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BlackRock, Inc. (BLK)

Annual General Meeting

CORPORATE PARTICIPANTS

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R. Andrew Dickson
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Global Head-Investment Stewardship & Member-Global Executive Committee, BlackRock, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Welcome to BlackRock's 2023 Annual Meeting of Shareholders. It is my pleasure to turn today's meeting over to our host Larry Fink, Chairman and CEO of BlackRock. Mr. Fink, the floor is yours, sir.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

Thank you very much and good morning to everybody. On behalf of everybody at BlackRock and our Board of Directors who are here today, thank you for joining BlackRock's 2023 Annual Meeting of Shareholders. We have chosen to host our meeting virtually to provide more access to more shareholders and members of the public.

I'd like to start today's meeting by providing some context about what's driving BlackRock's business performance and our strategy to deliver long-term value for all of you, our shareholders. I will then turn it over to our Corporate Secretary, Andrew Dickson, who will cover the official items of business and voting matters, at which time we will take any question on the items up for vote. After we conclude the official items of business, we look forward to answering questions, our shareholders have submitted. If you would like to submit questions, you may do so through the Submission box on the Virtual Meeting page. We have built time into our schedule to answer as many questions as possible.

BlackRock's platform is built to help clients in all market environments. We have continually reinvested our business to ensure we can always meet our clients' needs as they change and as they evolve. The powerful simplicity of our business model is that when we deliver value for our clients, we also create more durable value for our shareholders. Over the past five years, BlackRock has delivered an aggregate of $1.8 trillion of total net inflows or 5% average annual organic growth compared to flat or negative industry flows. Over this five-year period, markets have been both positive and negative. We've seen robust rallies, deep contractions, but BlackRock has still consistently generated organic growth, reflecting the resiliency of our diversified platform.

Clients are entrusting more of their portfolios with BlackRock than ever before. This is a strong endorsement of the performance we can deliver, the guidance we provide and a fiduciary standard we uphold. We are fiduciary to our clients. The money we manage belongs to them. We serve each and every client by seeking the best risk adjusted returns consistent with their objectives and within the investment guidelines each of our clients set for us.

Our role is to help them understand how near-term market dynamics and long-term structural changes will impact their portfolios. Our clients have a wide range of investment objectives, preferences, time horizons and risk tolerances. We offer them choice to help them reach their individual investment goals. In 2022, we generated over $300 billion in net inflows with BlackRock capturing an estimated one-third of long-term industry flows.

Our multi-decade investments into our Aladdin technology platform continues to differentiate BlackRock, both as an asset manager and as a leading fintech provider. Annual technology services revenues grew to $1.4 billion in 2022, and our Aladdin business delivered a record net new sales, reflecting continued strong client demand. And we returned a record $4.9 billion of capital to our shareholders through a combination of dividends and share repurchases.

Momentum continues into the first quarter of 2023, with clients entrusting BlackRock with more than $110 billion of total net inflows, driving positive, annualized organic base fee growth. Amid market volatility and stress in the regional banking sector, BlackRock remained a source of stability for our clients, helping them navigate volatility and embed resiliency in their portfolio, while also providing insight on long-term opportunities. Organic growth in the first quarter was led by ongoing strength in our long-term strategic priorities, including bond ETFs, outsourced CIO mandates.

Clients also came to BlackRock for immediate liquidity and tactical asset allocation and needs. Whether it was through our diversified cash management offerings, our short duration fixed income products, our precision ETFs or exposures and valuation tools in Aladdin, we were there for each and every client, providing advice, giving them options and helping them execute in swift executions. Our strong business and financial results and commitment to consistently investing in our future has enabled us to deliver over a 55% total return to you, our shareholders over the past five years, and a 7,700% return since our IPO in 1999, well in excess of our peers and well in excess of the broader equity markets.

In 2022, global equities and bond markets experienced a historic joint decline, ending the year down 18% and 13% respectively. These market declines and the strengthening of the US dollar reduced BlackRock's AUM by $1.7 trillion in 2022. Impacting our financial results. We have seen more constructive markets so far in 2023 with global equity and bond markets up respectively 9% and 2%. BlackRock's AUM has grown by nearly $500 billion, reflecting first quarter net inflows and the positive impact of markets and foreign exchange movements. We have strong momentum going into the rest of the year, and I'm more excited than ever about the size and the number of opportunities. We have to do partner with our clients and importantly then delivering value for our shareholders.

