiple disciplines.



Note: For additional information, refer to slides 75-76.

# Leadership in sustainability

Dedicated sustainability research teams partner with investors and researchers to understand **material sustainability risks and opportunities**.

Proprietary climate data including **climate aware capital market assumptions**, physical climate risk modeling, and ESG analytics accessible through Aladdin Climate.

**3,500+**

engagements with ~2,100 companies on ESG issues

**100%**

ESG Integration across ~5,600 strategies

**\$54B**

dedicated Active Sustainable AUM

Note: For additional information, refer to slides 75-76.

# Advanced data analytics & technology

## 100+

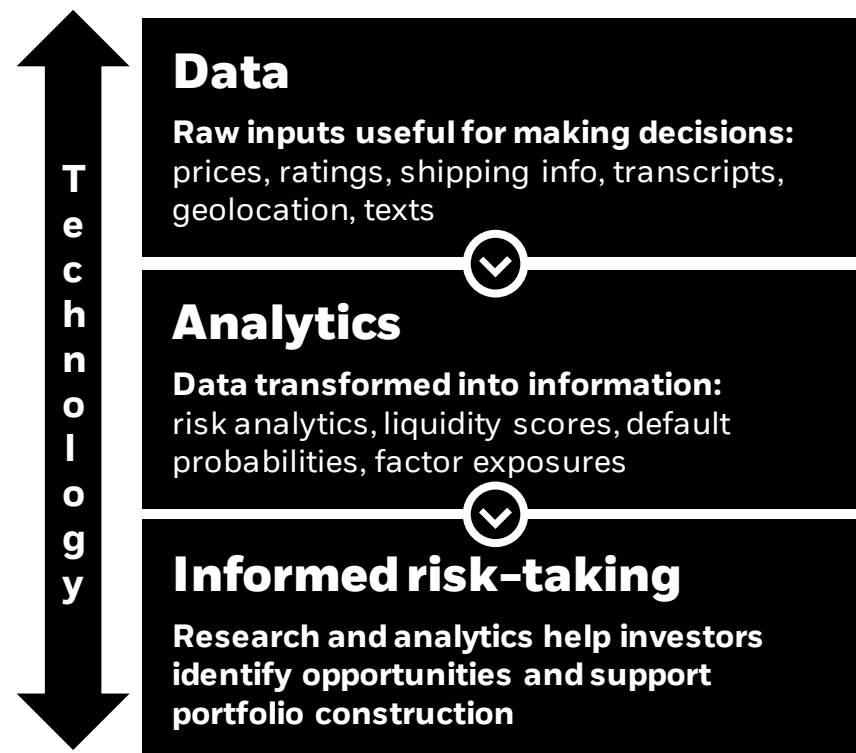
alternative data sets integrated into our research platform

## 1,900+

developers and product managers dedicated to *Aladdin*®

## 3,000+

risk factors monitored by *Aladdin*



Note: For additional information, refer to slides 75-76.



# Leveraging our breadth & reach

We **increase the capacity** of our investment teams with **dedicated capital markets and trading platforms**.

**Liquid/  
Public**

**5,227**

investments  
made

**\$178B**

deployed in primary  
issuance<sup>1</sup>

**Illiquid/  
Private**

**~2,100**

opportunities  
sourced

**\$4B**

deployed<sup>2</sup>

**\$88.5T**

Notional Traded<sup>3</sup>

**84,000**

trades per day<sup>4</sup>

Note: For additional information, refer to slides 75-76.

# **Well positioned to meet client demand for alpha over the long-term**

**Differentiated drivers of platform alpha**



**Informed risk taking approach**



**Commitment to evolving ahead of clients' needs**



**Ability to generate durable alpha for clients and differentiated organic asset and base fee growth for shareholders over the long-term**

# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 62 - BlackRock active strategies

1. AUM as of 3/31/21.
2. LTM "Last Twelve Months" represents last twelve months ending 3/31/21. Net new business represents net asset inflows and Net new base fees represents net new base fees earned on net asset inflows.
3. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets.
4. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of period.
5. Revenue includes base, securities lending and performance fees.

## Slide 63 - Active strategies have delivered strong growth and make up a large share of BlackRock's revenue

1. Active includes all BlackRock active strategies across equity, fixed income, multi-asset and alternatives. Revenue includes base, securities lending and performance fees.

## Slide 64 - BlackRock is outpacing industry growth in active

1. Industry flows include Simfund for US Mutual Funds, Broadridge for Non-US Mutual Funds and Institutional Strategies, Cerulli for US Retail SMAs and HFR for Global Hedge Funds. BlackRock active includes all active strategies across equity, fixed income, multi-asset and alternatives.
2. 1Q21 LTM represents last twelve months time period from 4/1/2020 through 3/31/2021.
3. NNBF represents net new base fees earned on net asset inflows. Active includes all BlackRock active strategies across equity, fixed income, multi-asset and alternatives.

## Slide 65 - BlackRock's market share has significant room to run

1. Industry AUM data from McKinsey as of 12/31/2019.
2. 2020 Industry data is estimated based upon McKinsey forecast. BlackRock AUM is actual AUM as of 12/31/2020.

## Slide 66 - Strong relative performance across entire platform

1. Source of performance information is BlackRock's first quarter 2021 earnings releases. Please see appendix of this presentation for performance notes. Past performance is not indicative of future results. Please refer to page 11 of first quarter 2021 earnings release for performance disclosure detail.
2. Source: Morningstar as of 3/31/21. Represents number of Morningstar 5-star rated active mutual funds and closed-end globally.

## Slide 67 - BlackRock active strategies are delivering durable alpha

Source: BlackRock. Data as of 31 December 2020. The "net-of-fees" performance figures reflect the deduction of actual investment advisory fees, and may include other fees that clients incur in the management of their investment advisory account that are paid directly from the account, such as custody and legal fees. The performance metric does not include accounts terminated prior to 12/31/20. Past performance is not indicative of future results and should not be the sole factor of consideration when selecting a product or strategy. Note: Over 5 years represents time period from 2016-2020. Performance data represents information for BlackRock's active equity, fixed income, multi-asset and liquid alternative strategies.

1. Our alpha-seeking active equity, fixed income, multi-asset and liquid alternative universe is comprised of \$1.255T in assets.
2. Cumulative alpha represents fund's alpha dollar performance above benchmark return gross of fees and net of fees over average AUM during the 5 year period ending 12/31/20.
3. Cumulative outperformance represents fund's dollar performance above the applicable benchmark return, net of fees.
4. Alpha generated as a multiple of fees represents fund's dollar performance above benchmark return, gross and net of fees as a multiple of fees generated by the funds.

## Slide 70 - Differentiated insight generation

Source: BlackRock. Data as of March 31, 2021.

# End notes

## Slide 71 - Leadership in sustainability

Source: BlackRock. Engagements from January 1, 2020 – December 31, 2020. AUM Data as of 3/31/2021. Strategies include active and advisory mandates

## Slide 72 - Advanced data analytics & technology

Source: BlackRock Solutions. Data as of December 31, 2020.

## Slide 73 - Leveraging our breadth and reach

Source: BlackRock.

1. Includes data from January 1, 2020 through December 31, 2020.
2. Includes data from January 1, 2020 through December 31, 2020; statistics include pre-IPO data.
3. Notional traded from 1/1/2020 through 12/31/2020; Inclusive of internal crossing opportunities. Notional traded excludes futures and trade count represents number of allocations.
4. Average activity for 2020.



**BlackRock Investor Day 2021**

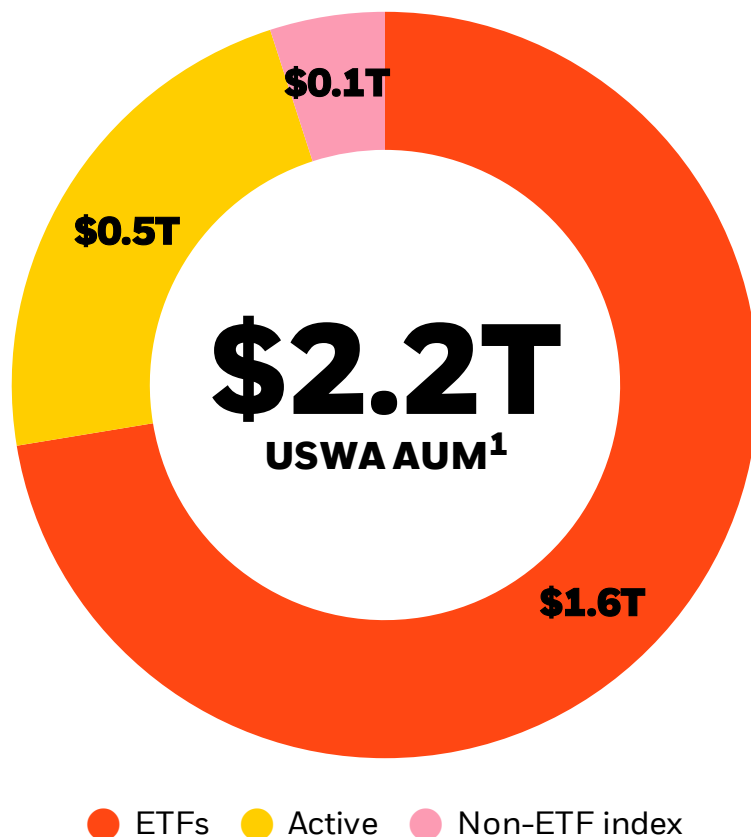
# **Powering the financial advisor portfolio of the future**

**Martin Small**

Head of U.S. Wealth Advisory

# BlackRock U.S. Wealth Advisory

Strong track record as trusted advisor to financial advisors



## Organic growth and revenue

**\$176B**

1Q21 LTM net new business<sup>2</sup>



Organic asset growth<sup>3</sup>

**\$475M**

1Q21 LTM net new base fees<sup>2</sup>



Organic base fee growth<sup>4</sup>

**\$4.1B**

2020 Revenue<sup>5</sup>



Year-over-year growth

Note: For footnoted information, refer to slide 85.

# We are the **#2** wealth-focused asset manager<sup>1</sup>

## 45+

offerings generated **\$1B+**  
in net new business in 2020



## #1

in mutual funds, SMAs and  
closed-end funds net new  
business in 2020<sup>1</sup>



## #1

in fixed income and  
sustainable ETFs net new  
business in 2020<sup>1</sup>



## ~15%

of industry advisors logged  
into Advisor Center in 2020  
(80% return users)<sup>2</sup>



## \$750M+

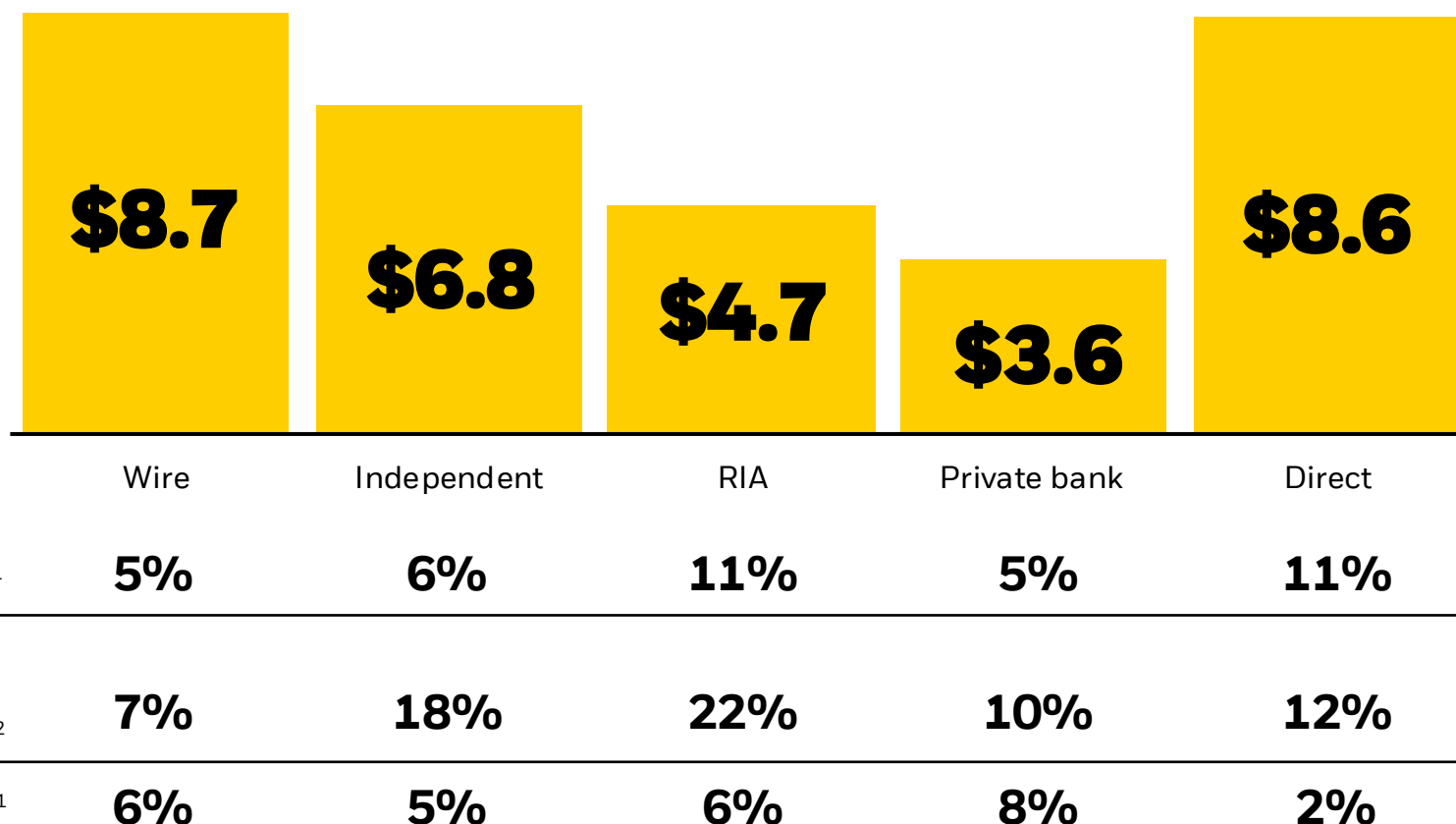
in cumulative net new base  
fees from 2016 to 2020



Note: For footnoted information, refer to slide 85.

# A leading distribution franchise for U.S. wealth intermediaries with significant room to grow share

**\$32T U.S. Wealth industry AUM (\$T)<sup>1</sup>**

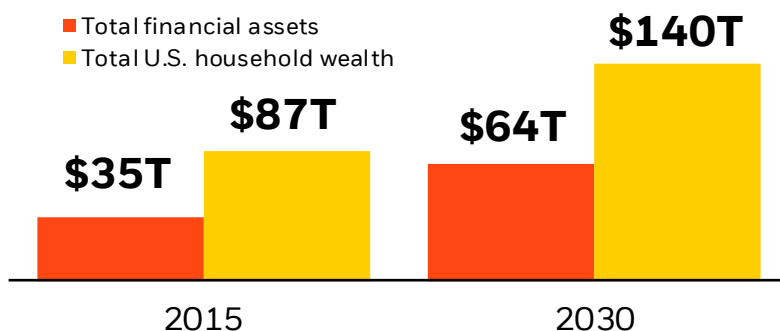


Note: For footnoted information, refer to slide 85.

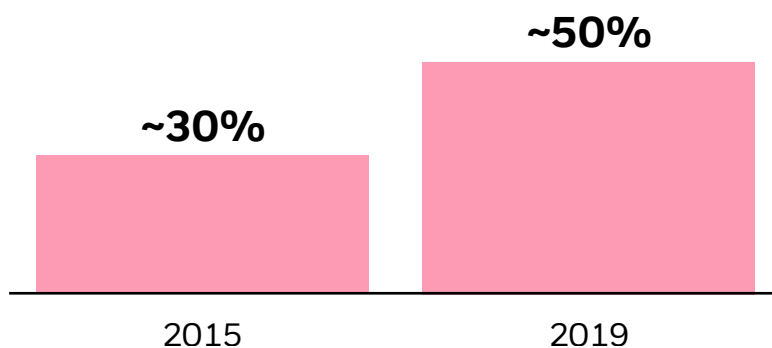


# Strong growth in key product categories fueled by structural adoption of fee-based & managed products

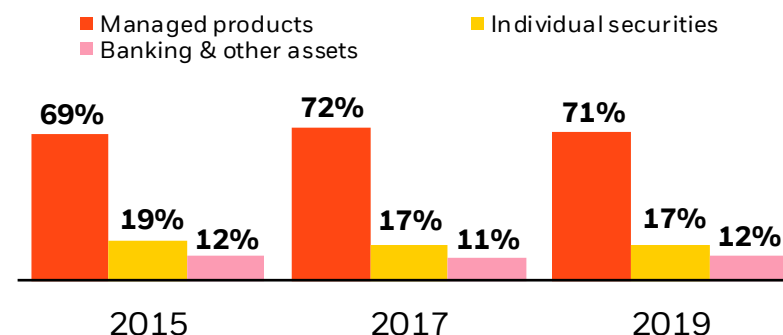
**01** By 2030, U.S. **household wealth** will grow to \$140T, financial assets will make up 45% of total<sup>1</sup>



**03** Half of all retail wealth assets are **fee-based**, up from a third in 2015<sup>3</sup>



**02** Across U.S. households, ~70% of investable assets are consistently invested in **managed products**<sup>2</sup>



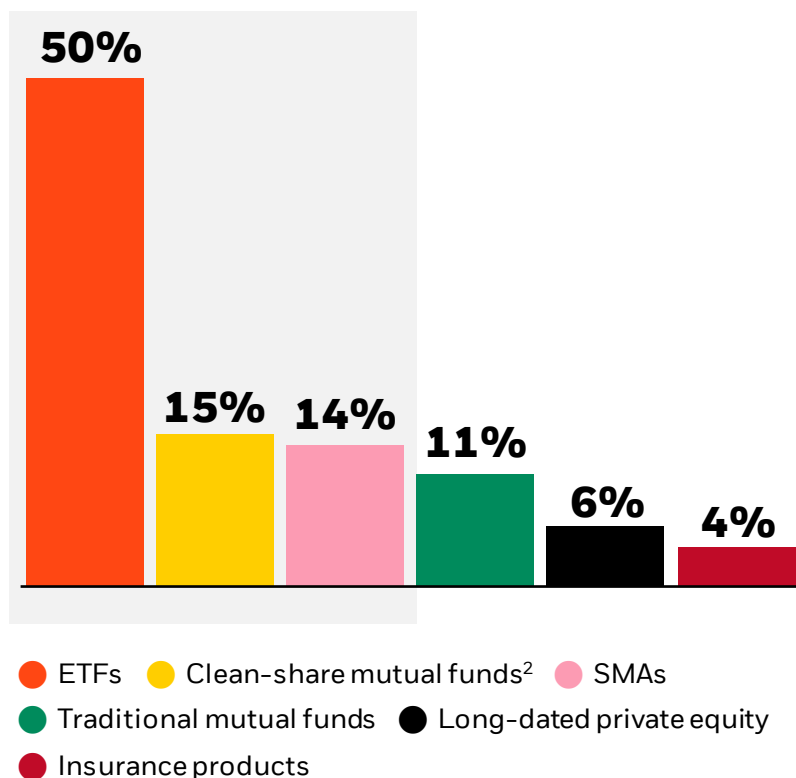
**04** BLK leading in high growth areas (ETFs / SMAs), **positioned for share growth** in MFs & Alts

Vehicle	BLK industry market share <sup>4</sup>	BLK LTM org. asset growth <sup>5</sup>
ETFs	~20%	10%
Active (MF + SMA / Models)	~3%	12%
Alts (Illiquid + CEFs)	~3%	14%

Note: For footnoted information, refer to slide 85.

# Majority of net new client money is flowing into more efficient managed product structures

**Percentage of net new industry client money allocated to the following categories (4Q20)<sup>1</sup>**



Note: For footnoted information, refer to slide 85.

## BlackRock's advantages

### ETFs

- *iShares*® is the largest global ETF provider
- Efficient portfolio building blocks
- Growth of ETF models

### Clean-share mutual funds<sup>2</sup>

- #1 retail wealth MF provider year-to-date<sup>3</sup>
- Performance powering share gains

### SMAs

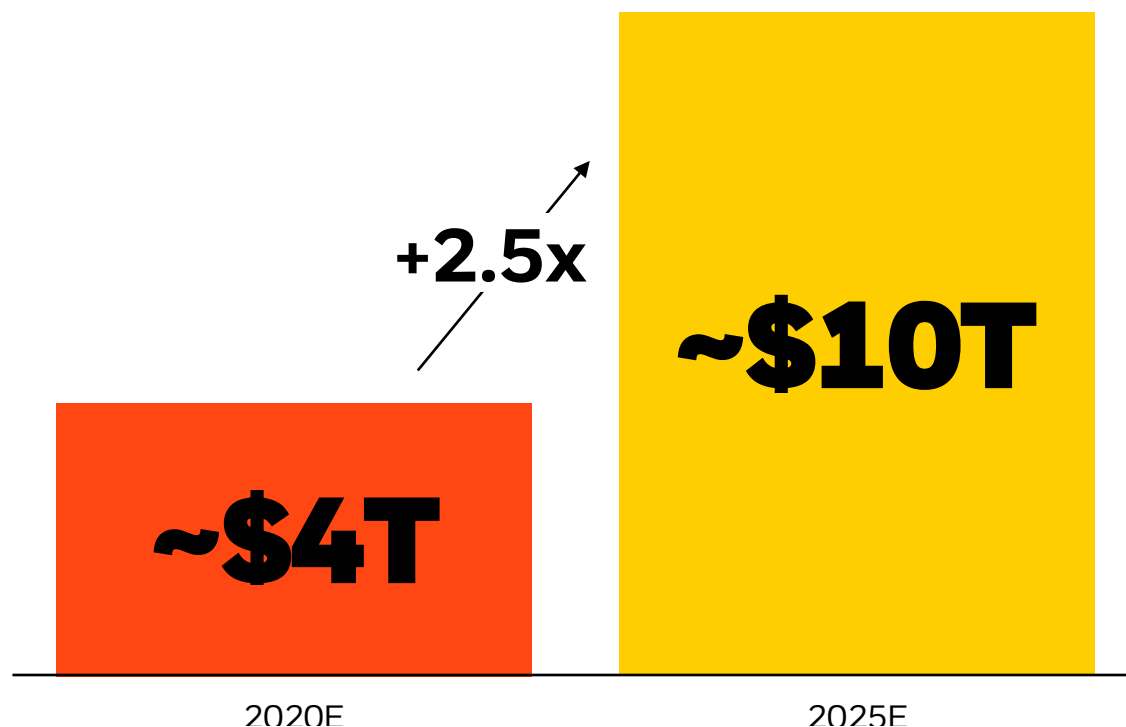
- #2 Industry SMA provider<sup>4</sup>
- Aperio – an industry leader in tax-managed equity SMA

### Private equity

- Democratizing private market access through more efficient vehicles
- Innovated public/private closed-end vehicle, \$11B raised in the last 2 years<sup>5</sup>

# Accelerating adoption of managed products through model portfolios

The industry model marketplace is set to more than double to \$10T over the next five years<sup>1</sup>



Managed accounts via Envestnet Fund Strategist Portfolios (“Models”): BlackRock growth in proprietary managed & third-party managed models

**~\$66B**

in AUM at Envestnet<sup>2</sup>

**\$20B**

net new business over the past 18 months<sup>2</sup>

**~65%**

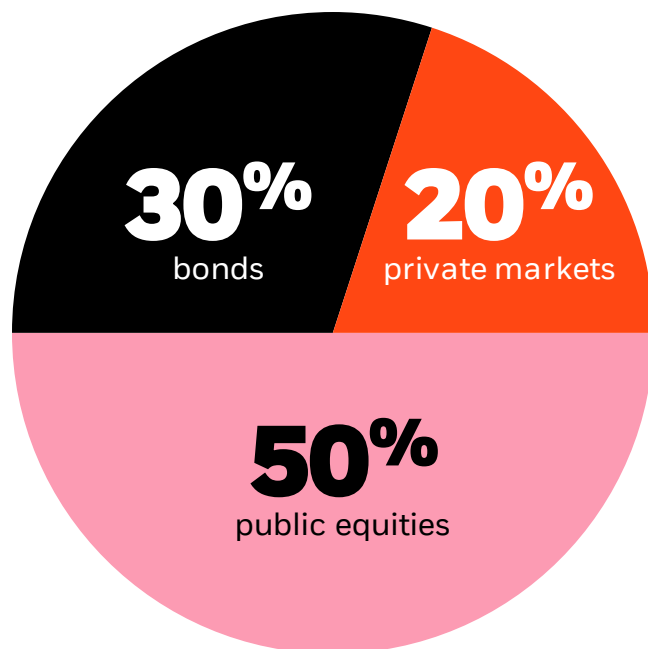
of revenue driven by BLK placement in third-party models<sup>3</sup>

Note: Through a holding company subsidiary, BlackRock, Inc. (“BlackRock”) owns a non-controlling interest in Envestnet’s parent company, Envestnet, Inc. (NYSE: ENV).

For footnoted information, refer to slide 85.

# From 60/40 to 50/30/20: Powering the advisor portfolio of the future

Well positioned with comprehensive investment solutions and capabilities



**Tax-  
managed**



**Personalized**



**Digitally-  
enabled**



Supported by the power of our platform and scaled distribution technology

**aperio**

**iShares**  
by BlackRock

**BlackRock**  
ADVISOR CENTER

**Aladdin**  
by BlackRock

# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 78 - BlackRock U.S. Wealth Advisory

1. AUM as of 3/31/21.
2. LTM “Last Twelve Months” represents last twelve months ending 3/31/21. Net new business represents net asset inflows and net new base fees represents net new base fees earned on net asset inflows.
3. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets.
4. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of period.
5. Includes base fees, securities lending revenue and performance fees.

## Slide 79 - We are the #2 wealth-focused asset manager

1. Source: Simfund, based on 2020 net flows.
2. BlackRock & Cerulli “Advisor Metrics” 2020.

## Slide 80 - A leading distribution franchise for U.S. wealth intermediaries with significant room to grow share

1. Source: Cerulli “Intermediary Distribution” & “Private Banks & Trust”. 5-year CAGR represents 2014-2019. Market share based on AUM as of 12/31/19.
2. BLK LTM organic asset growth for last twelve months ending 3/31/21.

## Slide 81 - Strong growth in key product categories fueled by structural adoption of fee-based & managed products

1. Deloitte “The Future of Wealth in the United States” (2015).
2. Cerulli “Retail Investor” 2020.
3. McKinsey “The State of Retail Wealth Management 2020” .
4. As of 12/31/19 and based on AUM shares. Source: McKinsey estimates and BlackRock.
5. LTM organic asset growth for twelve months ending 3/31/21.

## Slide 82 - Majority of net new client money flowing into more efficient managed product structures

1. Credit Suisse “Retail Broker Survey” (Q4 2020).
2. Clean-shares refer to mutual fund shares with no sales load or 12b-1 fees.
3. Source: Simfund and based on net flows. Year-to-date through 3/31/21.
4. Source: Cerulli “Managed Accounts” 1Q2021 and based on AUM.
5. Source: BlackRock. Last two years represents 2Q19 to 1Q21.

## Slide 83 - Accelerating adoption of managed products through model portfolios

Note: BLK Proprietary managed model & third-party model AUM and NNB per Envestnet.

1. Broadridge reported through <https://www.wsj.com/articles/model-portfolios-surging-as-advisers-look-for-quick-ways-to-invest-client-money-11607091645>.
2. AUM as of 3/31/21 and net new business through 3/31/21.
3. Revenue estimates for 2020 based on AUM and expense ratios.

**BlackRock®**

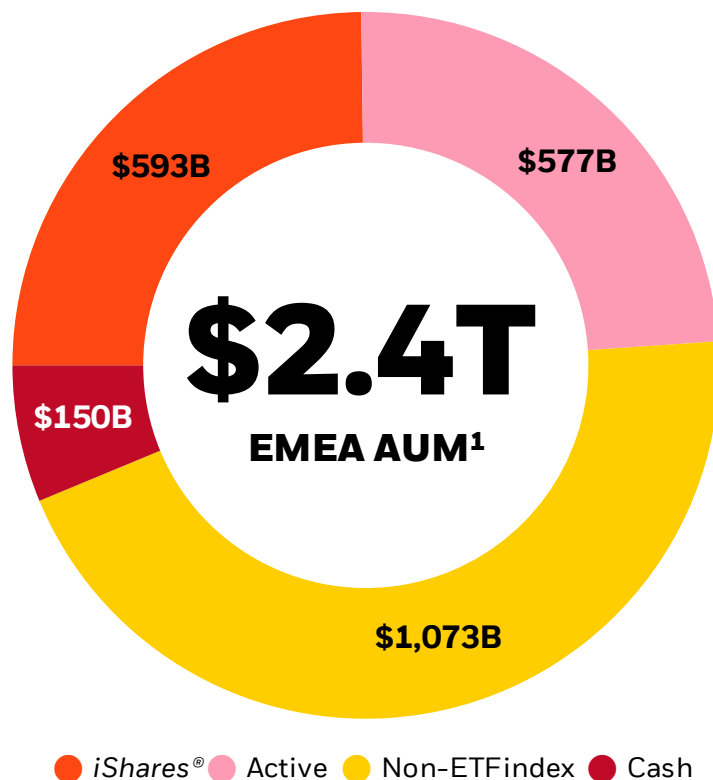
**BlackRock Investor Day 2021**

# **Powering the portfolios of the future in EMEA**

**Stephen Cohen**

Head of Europe, Middle East and Africa

# BlackRock in EMEA



## Organic growth and revenue

**\$153B**

1Q21 LTM net new business¹



Organic asset growth²

**\$507M**

1Q21 LTM net new base fees¹



Organic base fee growth³

**\$4.9B**

2020 Revenue



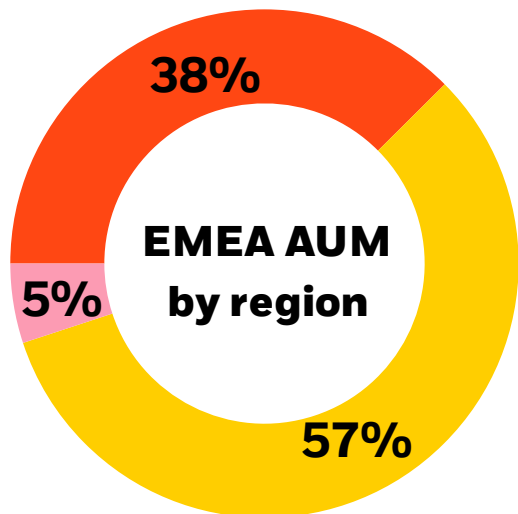
Year-over-year growth

Note: For footnoted information, refer to slide 94.

# Deepening our local presence

**~5,300** employees  
**25** cities

Clients in **72** countries



● United Kingdom
 ● Europe
 ● Middle East and Africa



Note: For additional information, refer to slide 94.



**EMEA is  
undergoing a  
multi-year  
transformation  
as major forces  
disrupt the  
industry**



# **EMEA's transformation has three significant implications**

**Embedding  
sustainability**



**Servicing clients  
efficiently and  
digitally**



**Re-thinking  
investment  
propositions  
and technology**



# Clients want a strategic partner who understands their purpose and financial goals

## BlackRock is delivering:

### Consulting

Delivering specialist expertise to help clients evolve their portfolios

### Investments

Developing investment solutions and model portfolios to meet unique goals

### Structuring

Leveraging our scale and platform to create bespoke and flexible structures

### Technology

Enabling business and portfolio evolution via *Aladdin*®

### Activation

Supporting new propositions through educational content and marketing

## Sustainability

**BlackRock**®

**iShares**®  
by BlackRock

**Aladdin**®  
by BlackRock

**eFront**  
a part of BlackRock

Note: For additional information, refer to slide 94.

# Creating enduring partnerships

## Netherlands: Retail Bank

### Client challenge

- Margin pressure
- Delivering customisation without increasing operating model risk
- Rising expectations around ESG

### Solution

<b>Consulting</b>	<b>BLK</b>	
<b>Investments</b>	<b>Client</b>	<b>BLK</b>
<b>Structuring</b>	<b>BLK</b>	
<b>Technology</b>	<b>BLK</b>	
<b>Activation</b>	<b>Client</b>	<b>BLK</b>

### Outcome

- Tax-efficient proposition
- ESG criteria aligned with Sustainability Policy
- Informed investment decisions through daily risk analytics

### Market opportunity

**\$11T**

**European Wealth market<sup>1</sup>**

## UK: Pension Schemes

- Evolving expertise required for future direction of portfolios
- Complexity of internal management
- Increased regulatory burden

<b>Consulting</b>	<b>BLK</b>	
<b>Investments</b>	<b>BLK</b>	
<b>Structuring</b>	<b>Client</b>	
<b>Technology</b>	<b>Client</b>	
<b>Activation</b>	<b>Client</b>	

- Investment proposals designed to meet targets with full ESG integration
- Bespoke servicing model to meet complex needs of Trustee

**\$275B**

**UK OCIO market<sup>2</sup>**

Note: For footnoted information, refer to slide 94.

# Leveraging our global scale and local strengths to deliver whole portfolio solutions to clients in EMEA

**Global scale**



**Diversity and  
breadth of  
platform**



**Technology**



**Local presence  
and talent**



# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 87 - BlackRock in EMEA

1. AUM as of 3/31/2021. LTM "Last Twelve Months" represents last twelve months ending 3/31/21. Net New Business represents net asset inflows and Net New Base Fees represents net new base fees earned on net asset inflows.
2. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets.
3. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of period.

## Slide 88 - Deepening our local presence

1. AUM and Headcount as of 3/31/2021.

## Slide 89 - EMEA is undergoing a multi-year transformation as major forces disrupt the industry

Sources: Brokerage account statistics sourced from: <https://www.wealthadviser.co/2021/05/13/300237/diy-investing-booms-20-cent-annual-growth-customer-numbers> and <https://www.ft.com/content/dd3cf99a-ff71-44d4-831c-0edac79d3104> alongside feedback from BlackRock Investment Platforms; Sustainability search data: Google "Search Interest" <https://trends.google.com/trends/explore?q=sustainability&geo=GB>

## Slide 91 - Clients want a strategic partner who understands their purpose and financial goals

Sources: Alternatives market data from McKinsey Cube, Preqin, Broadridge, Spence Johnson. Model Market Data based on BlackRock estimates from existing market data; ETF market data from EXTRA ETF Research: ETF-RETAIL-MARKTREPORT (April 2021).