The stress in the regional banking sector that we began to see in March is the consequences of a prolonged period of aggressive fiscal and monetary policy coming to an end. These policies contribute rising inflation and the Federal Reserve responded with the fastest pace of rate hikes since the 1980s. The cost of these hikes are now materializing, most notably in certain regional banks. Three of the largest core US bank failures in history occurred in the past two months with First Republic being the second largest ever. I believe the recent crisis of confidence in the regional banking sector will ultimately fuel another round of growth in capital markets. BlackRock will be an important player and there will be more opportunities for clients as people, companies, countries increasingly turn to the capital markets, not to the banking system, to finance their retirements, to help finance their business and help building economies.

Throughout our history, moments of dislocation and disruption have been inflection points for BlackRock. This is where opportunities arise for both BlackRock and our clients. From times like this, we have always emerged stronger, more differentiated in the industry and more deeply connected with our clients. At our founding 35 years ago when BlackRock was as much as a concept as it was a company, there was one thing we knew we had to get right, and that was always starting with the client.

We listened to them, we had learned from them and always put their needs first. Since then, we have developed leading franchises in ETFs, advisory, outsourcing and technology and we work tirelessly to integrate these capabilities into our one BlackRock business model and culture. It is this combination of capabilities that make us unique and more differentiated than any other asset manager and we are opening up new channels for growth by scaling our alternative franchises, by expanding the markets for bond ETFs, by providing client access to emerging opportunities in areas like transition investing.

Our momentum is a result of many years of thoughtful investments and the infrastructure needed to support the complexities of global mandates at the whole portfolio level. The power of our integrated platform enables us to deliver better outcomes for our clients and differentiated growth for you, our shareholders. As we look forward, our success and what we will achieve comes down to the people of BlackRock. Everything we've accomplished and will accomplish is because how we have worked together by putting our clients first and looking back on the last 35 years, it is our people who've enabled us to achieve all that we have as an organization.

Our steadfast commitment and actions to attract and retain a diverse workforce includes creating environments that allow everyone to flourish, to be supported and to have a true sense of belonging at BlackRock. We consistently work to support a culture where all voices can contribute to our growth and we are focused on attracting the best talent and helping them grow to become future leaders of BlackRock.

Just this past year, we made significant strides to strengthen how we support our people and foster greater inclusion, as well as hope we engage interested clients and have a positive impact on our clients' communities. An independent assessment of our commitment to driving racial equity found that we have made steady momentum and movement towards greater gender, ethnic, and racial representative across all of BlackRock. And I've met some of the [ph] representation goals (00:12:01) ahead of schedule. We launched Count Me In, a campaign to broaden our understanding of the diversity within the firm. And we've introduced Model Portfolios for Women to provide bespoke investment solutions for women to help them reach their financial goals and build a path toward a more prosperous, reliant future.

Looking forward, we recognize we still have more work to do. BlackRock remains committed to supporting the communities in which we operate. In 2022 alone, BlackRock employees volunteered over 42,000 hours, a firm record, with efforts supporting over 600 non-profit organizations. BlackRock's Board plays a critical role in our long-term success. Including reviewing BlackRock's long-term strategy, evaluating the risks and opportunities for our business, we have a thoughtful consideration and continuously given to the composition of our Board to ensure that we are positioned to be a strong – that it is a strong governing body that advises, challenges, and helps guide BlackRock and the leadership into the future.

Our board shares my focus on ensuring we're developing the next generational of leaders for the company. As we continually innovate and evolve our business to stay ahead of our clients' needs, we also have to evolve our organization and our leadership team. Key to delivering the full power of One BlackRock to our clients is having a senior leadership team with deep experience, with deep knowledge, with connectivity across the entire firm, a team that embraced horizontal leadership. We recently announced several of our senior leaders would take new roles to enhance our diversity of experience, global perspective and One BlackRock connectivity that will allow them to lead BlackRock to new heights.

We make organizational leadership changes every few years because we believe these changes bring great benefits to our clients, to you, our shareholders, to our firm, to our employees at the firm, and to the leaders themselves. These changes keep us more tightly connected, they stimulate fresh thinking and helping us better anticipate our clients' needs. We founded BlackRock based on a belief in the long-term growth of the capital markets and the importance of being invested in the capital markets.

BlackRock has grown as a role of the capital markets has grown over the past 35 years. I know that belief is firmly held by my colleagues at BlackRock across all parts of the organization. Their commitment to living our purpose, evolving ahead of our clients' needs and making access to the capital markets easier, more affordable for more people around the world makes me incredibly optimistic for BlackRock's future. We have always been unwavering in our commitment to serving our clients, and by doing so, we have delivered outsized returns for our shareholders.