## Slide 92 - Creating enduring partnerships

1. Total addressable market from McKinsey and BlackRock estimates as of year-end 2019.
2. UK OCIO Data from Isio Fiduciary Management Survey: <https://www.isio.com/media/1269/fm-survey-2020-results-report.pdf>



**BlackRock Investor Day 2021**

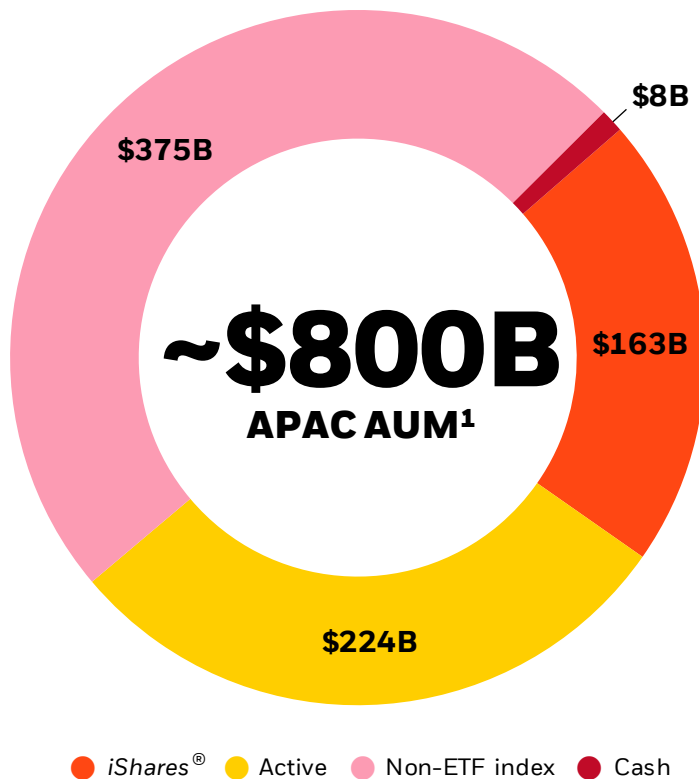
# **China: Positioning for one of the biggest growth opportunities**

**Rachel Lord**

Chair and Head of Asia Pacific

# BlackRock in Asia Pacific

Positioning for long-term opportunities in fast growing markets



## Organic growth and revenue

**\$92B**

1Q21 LTM net new business<sup>2</sup>



Organic asset growth<sup>3</sup>

**\$106M**

1Q21 LTM net new base fees<sup>2</sup>



Organic base fee growth<sup>4</sup>

**\$1.6B**

2020 Revenue



Year-over-year growth

Note: For footnoted information, refer to slide 101.



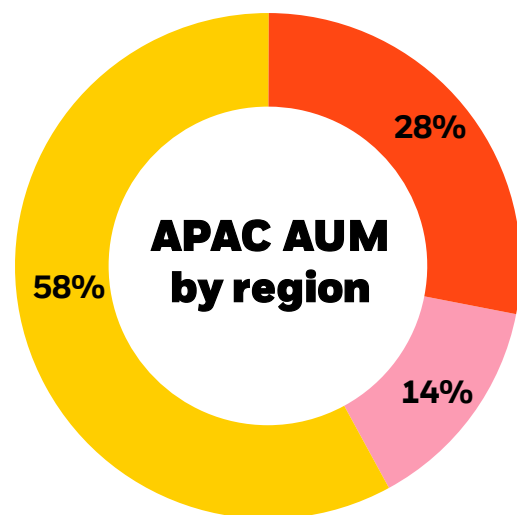
# Our local presence

**~1,600**

APAC region employees<sup>1</sup>

**~1,800**

iHub employees<sup>1</sup>

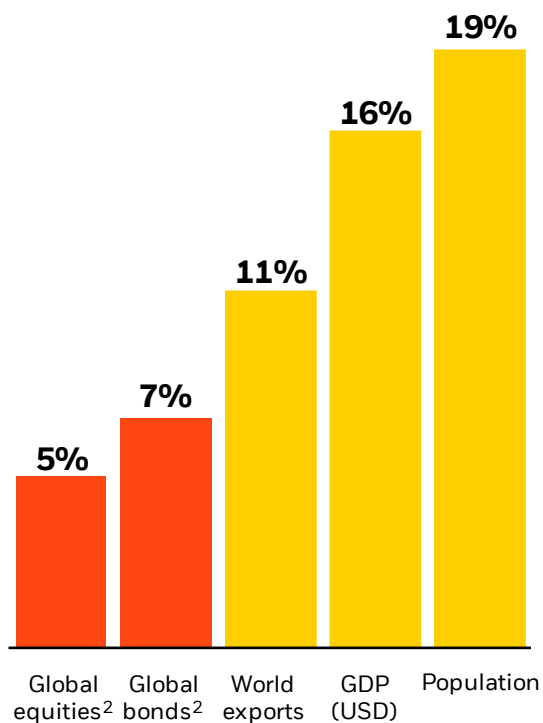


Note: For footnoted information, refer to slide 101.

# The China opportunity

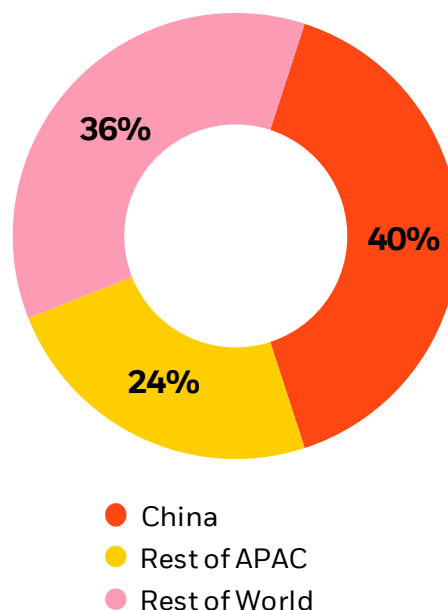
## China is too big to miss

Global share of China in various categories<sup>1</sup>



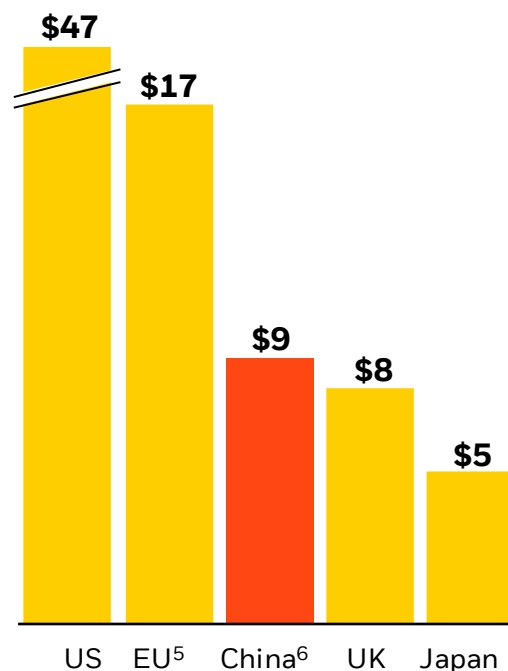
## 40% of global flows are projected to come from China

Share of China in global net flows between 2020-2024<sup>3</sup>



## China's opening is a watershed moment for global managers

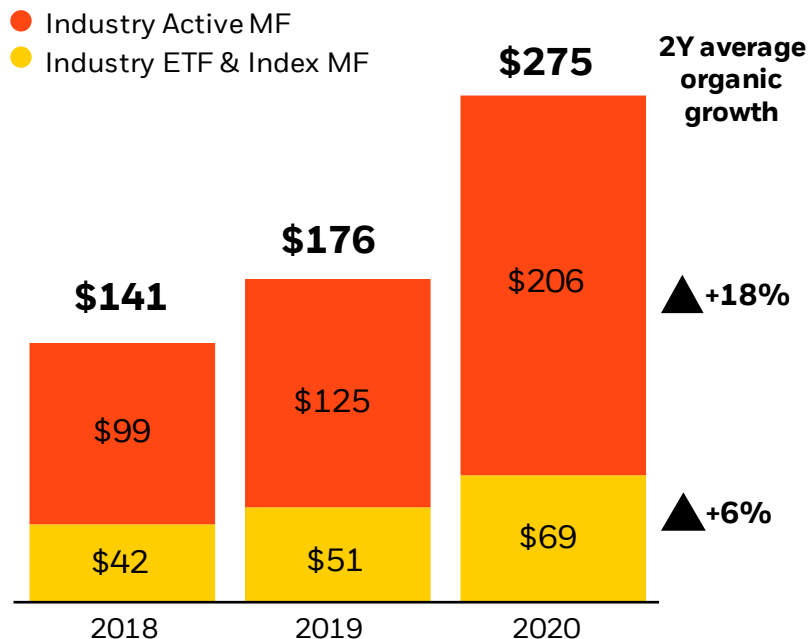
Largest asset management markets (\$T)<sup>4</sup>



Note: For footnoted information, refer to slide 101.

# Our China strategy: We have an immediate opportunity to help global clients invest in China

## Global investor AUM held in China funds (\$B)<sup>1</sup>



## BlackRock's positioning with global clients<sup>2</sup>

### Overall China AUM

**#1** Manager

**11%** Market share

### China ETF AUM

**#1** Manager

**36%** Market share

Note: For footnoted information, refer to slide 101.

# Our China strategy: We have a long-term opportunity to build a global champion in the \$9T onshore market<sup>1</sup>

## Wealth Management Company

*JV with China Construction Bank and Temasek*

## Fund Management Company

## Pension opportunities



**Providing wealth solutions to the emerging middle class**



**Developing onshore China products for investors**



**Innovating in retirement products to meet needs of aging population**



Note: For footnoted information, refer to slide 101.

# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 96 - BlackRock in Asia Pacific

Note: Asia Pacific figures for AUM, net new business, net new base fees, revenue and organic growth include figures for APAC clients invested in US and European listed iShares ETFs

1. AUM as of 3/31/21.
2. LTM represents last twelve months ending 3/31/21. NNB represents net asset inflows and NNBF represents net new base fees earned on net asset inflows.
3. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets.
4. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of period.

## Slide 97 - Our local presence

1. Data as of year-end 2020, includes FT & PT employees.

## Slide 98 - The China opportunity

Source: McKinsey Performance Lens, Deloitte/Casey Quirk publication, BII publications.

1. BlackRock Investment Institute, as of April 2020.
2. Bloomberg Barclays Global Aggregate Index and MSCI ACWI equity index used as proxies for global bonds and equities respectively.
3. Casey Quirk Global Demand Model, projected net flows of externally managed assets.
4. McKinsey Performance Lens externally managed assets as of year-end 2019.
5. EU includes Austria, France, Germany, Italy, Netherlands, Spain, Belgium, Ireland, Luxembourg, Portugal, Czech Republic, Hungary, Poland, Slovakia, Denmark, Finland and Sweden.
6. Includes additional \$1.6T in NAV-based Wealth Management Products addressable through the Wealth Management License, China Banking Association, as of year-end 2019.

## Slide 99 - Our China Strategy: We have an immediate opportunity to help global clients invest in China

1. Source: Broadridge.
2. Source: Broadridge. China MFs & ETFs sold in international fund markets, as of year-end 2020. Overall China AUM rank and market share based on active & index mutual funds and ETFs
3. Last twelve month AUM growth for BlackRock's global clients investing in China from 12/31/19 to 12/31/20. ~20% market share represents share of flows for full year 2020 based on Broadridge.

## Slide 100 - Our China Strategy: We have a long-term opportunity to build a global champion in the \$9T onshore market

1. \$9T onshore market as of 12/31/19. Sources: McKinsey and China Banking Association

**BlackRock**

**BlackRock Investor Day 2021**

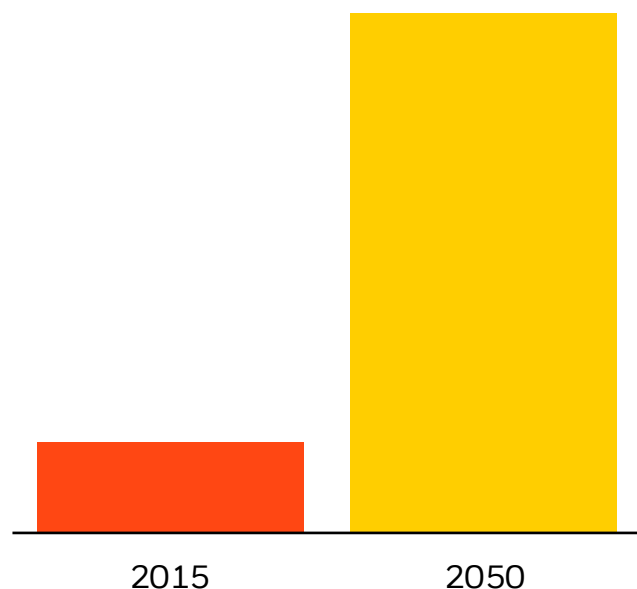
# **Building more inclusive, resilient retirement solutions**

**Mark McCombe**

Chief Client Officer

# The global retirement crisis is accelerating

**The \$70T global retirement savings gap is expected to balloon to \$400T by 2050<sup>1</sup>**



## Global aging

**2.1B**

Population over 65 will increase from 600M today to 2.1B in 2050<sup>1</sup>

## Lack of access

**48%**

With nearly half of global workers in the informal sector, 48% of retirement age people do not receive a pension<sup>1</sup>

## Persistent low-growth environment

**3-5%**

Equities are expected to perform ~5% below historic averages; bond returns expected to be ~3% lower<sup>1</sup>

## Precarious short-term savings

**40%**

of people lack enough savings to cover a \$400 emergency expense<sup>2</sup>

## Inadequate savings rates

**10-15%**

Contributions to DC plans typically significantly lower than the recommended 10-15% target<sup>1</sup>

## High degree of individual responsibility

**50%**

DC plans now account for slightly over half of global pension assets<sup>1</sup>

Note: For footnoted information, refer to slide 110.

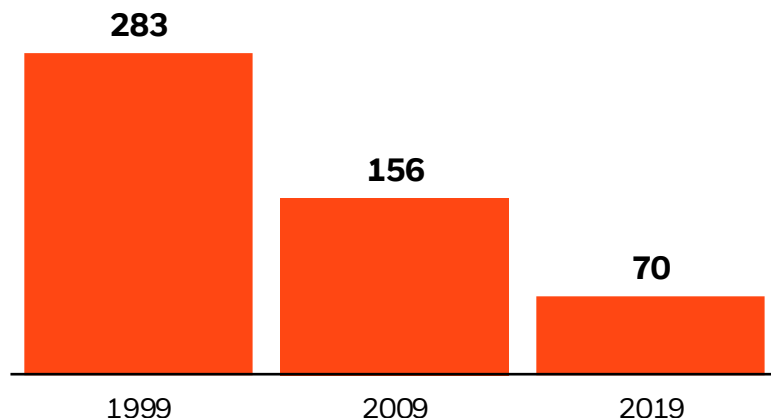
# Defined contribution plans have become the primary workplace retirement offering

## Defined benefit

Defined benefit plans are a \$15T market, but have been in secular decline since the 1990s

### Fortune 500 defined benefit pension plans<sup>1</sup>

Number of plans:



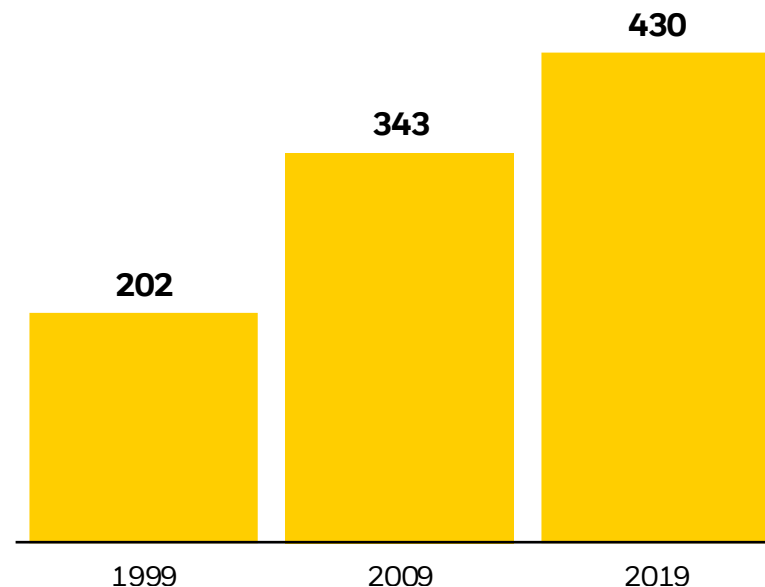
Note: For footnoted information, refer to slide 110.

## Defined contribution

Defined contribution plans are also a \$15T market (2/3 in the U.S.), but are one of the fastest growing parts of the retirement industry

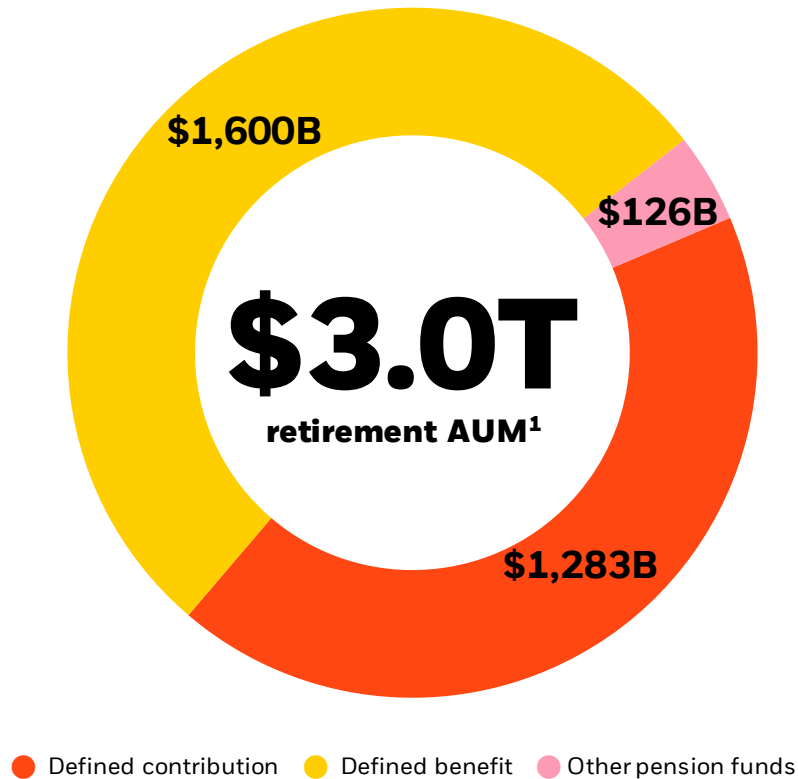
### Fortune 500 defined contribution plans<sup>1</sup>

Number of plans:





# BlackRock's retirement platform



## A leader in the retirement industry

# 13%

We have 13% market share in the U.S. defined contribution investment only (DCIO) market<sup>2</sup>

# #1

We are the largest defined contribution investment only provider in the U.S.<sup>2</sup>

# 40M

We serve over **72,000 DC plans** (including 60% of the Fortune 100)– ultimately reaching more than **40M people**<sup>3</sup>

Note: For footnoted information, refer to slide 110.