Thank you, all, for the continued investment in BlackRock. I'll now pass it over to Andrew for our official agenda items and I look forward to answering your questions shortly.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

Thank you, Larry. I would also like to welcome all of those in attendance today. In addition to Larry and myself, we are joined by Chris Meade, our General Counsel and Chief Legal Officer, members of our Board of Directors and several members of our Global Executive Committee. Additionally, representatives of our independent registered accounting firm Deloitte and our Inspector of Election, Mr. Tony Carideo of the Carideo Group are in attendance as well.

As Larry noted, I will first provide a report on procedural matters and cover the rules of conduct for this meeting. After that, the polls will be opened and we will respond to questions pertaining to the proposals. We will then take a brief pause for the casting of any final votes, after which the polls will close. I will then provide the preliminary voting results and adjourn the formal portion of our meeting.

After the formal portion of our meeting is adjourned, we will use the remaining time to take general questions from shareholders submitted through our virtual meeting page. I encourage shareholders who have questions to submit them even now. When submitting your question, please include your name, your status as a shareholder or proxyholder and your organization, along with the text of your question. And also please note that we will stop taking submissions for additional questions at the end of the formal business portion of the Annual Meeting. Please note that we will be posting a transcript of the meeting to our Investor Relations website later this week.

I will now address the formalities that are necessary for our record keeping, I have in my possession a copy of the notice of this meeting together with an affidavit from Broadridge, our tabulation agent, showing that the notice of Internet availability, the proxy statement and our annual report were duly mailed to shareholders of record as of the close of business on March 30, 2023 which is the record date for determining persons entitled to vote at this meeting.

In addition, I have in my possession the oath subscribed to by the inspector of election. The inspector of election has certified that at the start of this meeting, there were present in-person or by proxy 132,085,482 votes or 88.11% of the total voting power, therefore, a quorum is present.

I will now turn to the rules of conduct for the meeting. The rules of conduct and the agenda are available to you via the links provided on the virtual meeting page. As a reminder, recording the Annual Meeting is prohibited. The following rules have been established to govern the conduct of the meeting. As this is a meeting of our shareholders, only shareholders as of the close of business on March 30, 2023, the record date or their duly authorized proxies are entitled to vote or submit questions during the Annual Meeting.

If you have submitted your proxy prior to the start of the meeting, your vote has been received and there's no need to vote those shares again during the meeting unless you wish to revoke or change your vote. Shareholders were provided the opportunity to submit questions or comments in advance of the Annual Meeting and will be able to do so now and until the beginning of the general question and answer period.

To submit questions, please see the virtual meeting page. To allow us to answer questions from as many shareholders as possible. We may limit each shareholder to one question, we reserve the right to edit inappropriate language, if multiple questions are submitted on the same topic, we will group, summarize and answer those questions together, we will make every effort in the time we have to address questions and comments that are consistent with these rules of conduct.

However, the company does not intend to address any questions or comments that are among other things, irrelevant to the business of the company, derogatory in nature, related to personal matters or grievances, repetitious of statements made by other shareholders or not otherwise suitable for the business of the Annual Meeting.

I would also like to note that in the event of a technology failure or other disruption during the meeting that interferes with our ability to continue this meeting, we will adjourn, recess or expedite the meeting. Updates regarding reconvening the Annual Meeting will be available on our investor relations.

With that, we will now move on to the formal part of the meeting. As indicated in our proxy statement, we are here today to consider seven items of official business. Item 1, the election of 16 nominees to our board of directors. Item 2, the non-binding advisory vote on the compensation of our named executive officers. Item 3, the non-binding advisory vote on the frequency of future executive compensation advisory votes. Item 4, the ratification of Deloitte & Touche LLP as BlackRock's independent registered public accounting firm for fiscal year 2023. And finally, items 5 to 7 are proposals submitted by shareholders.

The first item is the election of directors. This year, the board has nominated 16 individuals to serve one year terms, ending at our next Annual Meeting of shareholders. The names and biographies of the director nominees are included in our proxy statement on pages 17 through 24. The board recommends a vote in favor of each of the nominees.

The second item is a management proposal asking our shareholders to cast a non-binding advisory vote on the compensation of our named executive officers as disclosed in the proxy statement. While this advisory vote is non-binding, the management development and compensation committee and the entire board of directors will review the results of the vote and take that feedback into account in future determinations relating to the company's executive compensation program. Accordingly, the board recommends they vote in favor of the compensation of the company's named executive officers as disclosed in the proxy statement.