# Long history of innovation in global retirement solutions

## 27

years of target  
date experience

## 100+

dedicated retirement  
professionals

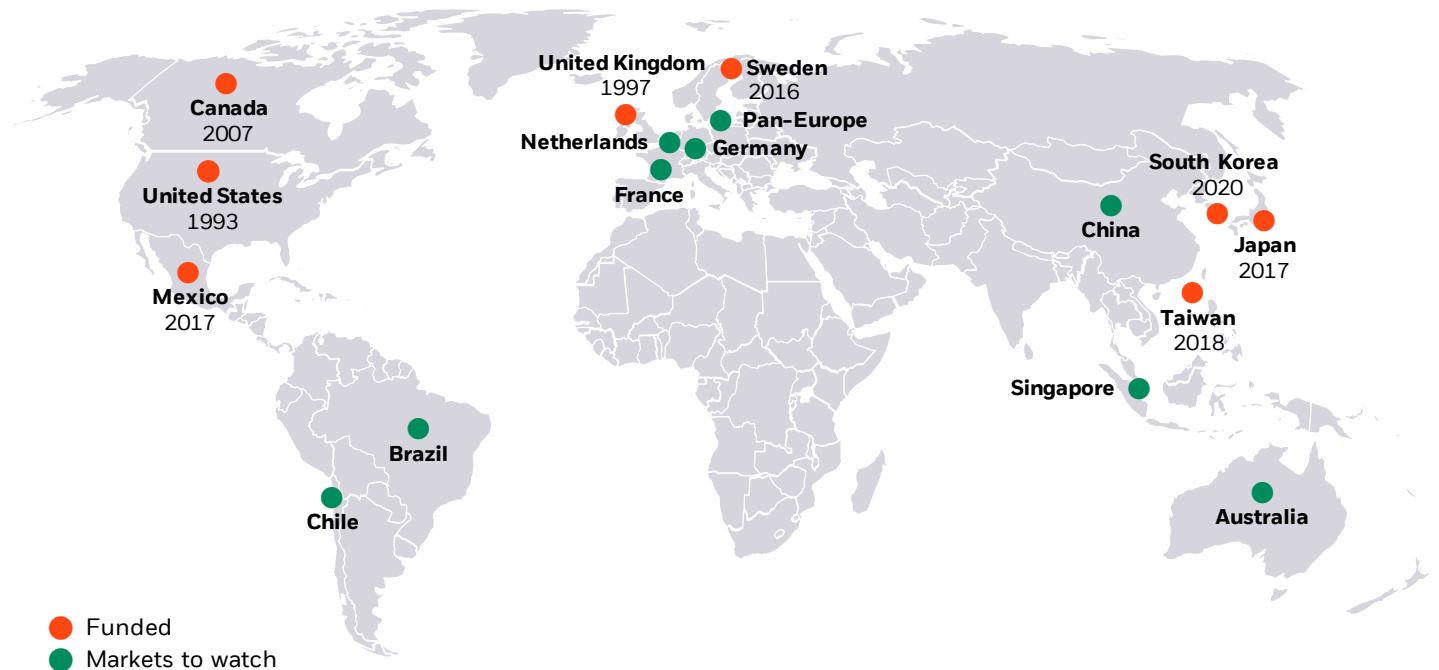
## \$343B

in target date client  
assets<sup>1</sup>

## #1

provider of custom  
target date funds<sup>2</sup>

## BlackRock's Global Target Date Footprint



**LifePath<sup>®</sup> is available in multiple implementations**

Index

Dynamic

ESG

Income

Custom

Models

Local  
market

Note: For footnoted information, refer to slide 110.

# Opportunities for innovation that will drive future growth for BlackRock

## 1 China

**By 2050, 330M Chinese people will be 65 or older.**

China is also facing a contracting labor force and underfunded state pensions.<sup>1</sup>

Our ability to help address the challenge of retirement for millions of people in China is a significant long term growth opportunity for BlackRock.



## 2 Sustainability

Demand for ESG solutions in retirement products will continue to grow.

We are rapidly expanding our *LifePath*® ESG footprint. **Today, 53% of our UK LifePath AUM is ESG screened or optimized versus 17% in 2019.**



Note: For footnoted information, refer to slide 110.

## 3 LifePath Paycheck™

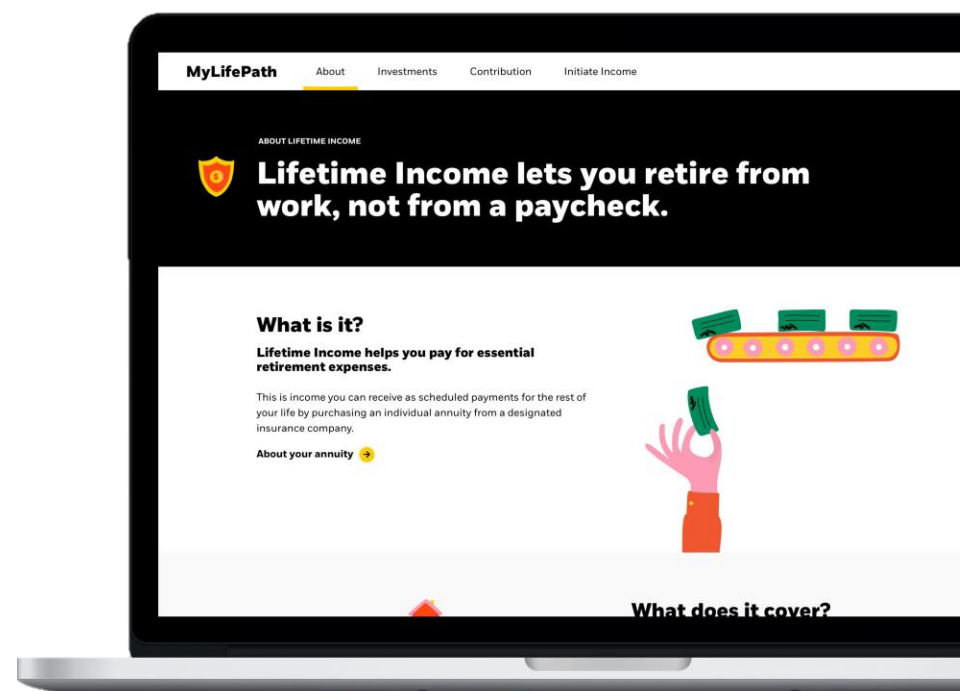
# An investment solution that provides a paycheck throughout retirement

**Designed to be provided through employers' defined contribution plans**

**Target date strategy that includes an allocation to innovative annuity contracts**

**Combines an investment solution with an integrated digital experience**

**Digital experience is designed to provide education about retirement and facilitate the participant's interaction with insurers**



Note: Screenshots are conceptual, for illustrative purposes only, and subject to change. The LifePath Paycheck™ ("LPP") strategy and the MyLifePath™ digital experience ("MyLifePath" or "MLP") do not currently exist; the purpose of these materials is to inform the final stages of strategy and MLP development. There are no guarantees that any future strategy or MLP would have the features described herein. Participation by Brighthouse Financial and Equitable in delivering BlackRock's investment solution is subject to certain approvals, including regulatory approval of their respective annuity products. The proposed strategy and MLP features are not final and can change without notice. BlackRock does not offer insurance products or provide any financial guarantee with respect thereto.

# **BlackRock is working to build a better retirement for all**

**Leveraging the scale and breadth of BlackRock's global platform to develop innovative retirement solutions and stay ahead of clients' evolving needs**

**Helping build a robust retirement investment ecosystem in China**



**Bringing our leadership in sustainability to the retirement market**



**Providing a solution that delivers lifetime income in retirement with a robust digital experience**



# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 103 - The global retirement crisis is accelerating

1. Source: World Economic Forum White Paper: "We'll Live to 100 – How Can We Afford It?"
2. Report on the Economic Well-Being of U.S. Households in 2017, Board of Governors of the Federal Reserve System, May 2018.

## Slide 104 - Defined contribution plans have become the primary workplace retirement offering

1. Source: Willis Towers Watson, Retirement Offerings in the Fortune 500: A Retrospective, 2018.

## Slide 105 - BlackRock's retirement platform

1. AUM as of 3/31/21. Other pension funds represents AUM that is not categorized as defined benefit or defined contribution.
2. Source: BlackRock, 2020 Pensions & Investments Money Manager Survey. Ranking is by AUM as of 12/31/2019.
3. Source: BlackRock.

## Slide 106 - Long history of innovation in global retirement solutions

1. As of March 31, 2021. Includes assets under advisement of co-manufactured target date fund products where BlackRock provides the glidepath, asset allocation, or underlying fund management. Glidepath refers to a formula that defines the asset allocation of a target-date fund.
2. 2020 Pensions & Investments Money Manager Survey.

## Slide 107 - Opportunities for innovation that will drive future growth for BlackRock

1. Source: Time, China's Aging Population Is A Major Threat to Its Future, 2019.

**BlackRock®**

**BlackRock Investor Day 2021**

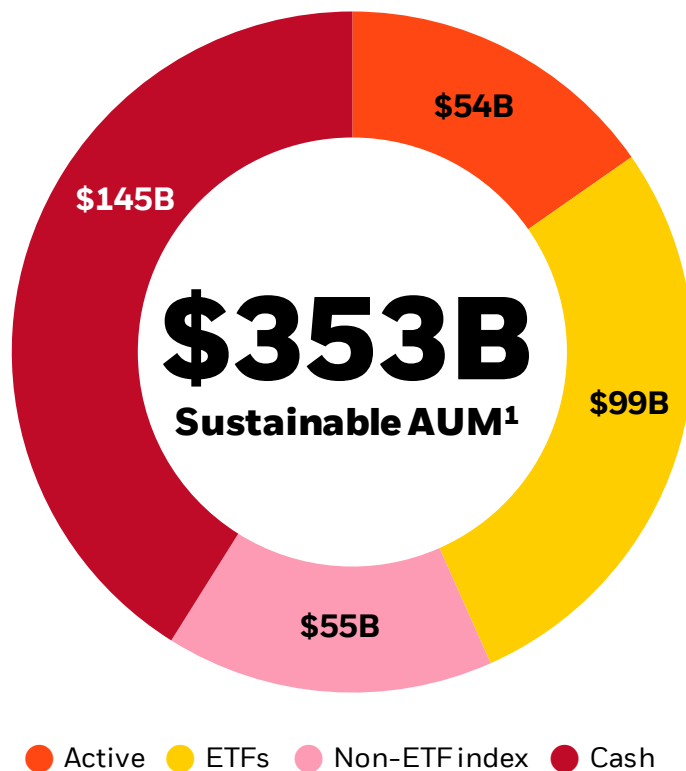
# **Positioning BlackRock to lead in sustainable investing**

**Paul Bodnar**

Global Head of Sustainable Investing

# BlackRock sustainable investment strategies

A spectrum of sustainable investing choices for clients



## Organic growth and revenue

# \$54B

1Q21 LTM net new business<sup>2</sup>



Organic asset growth<sup>2</sup>

# \$204M

1Q21 LTM net new base fees<sup>3</sup>



Organic base fee growth<sup>3</sup>

# \$251M

2020 Revenue<sup>4</sup>



Year-over-year growth

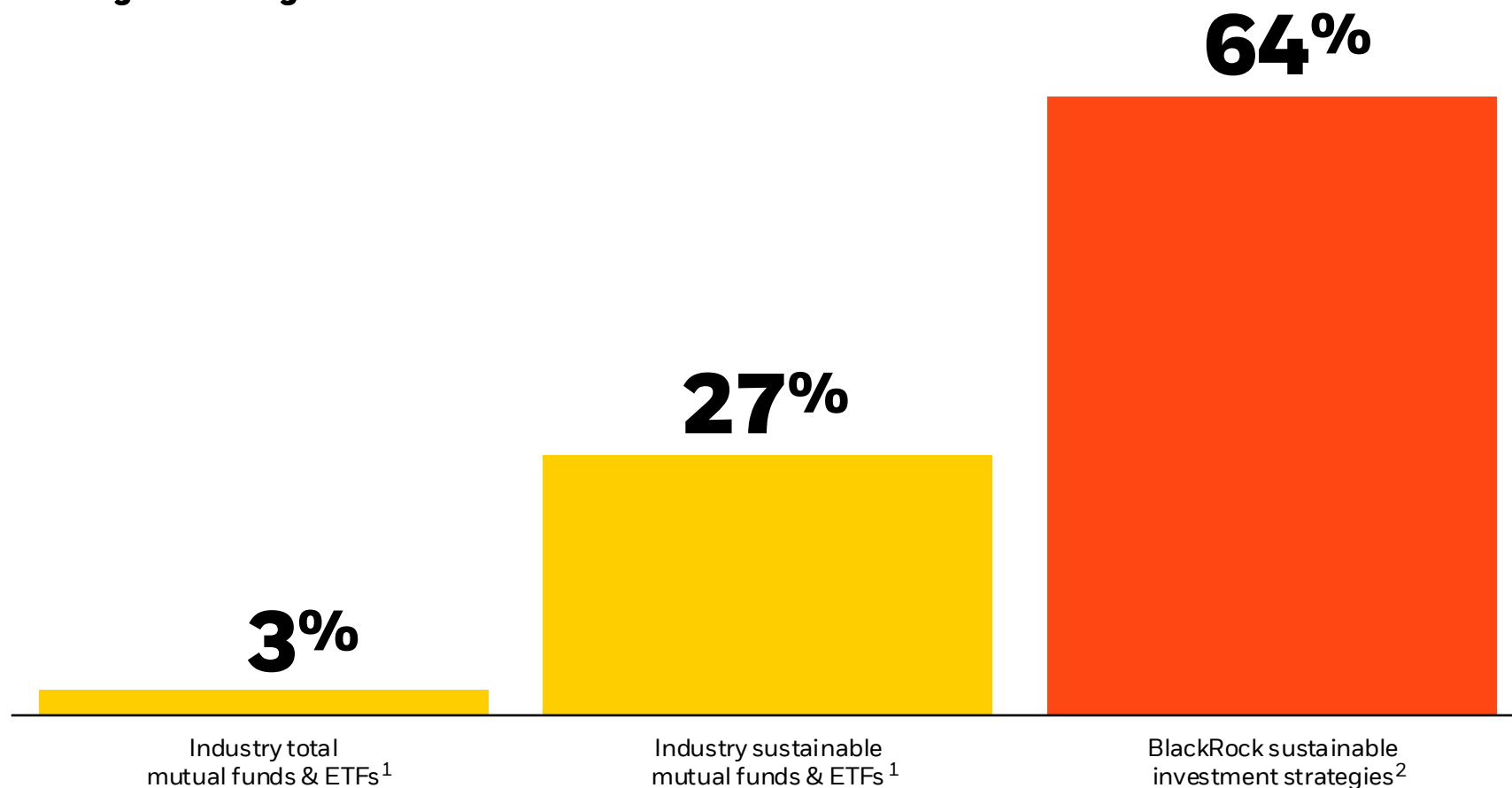
**21% of BlackRock's 2020 net new base fees came from sustainable strategies – up from 10% in 2019**

Note: For footnoted information, refer to slide 120.



# Growth in sustainable investment strategies outpaced the industry in 2020

## 2020 organic asset growth

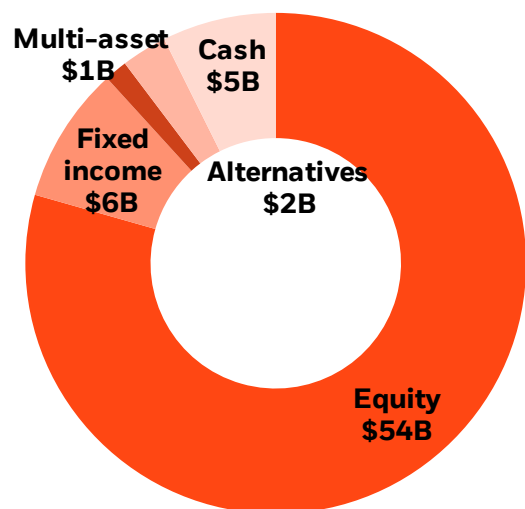


Note: For footnoted information, refer to slide 120.

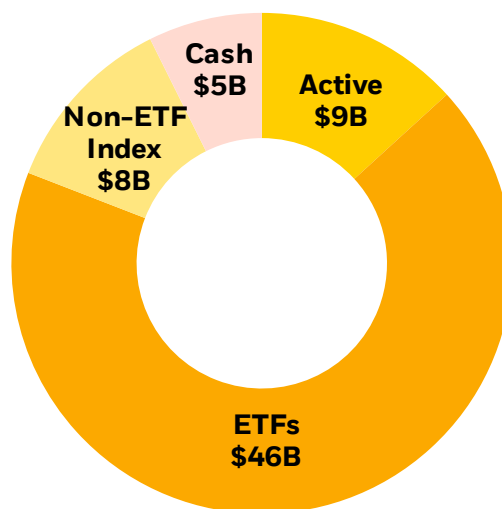
# BlackRock's sustainable AUM growth was diversified across asset classes, client types and regions

**\$68B of sustainable net new business in 2020**

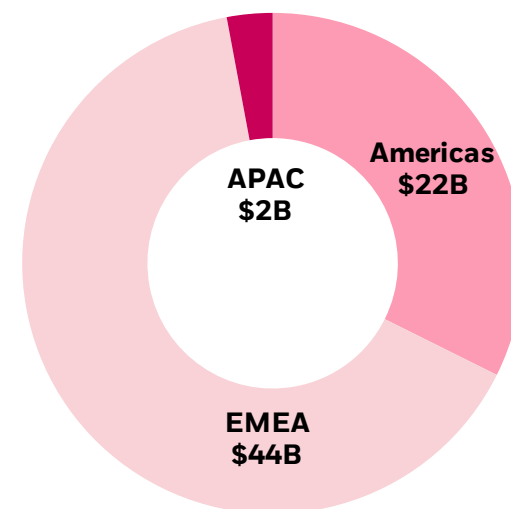
## By asset class



## By investment style

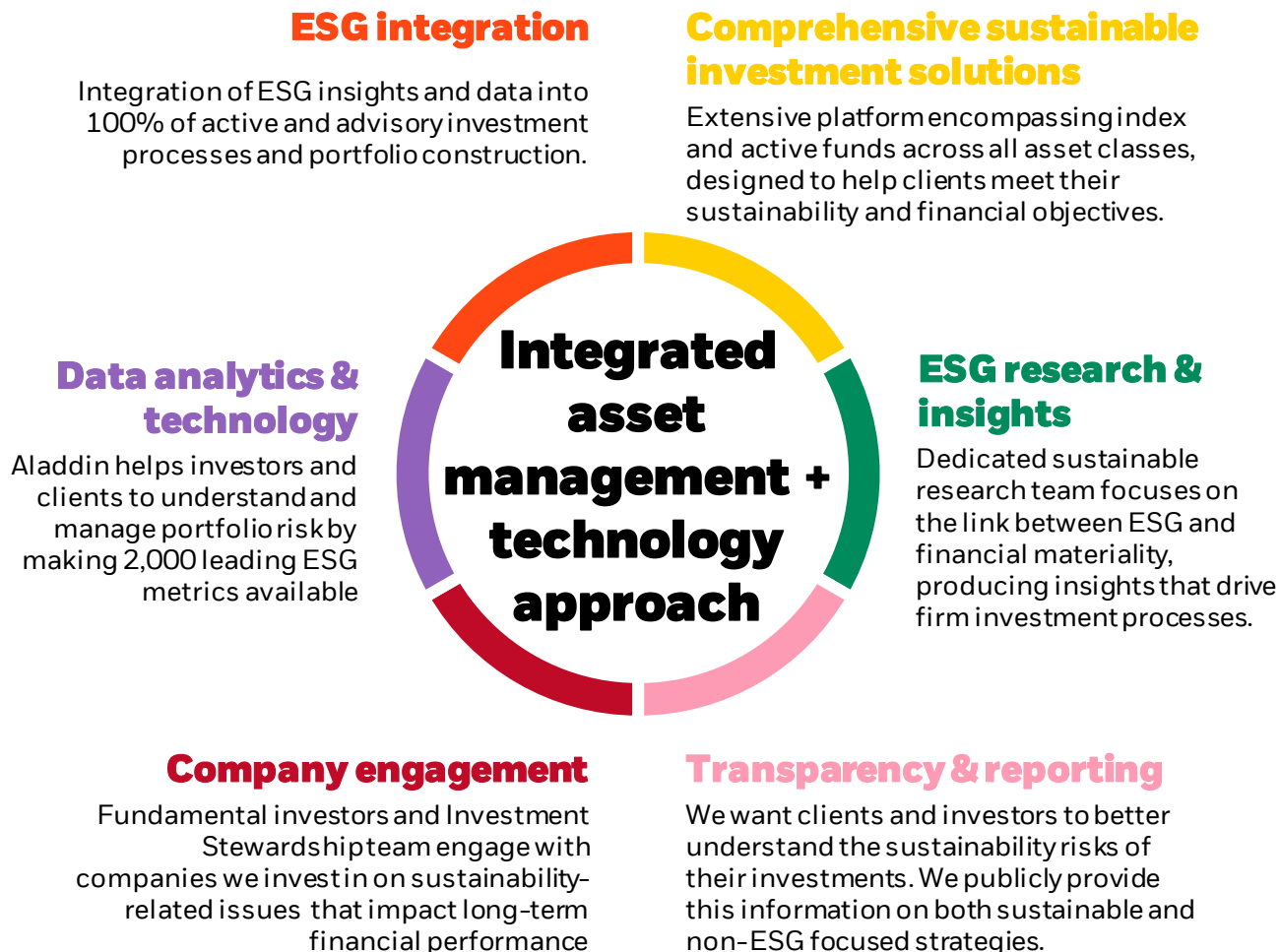


## By region



# BlackRock well-positioned to help clients invest sustainably

We are committed to making sustainability our standard for investing



# BlackRock's net zero commitment

**25%**

Potential negative impact to economic growth from unchecked greenhouse gas emissions over the next two decades<sup>1</sup>

BlackRock believes that the climate transition creates not just risk but a historic **investment opportunity**

With the world moving to net zero, **BlackRock can best serve our clients by helping them be at the forefront of that transition**

**Measurement and  
Transparency**



**Investment  
Management**



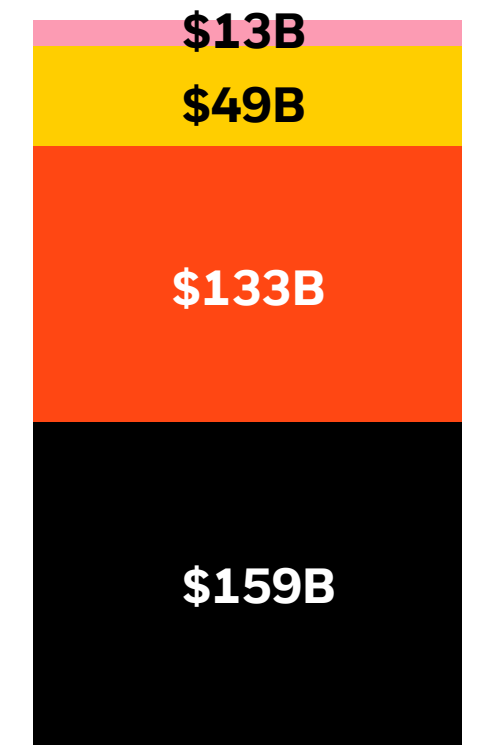
**Stewardship**

Note: For footnoted information, refer to slide 120.

# BlackRock's scaled platform enables us to offer clients more choice across the sustainability spectrum

## \$353B

**Sustainable AUM<sup>1</sup>**



BlackRock sustainable strategies

## 250+

**strategies**

### Impact

20+ strategies

Generate positive, measurable E and S impact alongside a financial return<sup>2</sup>

### Thematic

25+ strategies

Seek to capitalize on long-term industry or societal trends through specific E, S or G themes

### Broad

155+ strategies

Positive, explicit ESG objective

### Baseline Screens<sup>3</sup>

50+ strategies

Exclude controversial activities, as defined by Baseline Screens<sup>3</sup>

Note: For footnoted information, refer to slide 120.

# Investing in Aladdin Climate to help clients be more climate-aware

## 01 Enterprise level climate risk oversight

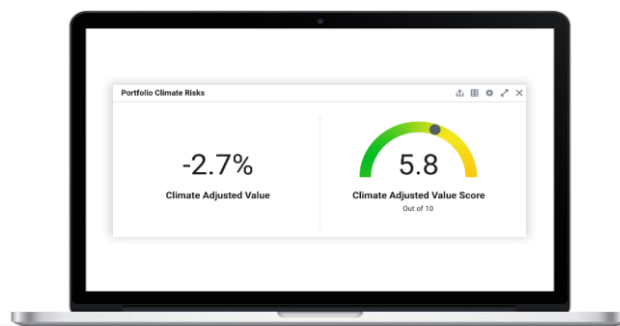
including aggregate portfolio climate reporting and tracking

### Climate Adjusted Value (CAV)

Adjusted market price at which an asset should be valued at based on embedded climate risk

## 02 Climate-based portfolio modelling

including optimization, what-if analysis, and compliance rules



## 03 Climate-based security selection

including visibility into granular physical exposures and programmatic access to climate analytics

### Climate Adjusted Value Score

The normalized CAV for a particular security compared to a relevant peer set on a scale of 1-10

Note: For illustrative purposes only.

# Investing in sustainability for BlackRock's future

**Rigorous understanding of how sustainability relates to investment returns**



**More data and better technology to measure and analyze sustainability risks and opportunities**



**Ability to evolve and adapt ahead of change**



**BlackRock is well-positioned to continue generating differentiated growth and capturing share as clients re-position their portfolios to be more sustainable**

# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 112 - BlackRock sustainable investment strategies

1. As of 3/31/21. Represents dedicated sustainable investments, including: 1) strategies with an explicit ESG objective which may include a targeted quantifiable ESG outcome ("Broad ESG"); 2) strategies that capitalize on long-term transformative industry or societal trends through pursuit of specific E, S or G themes ("Thematic"); 3) strategies where investments are made with the intention to generate positive measurable social and environmental impact alongside financial return ("Impact") and; 4) screened strategies that incorporate BlackRock's baseline screens ("Dedicated Screened"). BlackRock's definition of impact investments is in line with the International Finance Corporation's Operating Principles for Impact Management.
2. Net new business represents net asset inflows. LTM net new business represents net new business over last twelve months ending 3/31/21. Organic asset growth rate calculated by dividing net asset inflows over beginning of period assets.
3. Net new base fees represents net new base fees earned on net asset inflows. LTM net new base fees represents net new base fees over last twelve months ending 3/31/21. Organic base fee growth rate calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of period.
4. Revenue includes base fees, securities lending and performance fees.

## Slide 113 - Growth in sustainable investment strategies outpaced the industry in 2020

1. Industry represents the asset management industry. Sources: Simfund, Morningstar "Sustainable Investment – Overall" for US MFs; Broadridge "RI- Screened", "RI – Embedded" for Non-US MFs, iShares Global Business Intelligence "Sust.", "Sustainability related" for global ETFs; data as of Mar 2021. Excludes FoFs and closed-end funds. US Sustainable Money Market funds not included in Morningstar's flagging methodology.
2. Represents dedicated sustainable investments, including: 1) strategies with an explicit ESG objective which may include a targeted quantifiable ESG outcome ("Broad ESG"); 2) strategies that capitalize on long-term transformative industry or societal trends through pursuit of specific E, S or G themes ("Thematic"); 3) strategies where investments are made with the intention to generate positive measurable social and environmental impact alongside financial return ("Impact") and; 4) screened strategies that incorporate BlackRock's baseline screens ("Dedicated Screened"). BlackRock's definition of impact investments is in line with the International Finance Corporation's Operating Principles for Impact Management.

## Slide 115 - BlackRock well-positioned to help clients invest sustainably

Source: BlackRock, as of March 31, 2021.

## Slide 116 - BlackRock's net zero commitment

1. Sources: BlackRock Investment Institute, with data from Refinitiv Datastream and Bloomberg, February 2021.

## Slide 117 - BlackRock's scaled platform enables us to offer clients more choice across the sustainability spectrum

1. Figures as of 3/31/21. Represents dedicated sustainable investments, including: 1) strategies with an explicit ESG objective which may include a targeted quantifiable ESG outcome ("Broad ESG"); 2) strategies that capitalize on long-term transformative industry or societal trends through pursuit of specific E, S or G themes ("Thematic"); 3) strategies where investments are made with the intention to generate positive measurable social and environmental impact alongside financial return ("Impact") and; 4) screened strategies that incorporate BlackRock's baseline screens ("Dedicated Screened"). BlackRock's definition of impact investments is in line with the International Finance Corporation's Operating Principles for Impact Management.
2. Investment process must adhere to the Operating Principles for Impact Management per The Impact Principles.
3. There are two sets of BSI Baseline Screens, EMEA (more stringent) and Global Ex-EMEA, which avoid exposure to certain companies or sectors that pose reputational risks or violate the end investor's values. Controversial is defined by client preferences and mandates.





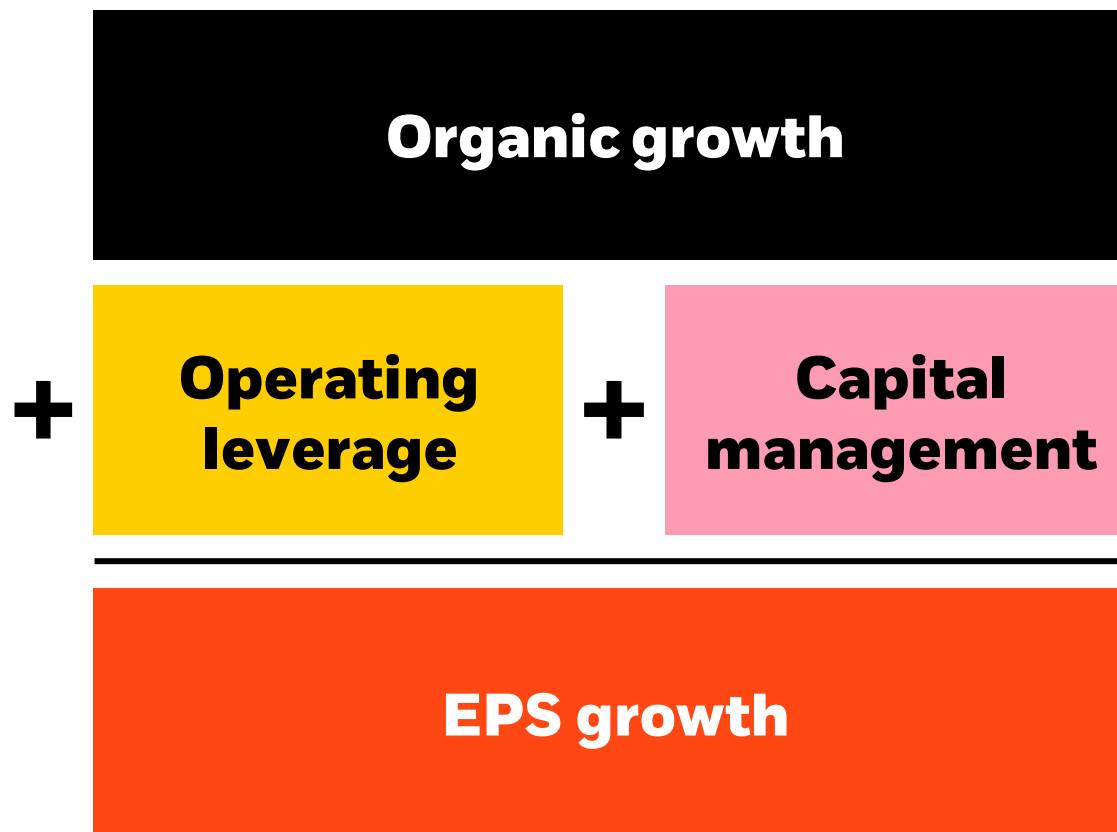
**BlackRock Investor Day 2021**

# **Investing to deliver shareholder value**

**Gary Shedlin**

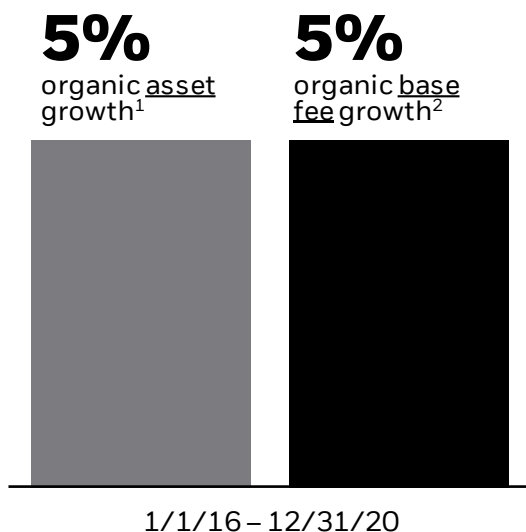
Chief Financial Officer

# A simple framework for shareholder value

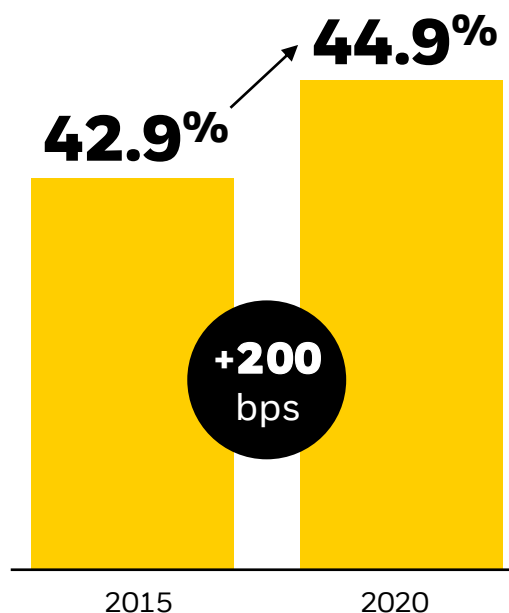


# Successful execution of our financial framework

## Organic growth

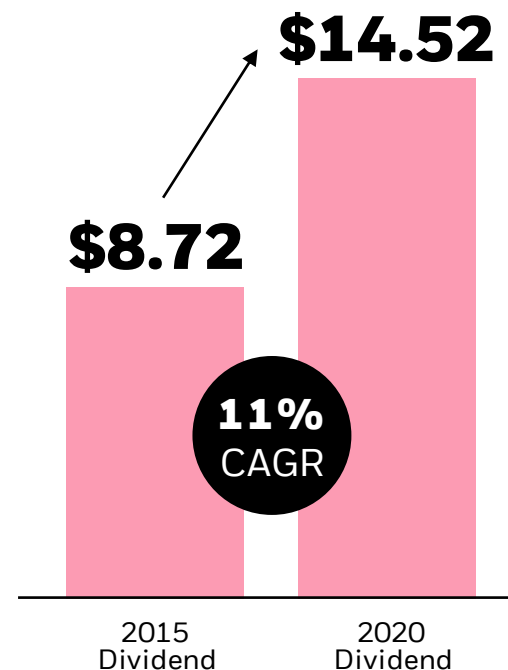


## Operating leverage<sup>3</sup>



## Capital management

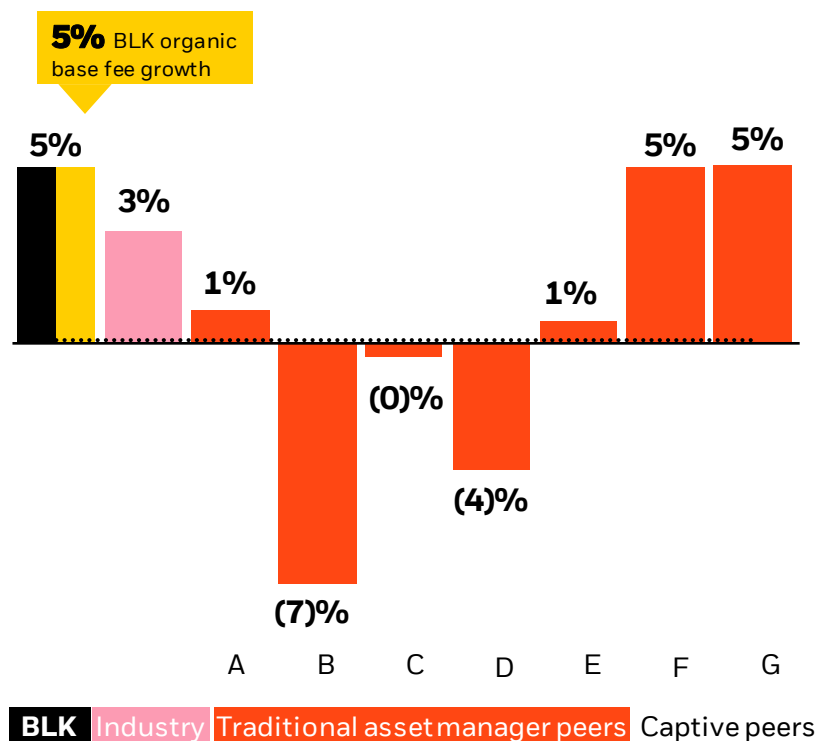
**\$7.1** billion shares repurchased  
**(8)%** share count reduction



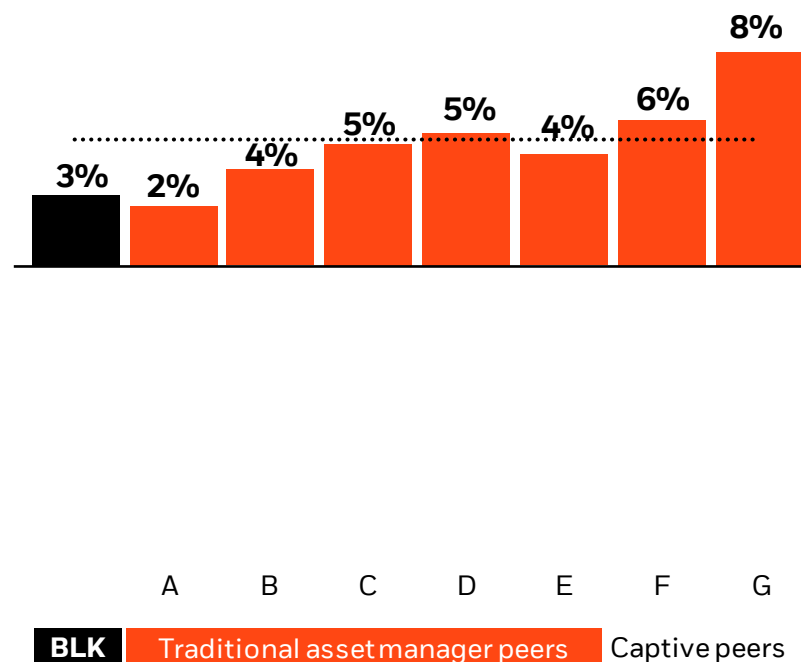
Note: Operating Leverage represents as adjusted operating margin. For reconciliation between GAAP and as adjusted, see the previously filed Forms 10-K, 10-Q and 8-K and the appendix to this presentation on slides 146-147. For footnoted information, refer to slides 140-141.

# Organic asset growth higher and less volatile than peers

## Organic asset growth<sup>1</sup>



## Standard deviation<sup>1</sup>



\*\*\* Represents the average of BlackRock's 5 largest US publicly traded asset management peers and 2 captive asset managers

Note: For footnoted information, refer to slides 140-141.

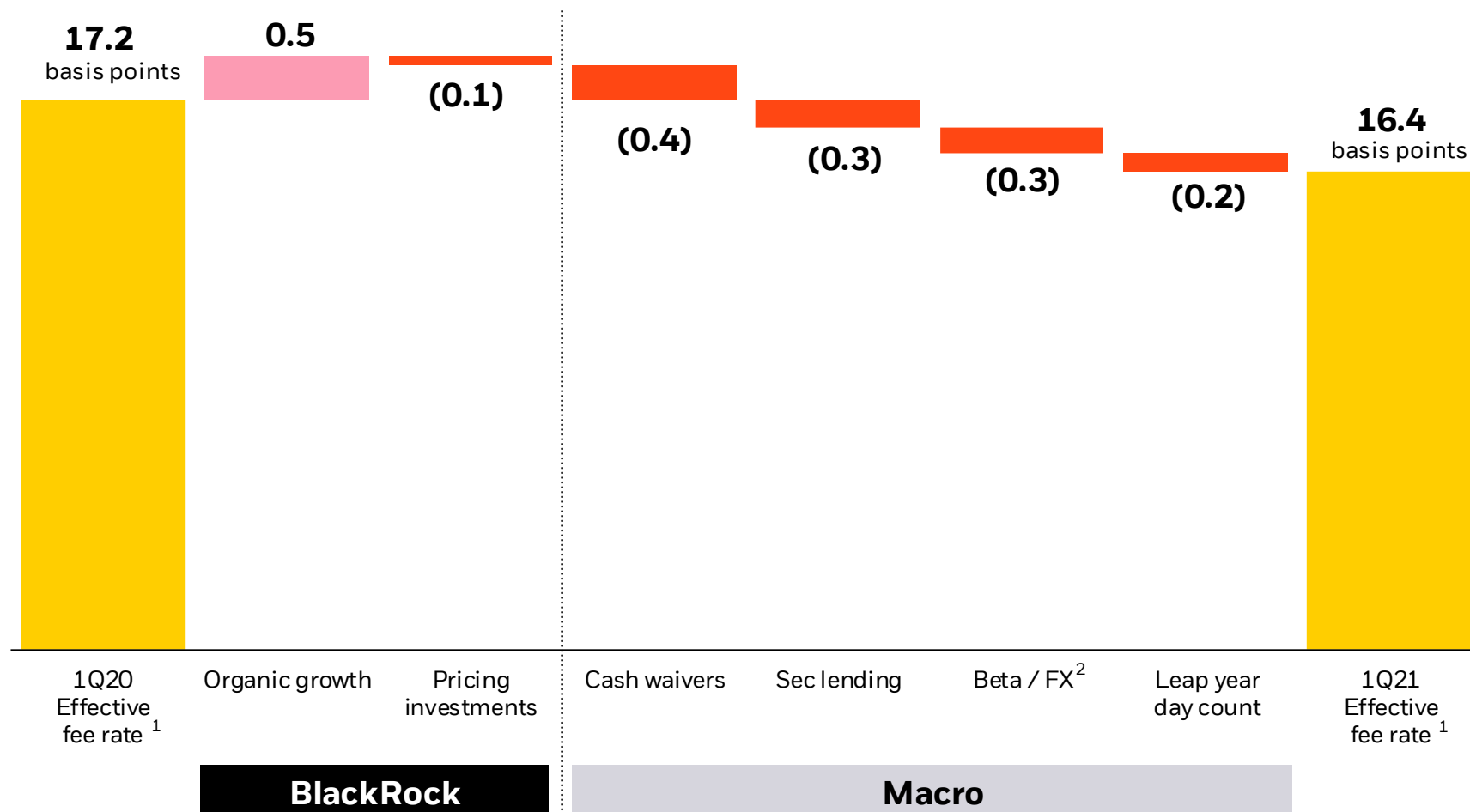
# Diversification supports 5% organic base fee growth target

## Organic base fee growth trend<sup>2</sup>

		2017	2018	2019	2020	1Q21 <sup>3</sup>	Average <sup>4</sup>
<b>Total firm</b>		<b>+7%</b>	<b>+2%</b>	<b>+5%</b>	<b>+7%</b>	<b>+14%</b>	<b>+7%</b>
	<b>% of BLK total base fees<sup>1</sup></b>						
<b>Illiquid alternatives</b>	<b>5%</b>	<b>11%</b>	<b>18%</b>	<b>27%</b>	<b>18%</b>	<b>28%</b>	<b>20%</b>
<b>ETFs</b>	<b>38%</b>	<b>14%</b>	<b>3%</b>	<b>6%</b>	<b>7%</b>	<b>10%</b>	<b>8%</b>
<b>Traditional active<sup>5</sup></b>	<b>42%</b>	<b>2%</b>	<b>(1)%</b>	<b>1%</b>	<b>6%</b>	<b>19%</b>	<b>6%</b>
<b>Cash</b>	<b>6%</b>	<b>14%</b>	<b>1%</b>	<b>24%</b>	<b>28%</b>	<b>(10)%</b>	<b>11%</b>
<b>Non-ETF index</b>	<b>9%</b>	<b>2%</b>	<b>2%</b>	<b>5%</b>	<b>(1)%</b>	<b>4%</b>	<b>2%</b>

Note: For footnoted information, refer to slides 140-141.

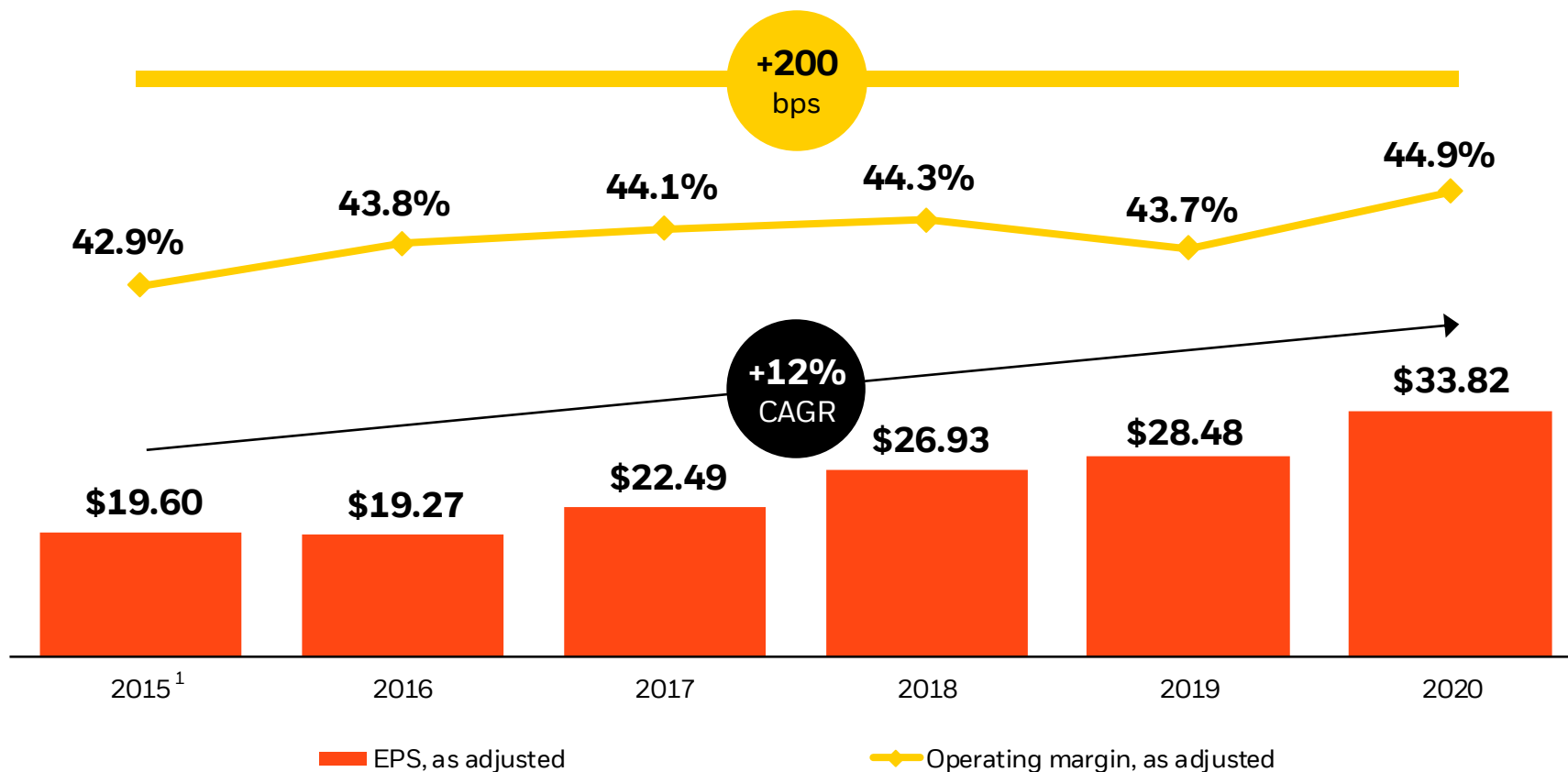
# Effective fee rate has been impacted by the macro environment



Note: For footnoted information, refer to slides 140-141.



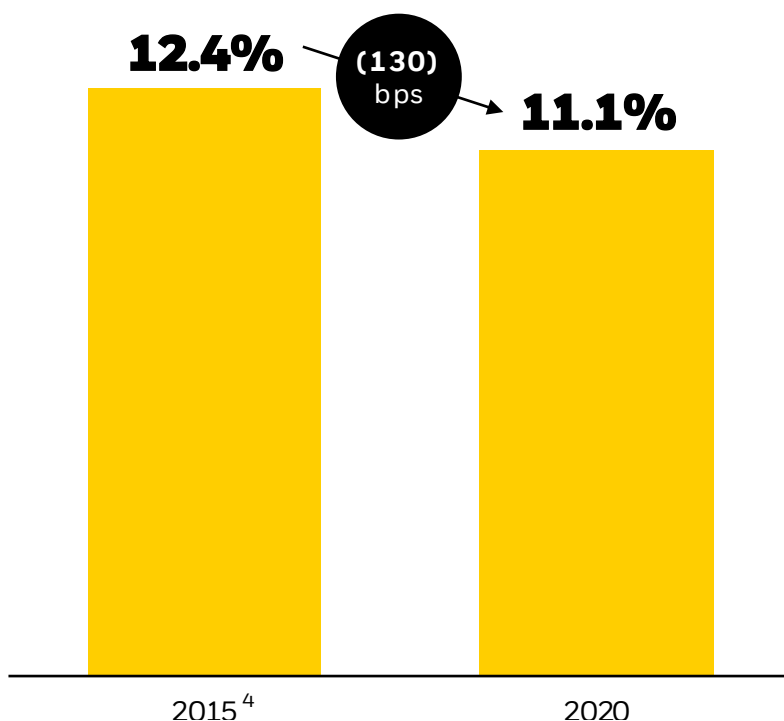
# Proven ability to leverage scale for clients & shareholders



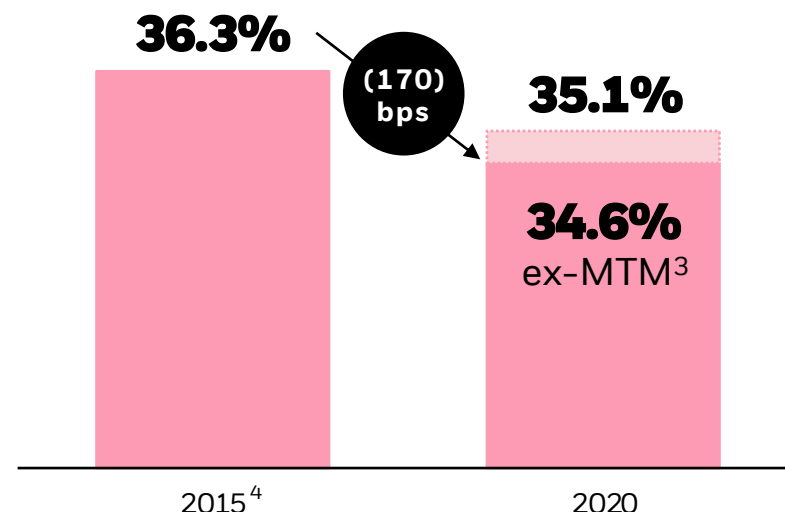
Note: For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, 8-Ks, earnings releases and the presentation appendix on slides 146-147.  
For footnoted information, refer to slides 140-141.

# Driving expense leverage across the firm

## Core general & administration (“G&A”) expense / net revenue<sup>1,2</sup>



## Compensation, as adjusted / net revenue<sup>2</sup>

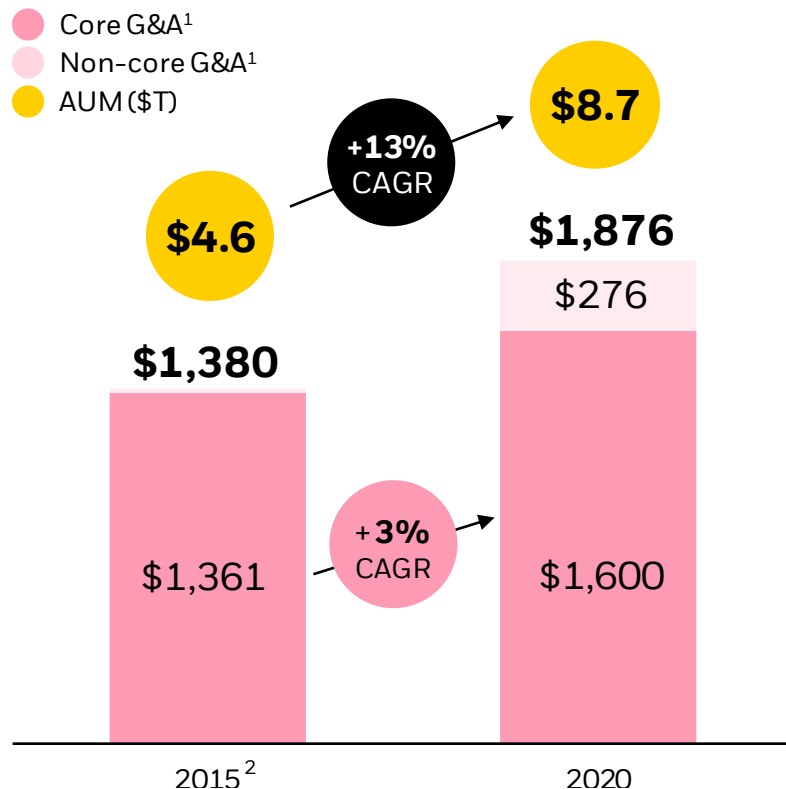


Note: For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, 8-Ks, earnings releases and the presentation appendix on slides 146-147.  
For footnoted information, refer to slides 140-141.

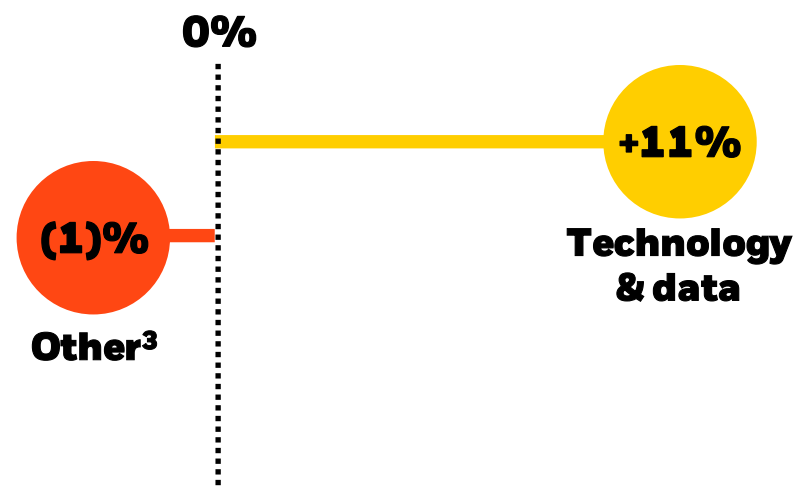


# G&A investments are concentrated in technology & data

## G&A expense, as adjusted (\$M)



## 2015 – 2020 Core G&A CAGR<sup>1,2</sup>



Note: For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, 8-Ks, earnings releases and the presentation appendix on slides 146-147.

For footnoted information, refer to slides 140-141.



# Consistent capital management policy

## Prioritization of cash use

### Organic business investments

G&amp;A

Headcount

Seed &  
co-Invest

### Tactical acquisitions & strategic minority investments



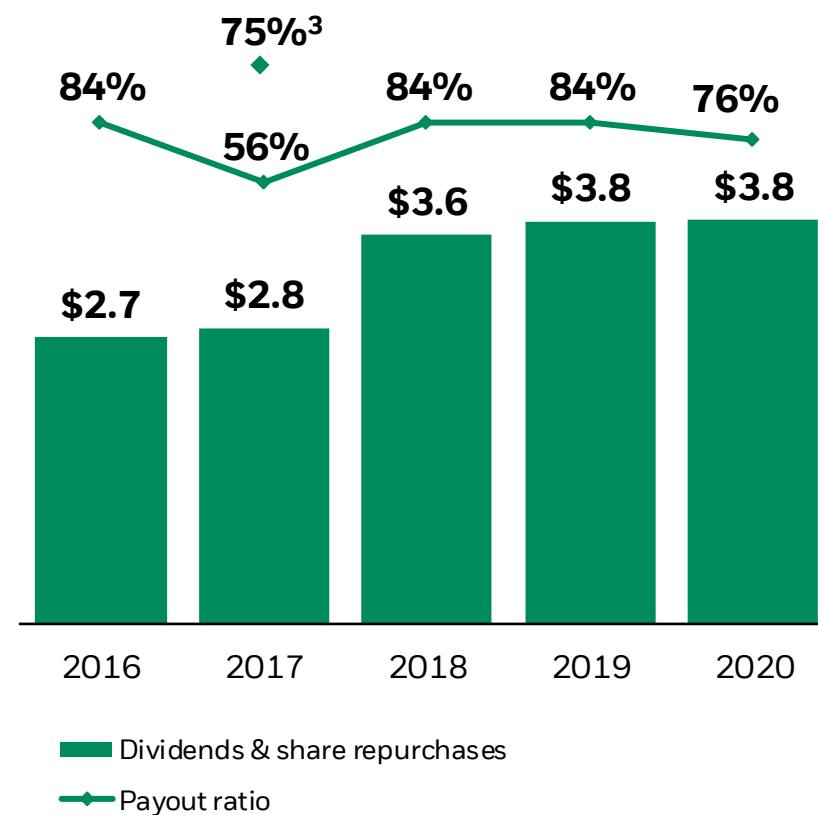
### Dividends



### Share repurchases

## Cash payout & payout ratio<sup>1,2</sup>

(Figures in \$B)



Note: For footnoted information, refer to slides 140-141.

# Our first priority remains to invest in our business

---

## Organic

**Human capital**

**Technology & data**

**Brand**

**Seed & co-investments**

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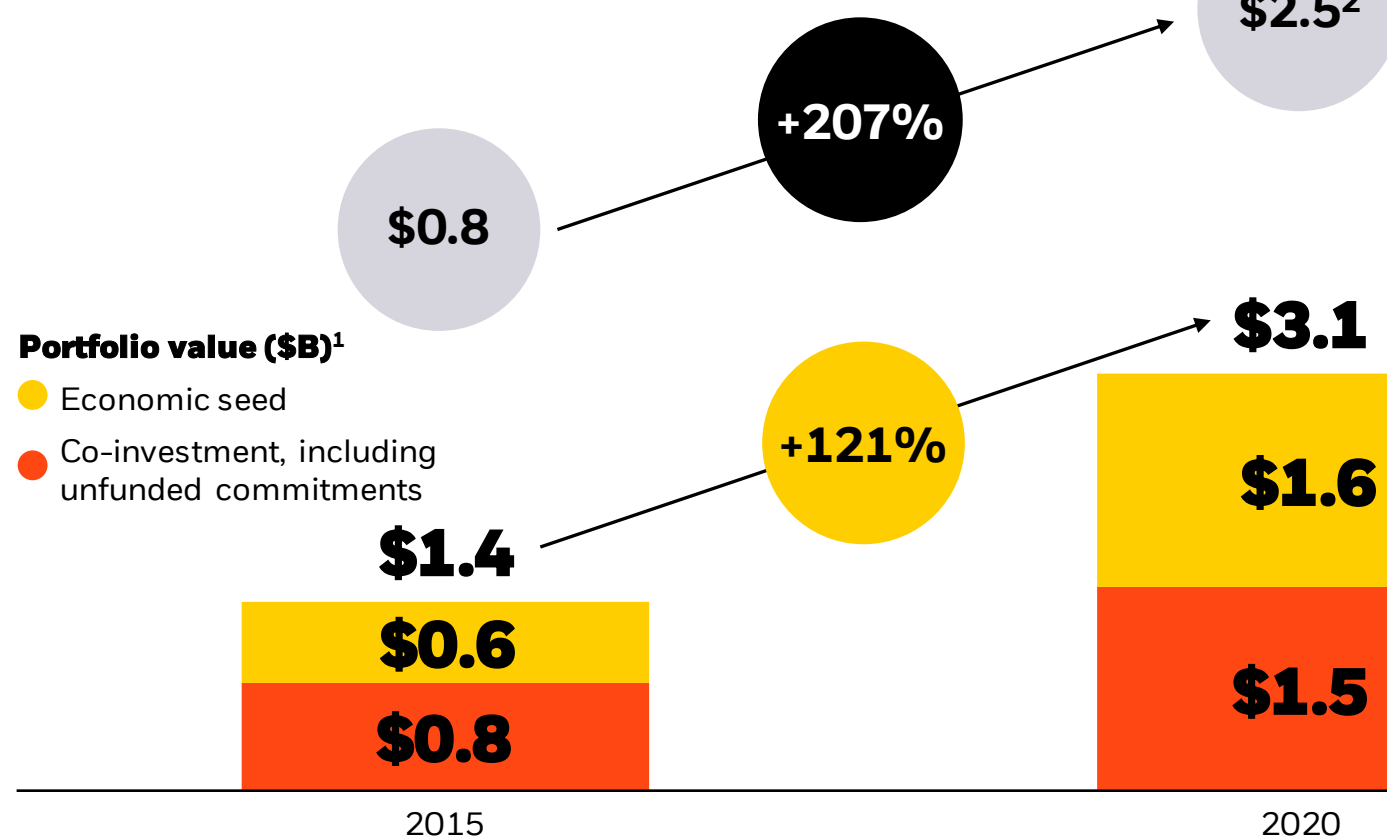
## Inorganic

**Strategic minority  
investments**

**Tactical acquisitions**

# Effectively using our balance sheet to support future growth

## Revenue from seeded & co-invested funds (\$B)<sup>1</sup>



Note: For footnoted information, refer to slides 140-141.

# Inorganic investments accelerate organic growth and support strategic initiatives

## Tactical acquisitions

### Technology

**eFront**

CACHEMATRIX®

NEX Treasury

FutureAdvisor®

### Alternatives

FIRST RESERVE  
Energy Infrastructure

TCP TENNENBAUM  
CAPITAL  
PARTNERS

I<sup>2</sup>  
Infraestructura Institucional

BLACKROCK KELSO CAPITAL

### Global distribution

citibanamex  
Asset Management

### Whole portfolio

aperio

## Strategic minority investments

CLARITY AI

iCapital  
NETWORK

ENVESTNET®

scalable  
.CAPITAL

MEMX

acorns

embark  
group

# **\$3.8B returned to shareholders in 2020**

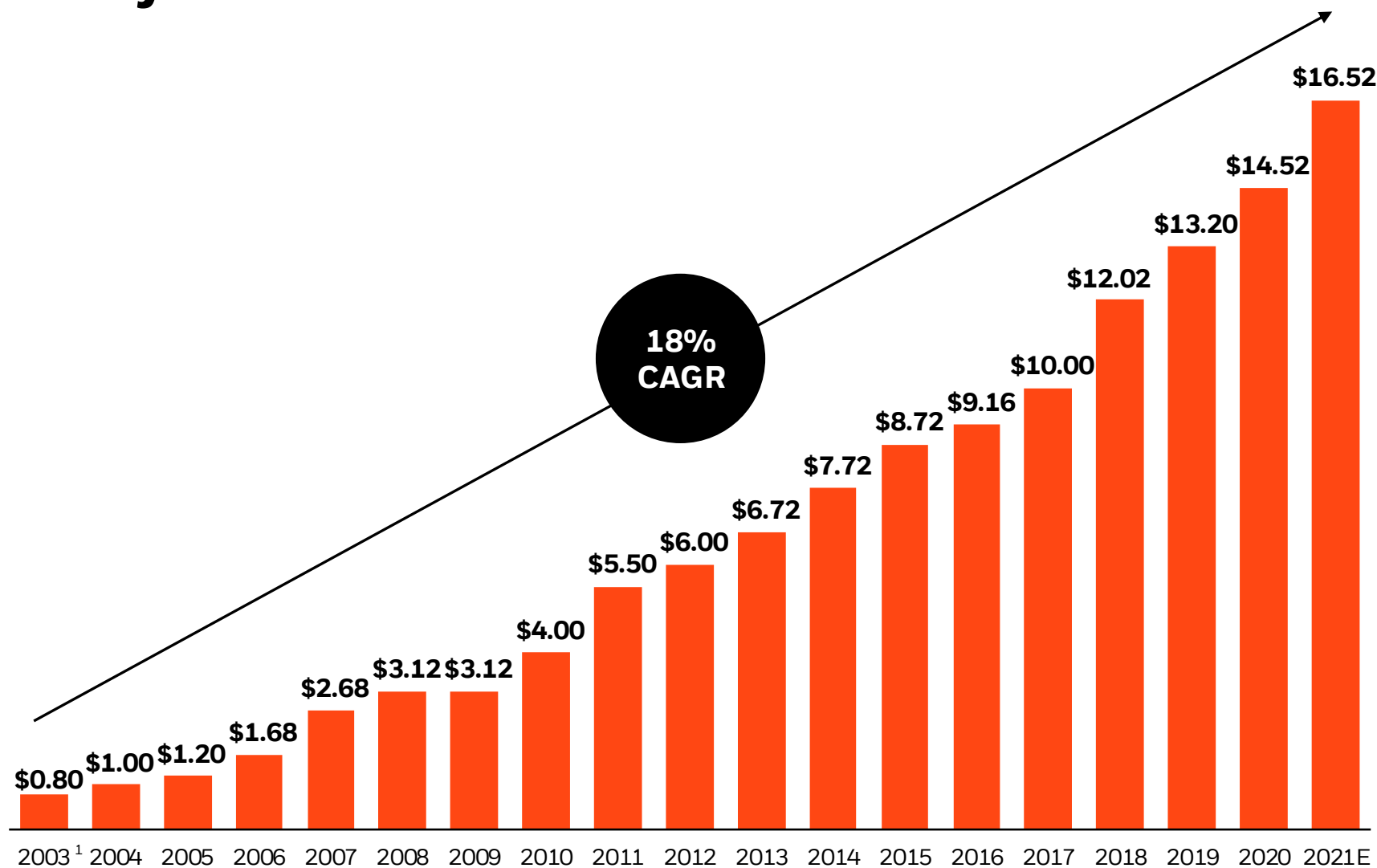
**Dividends**



**Consistent  
share  
repurchases**



# Steady dividend increases



Note: For footnoted information, refer to slides 140-141.

## Consistent share repurchase program since 2013

**171M**

shares  
12/31/12

**(11)%**

**153M**

shares  
12/31/20

**\$10B+**

repurchased

**\$379**

average price  
per share

**+21%**

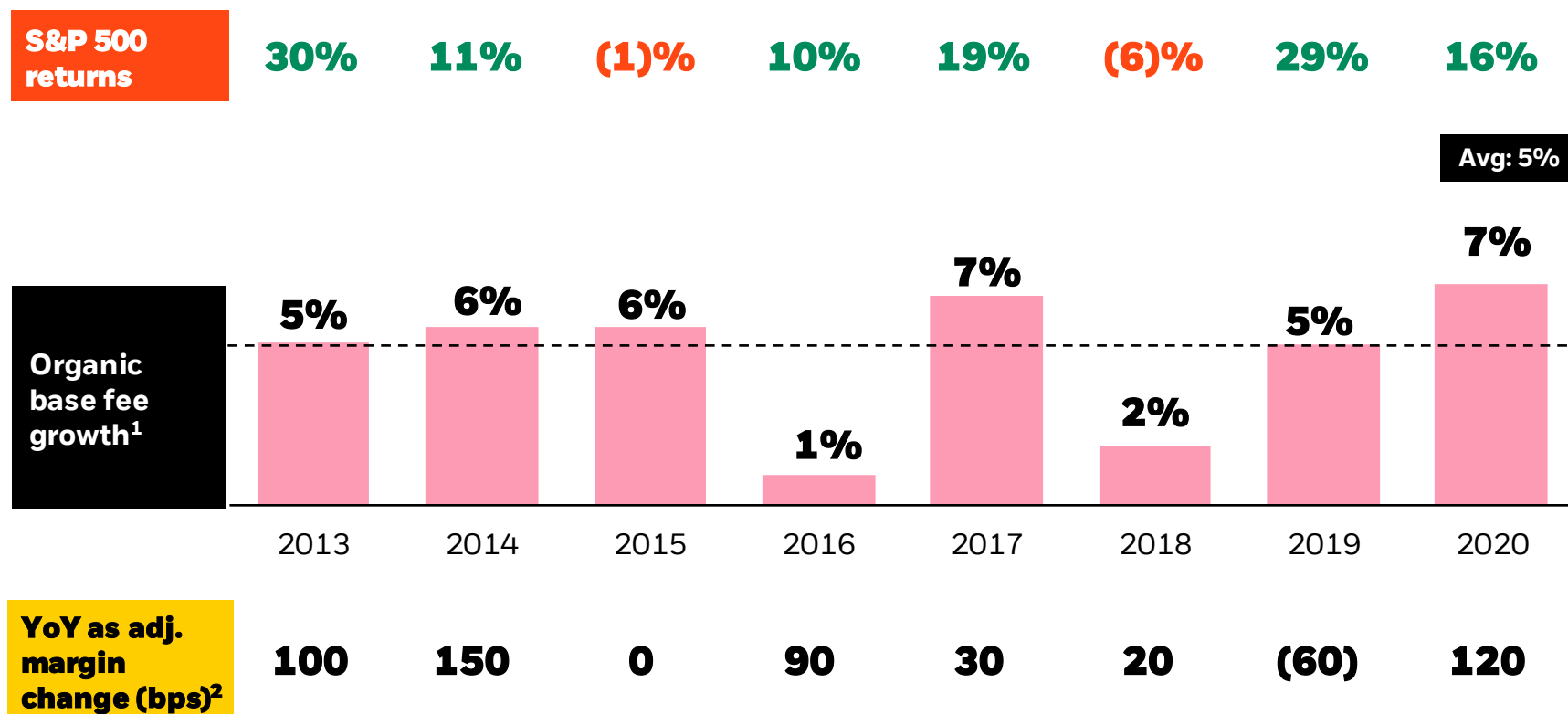
compound annual  
return<sup>1</sup>

Note: For footnoted information, refer to slides 140-141.



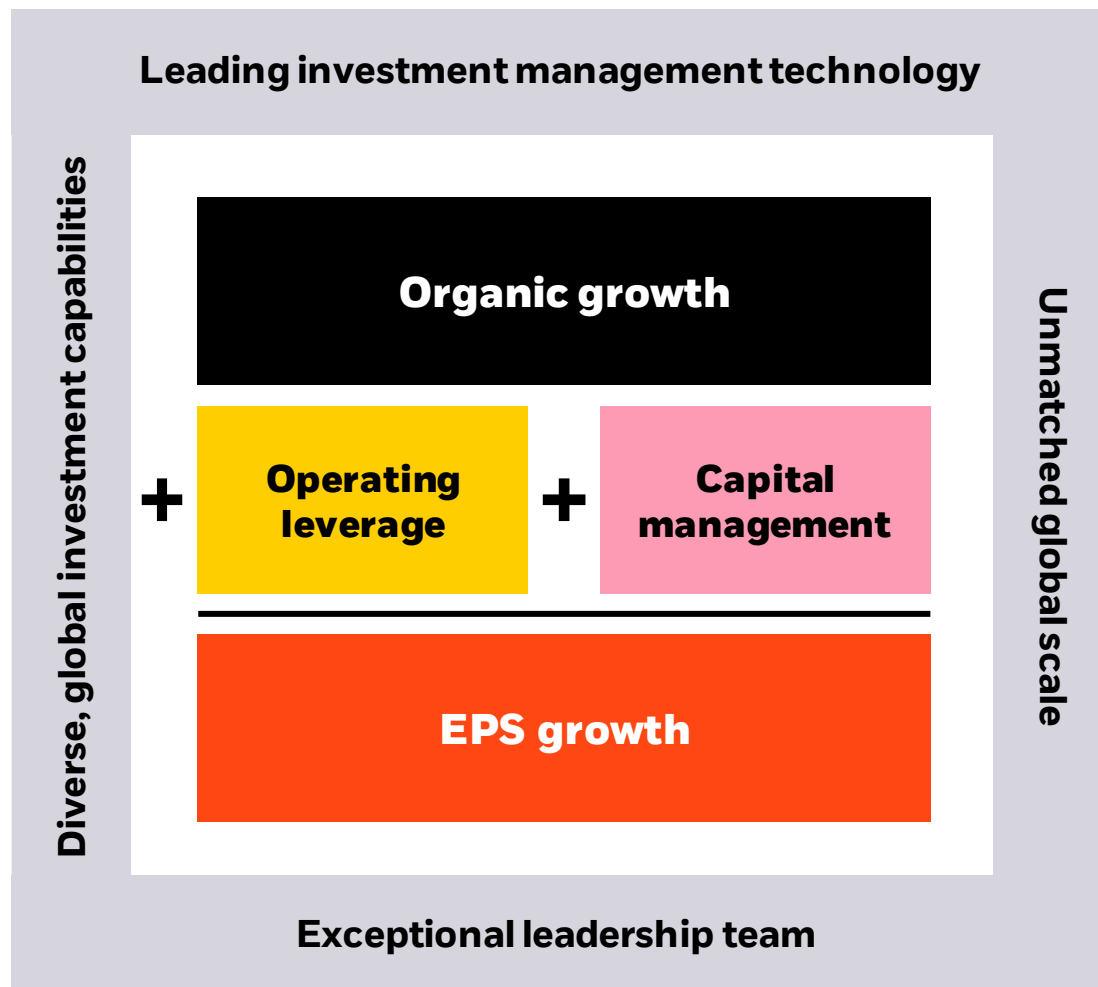
**BlackRock was  
purposefully  
built to perform  
in any market  
environment**

# BlackRock has delivered differentiated organic base fee growth across various market environments



Note: For further information and reconciliation between GAAP and as adjusted operating margin, see the previously filed Form 10-Ks, 8-Ks, earnings releases and the presentation appendix on slides 146-147. For footnoted information, refer to slides 140-141.

# BlackRock will continue to invest to drive long-term shareholder value



# End notes

These notes refer to the financial metrics and/or defined term presented on:

## Slide 123 - Successful execution of our financial framework

1. Organic asset growth rate is calculated by dividing net asset inflows over beginning of period assets. 5% reflects average over the 5-year period.
2. Organic base fee growth rate is calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of the period. 5% reflects average over the 5-year period.
3. Operating leverage represents "operating margin, as adjusted". 2015 operating leverage information reflects accounting standards prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, *Significant Accounting Policies*, in the consolidated financial statements in our 2018 Form 10-K.

## Slide 124 - Organic asset growth higher and less volatile than peers

1. Organic asset growth and standard deviation represents quarterly organic asset growth rates from 12/31/15 – 12/31/20. Organic base fee growth for BlackRock represents quarterly organic base fee growth rates from 12/31/15 – 12/31/20. Peer organic asset growth rates from public filings. Industry organic asset growth sourced from Simfund, Broadridge Fundfile, Bloomberg and eVestment and excludes Fund of Funds and Money Market Funds.

## Slide 125 - Diversification supports 5% organic base fee growth target

1. Includes securities lending and represents % of total BLK base fee and securities lending revenue for full year 2020.
2. Organic base fee growth rate is calculated by dividing net new base fees earned on net asset inflows for the respective periods by the base fee run-rate at the beginning of the period.
3. 1Q21 is annualized.
4. Represents average of 2017, 2018, 2019, 2020 and 1Q21 annualized. Average may differ from information on slide due to rounding.
5. Traditional active includes all active strategies excluding illiquid alternatives.

## Slide 126 - Effective fee rate has been impacted by the macro environment

1. Fee rate represents investment advisory, administration fees and securities lending revenue earned on total average AUM. Total average AUM for 1Q20 and 1Q21 are calculated as the 4-point average of the month-end spot AUM amounts. 1Q20 and 1Q21 fee rates are annualized.
2. Beta represents market impact on total AUM. FX represents FX impact on total AUM.

## Slide 127 - Proven ability to leverage scale for clients & shareholders

1. 2015 information reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, *Significant Accounting Policies*, in the consolidated financial statements in our 2018 Form 10-K.

## Slide 128 - Driving expense leverage across the firm

1. Core G&A represents G&A as adjusted less Non-Core G&A. Non-Core G&A includes product launch costs, transaction costs and contingent consideration fair value adjustments related to acquisitions, FX remeasurement expense, fixed asset impairment charge, certain one-time legal items and COVID-19 related costs.
2. Net revenue represents revenue used for operating margin measurement.
3. Represents impact of certain deferred compensation programs, which have mark-to-market impact based on firm's financials results.
4. 2015 information reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, *Significant Accounting Policies*, in the consolidated financial statements in our 2018 Form 10-K.

## Slide 129 - G&A investments are concentrated in technology & data

1. Core G&A represents G&A as adjusted less Non-core G&A. Non-core G&A includes product launch costs, transaction costs and contingent consideration fair value adjustments related to acquisitions, FX remeasurement expense, fixed asset impairment charge, certain one-time legal items and COVID-19 related costs.
2. 2015 information reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, *Significant Accounting Policies*, in the consolidated financial statements in our 2018 Form 10-K.
3. Other includes marketing and promotional, occupancy and office related, professional services, communications and other G&A expense.

# End notes

## Slide 130 - Consistent capital management policy

1. Dividend and share repurchases from BlackRock's 10-K for each applicable year.
2. Payout ratio equals (total dividends and share repurchases) / (GAAP net income).
3. Represents Payout Ratio excluding the impact of 2017 Tax Act.

## Slide 132 - Effectively using our balance sheet to support future growth

1. Revenues from products that have received seed or co-investments over \$1m in 2009 through 2020. Portfolio value for as of year-end for both time periods.
2. 2020 revenue includes ~\$190m of future annual base fee from \$28bn of committed capital.

## Slide 135 - Steady dividend increases

1. 2003 dividend per share is annualized.

## Slide 136 - Consistent share repurchase program since 2013

1. Represents time period from 12/31/12 to 4/30/21.

## Slide 138 - BlackRock has delivered differentiated organic base fee growth across various market environments

1. Organic base fee growth rate is calculated by dividing net new base fees earned on net asset inflows by the base fee run-rate at the beginning of the period.
2. 2013 to 2015 information reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, Significant Accounting Policies, in the consolidated financial statements in our 2018 Form 10-K.

**BlackRock®**

**BlackRock Investor Day 2021**

# **Investing for the future**

**Larry Fink**

Chairman and Chief Executive Officer

# Key investment areas driving future growth

## Client-focused mindset to anticipate client needs

### Investment Platform

#### ETFs and Index

- New product expansion
- Index customization
- Cap. markets infrastructure

#### Alternatives

- Credit      ▪ Infrastructure
- Wealth      ▪ Asia
- Sustainability

#### Active

- Private markets sourcing
- Insight generation

#### Sustainability

- Climate aware capital market assumptions
- Proprietary research

Product innovation across the entire platform



### Technology & Data

#### Aladdin

- Whole portfolio, including private markets
- APIs and developer tools
- Wealth tech
- Cloud migration

#### Data & analytics

- Data-as-a-service
- Alternative datasets
- Natural language processing
- AI Lab

#### Sustainability

- Aladdin Climate
- ESG data in investment process
- ESG transparency in funds



### Distribution

#### Regional

- Local footprints
- Personalization
- Model portfolios

#### China

- Onshore products & infrastructure
- Brand recognition
- Research & insights

#### Retirement

- Retirement income solutions
- Expand LifePath globally
- ESG & active LifePath



Hiring the best **talent** and cultivating a diverse, inclusive and high-performance **culture**

**Investing for the future in  
our people and our platform  
to deliver long-term value for  
*all* stakeholders**



# Appendix

# Reconciliation between GAAP and as adjusted

(\$mm, except per share data)

	2013 <sup>(2)</sup>	2014 <sup>(2)</sup>	2015 <sup>(2)</sup>	2016	2017	2018	2019	2020
<b>Operating income</b>								
Operating Income, GAAP basis	\$3,857	\$4,474	\$4,664	\$4,565	\$5,254	\$5,457	\$5,551	\$5,695
<u>Non-GAAP expense adjustments:</u>								
Restructuring charge	-	-	-	76	-	60	-	-
Compensation expense related to appreciation (depreciation) on deferred compensation plans	10	7	1	-	-	-	-	-
Reduction of indemnification asset	-	50	-	-	-	-	-	-
Charitable Contribution	124	-	-	-	-	-	-	589
PNC LTIP funding obligation	33	32	30	28	15	14	-	-
Operating Income, as adjusted	4,024	4,563	4,695	4,669	5,269	5,531	5,551	6,284
Product launch costs and commissions	18	11	5	-	-	13	61	172
Operating income used for operating margin measurement	\$4,042	\$4,574	\$4,700	\$4,669	\$5,269	\$5,544	\$5,612	\$6,456
<b>Revenue<sup>(1)</sup></b>								
Revenue, GAAP basis	\$10,180	\$11,081	\$11,401	\$12,261	\$13,600	\$14,198	\$14,539	\$16,205
Distribution fees	(73)	(70)	(55)	(1,198)	(1,183)	(1,155)	(1,069)	(1,131)
Investment advisory fees	(332)	(350)	(402)	(410)	(480)	(520)	(616)	(704)
Revenue used for operating margin measurement	\$9,775	\$10,661	\$10,944	\$10,653	\$11,937	\$12,523	\$12,854	\$14,370
Operating margin, GAAP basis	37.9%	40.4%	40.9%	37.2%	38.6%	38.4%	38.2%	35.1%
Operating margin, as adjusted	41.4%	42.9%	42.9%	43.8%	44.1%	44.3%	43.7%	44.9%
<b>Net Income</b>								
Net income attributable to BlackRock, Inc., GAAP basis	\$2,932	\$3,294	\$3,345	\$3,168	\$4,952	\$4,305	\$4,476	\$4,932
Restructuring charge, net of tax	-	-	-	53	-	47	-	-
PNC LTIP funding obligation, net of tax	23	25	22	19	11	12	-	-
Amount related to the Charitable Contribution, net of tax	(4)	-	-	-	-	-	-	226
The 2017 Tax Act:								
Deferred tax revaluation (noncash)	-	-	-	-	(1,758)	-	-	-
Deemed repatriation tax	-	-	-	-	477	-	-	-
Other income tax matters	(69)	(9)	(54)	(30)	16	(3)	8	79
Net income attributable to BlackRock, Inc., as adjusted	\$2,882	\$3,310	\$3,313	\$3,210	\$3,698	\$4,361	\$4,484	\$5,237
Diluted weighted-average common shares outstanding	173,828,902	171,112,261	169,038,571	166,579,752	164,415,035	161,948,732	157,459,546	152,840,582
Diluted earnings per common share, GAAP basis	\$16.87	\$19.25	\$19.79	\$19.02	\$30.12	\$26.58	\$28.43	\$31.85
Diluted earnings per common share, as adjusted	\$16.58	\$19.34	\$19.60	\$19.27	\$22.49	\$26.93	\$28.48	\$33.82

(1) For further information and reconciliation between GAAP and non-GAAP measures, see notes (1) through (4) in our earnings release for the year ended December 31, 2020 as well as previously filed Form 10-Ks and 8-Ks.

(2) Information reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, Significant Accounting Policies, in the consolidated financial statements in our 2018 Form 10-K.

# Reconciliation between GAAP and as adjusted<sup>(1)</sup>

	2015 <sup>(3)</sup>	2020
<b>Revenue:</b>		
Revenue, GAAP basis	\$11,401	\$16,205
<u>Non-GAAP adjustments:</u>		
Distribution fees	(55)	(1,131)
Investment advisory fees	(402)	(704)
Revenue used for operating margin measurement	\$10,944	\$14,370

## **Compensation Expense**

GAAP	\$4,005	\$5,041
<u>Non-GAAP adjustments:</u>		
PNC LTIP funding obligation	(30)	-
Compensation expense related to appreciation (depreciation) on deferred compensation plans	(1)	-
Compensation expense, as adjusted	\$3,974	\$5,041
Compensation expense, as adjusted / Net Revenue	36.3%	35.1%

## **General and Administrative (G&A) Expense**

G&A expense, GAAP basis	\$1,380	\$2,465
Charitable Contribution	-	(589)
G&A expense, as adjusted	\$1,380	\$1,876
Non-Core G&A <sup>(2)</sup>	19	276
Core G&A	\$1,361	\$1,600
G&A Expense, as adjusted / Net Revenue	12.4%	11.1%

(1) For further information and reconciliation between GAAP and non-GAAP measures, see notes (1) through (4) in our earnings release for the year ended December 31, 2020 as well as previously filed Form 10-Ks and 8-Ks.

(2) Non-Core G&A includes product launch costs, transaction costs and contingent consideration fair value adjustments related to acquisitions, FX remeasurement expense, fixed asset impairment charge, certain one-time legal items and COVID-19 related costs.

(3) Information reflects accounting guidance prior to the adoption of the new revenue recognition standard. For further information, refer to Note 2, Significant Accounting Policies, in the consolidated financial statements in our 2018 Form 10-K.

# Performance notes

Past performance is not indicative of future results. Except as specified, the performance information shown is as of March 31, 2021 and is based on preliminary data available at that time. The performance data shown reflects information for all actively and passively managed equity and fixed income accounts, including US registered investment companies, European-domiciled retail funds and separate accounts for which performance data is available, including performance data for high net worth accounts available as of February 28, 2021. The performance data does not include accounts terminated prior to March 31, 2021 and accounts for which data has not yet been verified. If such accounts had been included, the performance data provided may have substantially differed from that shown.

Performance comparisons shown are gross-of-fees for institutional and high net worth separate accounts, and net-of-fees for retail funds. The performance tracking shown for index accounts is based on gross-of-fees performance and includes all institutional accounts and all iShares® funds globally using an index strategy. AUM information is based on AUM available as of March 31, 2021 for each account or fund in the asset class shown without adjustment for overlapping management of the same account or fund. Fund performance reflects the reinvestment of dividends and distributions.

Performance shown is derived from applicable benchmarks or peer median information, as selected by BlackRock, Inc. Peer medians are based in part on data either from Lipper, Inc. or Morningstar, Inc. for each included product

# Important notes

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