The third item is a management proposal asking our shareholders to cast a non-binding advisory vote on the frequency with which future advisory votes on the compensation of our named executive officers should be held. While this advisory vote is also non-binding, the board believes that an annual advisory vote on executive compensation allows our shareholders to provide us with timely input on our compensation philosophy, policies and practices. An annual advisory vote on executive compensation is also consistent with our policy of seeking input from and engaging in discussions with our shareholders on corporate governance matters and our executive compensation philosophy, policies and practices every year. Accordingly, the board recommends a vote for one year with respect to how frequently a future non-binding shareholder votes to approve the compensation of our named executive officers should occur.

The fourth item is to ratify the selection of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2023. The audit committee of the board of directors conducts a comprehensive annual evaluation of Deloitte's qualifications, performance and independence. As a result, the audit committee believes that the continued retention of Deloitte as BlackRock's independent registered public accounting firm is in the best interests of the company and its shareholders. The board recommends that you vote for this proposal.

The fifth item is a shareholder proposal submitted by the National Center for Public Policy Research. The shareholder proposal requests that the board commission an audit analyzing the impacts of the company's diversity, equity and inclusion policies on civil rights, non-discrimination and returns to merit and the impacts of those issues on the company's business. The NCPPR has provided an audio recording for the presentation of its proposal.

Operator, would you please play the recording?

Unverified Participant

In recent years, our CEO, Larry Fink has been very direct in telling CEOs to retain access to capital not owned by BlackRock, but under its control they would have to sign-up for equity. According to its progenitors, equity means active discrimination on the basis of race, sex, orientation, and other such classifications now to make up for other discrimination by other people against other people in the past without regard to constitutional norms of objective and equal treatment, until [ph] equalities of outcome (00:24:16) by race and sex-based categories are achieved.

This standard interpretation of equity makes [ph] this cheap (00:24:21) methods not only illegal, but unconstitutional. Maybe someone in BlackRock's C-suite finally realized this and then telling other people to adopt such equity-based discrimination [ph] less (00:24:32) they lose access to other people's money might constitute a criminal effort to deny American civil rights. Because this year, not only did Mr. Fink not send his annual letter to CEOs, he didn't mention equity at all.

But that doesn't mean that he and BlackRock are not still pushing equity-based discrimination on American corporations. Not just with ESG-specific assets under management, but with all assets which creates its own legal and reputational dangers or stop using it at BlackRock itself. He's just stop talking about it.

In opposing our proposal, BlackRock tries to imply that it has a special secret definition of equity that's different from the one used by the people who created equity. It explains that at BlackRock, equity means that everyone has fair access to opportunities to advance and succeed. But note the stealth word in there. Fair, the people who designed and support equity theory think that explicitly illegal discriminatory access is what's fair to make up for other discrimination by other people against other people in the past. And since that's what equity in the modern sense means, the most sensible conclusion is that's what BlackRock means, too. Later in the statement, the company asserts that it offers, equality of opportunity regardless of race, sex and orientation, but that's the exact opposite of equity, as we've seen. To support equity and to support surface characteristics [ph] blind (00:25:46) equality of opportunity is a contradiction. And the fact that BlackRock cites to its reliance on a third-party equity auditor to address that contradiction merely illustrates that it's being honest about equity-based discrimination and dishonest about the equality of opportunity because the auditor appears to be all in for equity.

That's why our unbiased audit, including full participation by scholars who rightly think equity-based discrimination is illegal and who care about the civil rights of the non-diverse too, is so vital. Of course, Mr. Fink, you can legally support equity by giving away your and your family's assets and power to those whom equity honors as diverse to improve equity-based outcomes, you can constrain your descendants' future to further that goal. But until you get down to an equitable average yourself, you have no business demanding that others who look and love like you submit to the discriminatory indignities of equity.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

The board's statement of opposition to that proposal was included on page 101 of the proxy statement. The sixth item is a shareholder proposal submitted by Paul Rissman. The shareholder proposal requests that the board of directors produce a report specifying whether and how BlackRock could improve its pension fund clients' investment returns by focusing its climate-related investment stewardship and proxy voting to engineer decarbonization in the real economy. Mr. Rissman has provided an audio recording for the presentation of the proposal. Operator, would you please play that recording?

Unverified Participant

My name is Paul Rissman. I'm an individual investor and a holder of BlackRock shares. I filed the resolution appearing on the proxy as item number 6 because I am concerned that my investment could be damaged by BlackRock's timidity in protecting its clients from the systemic risk of climate change, I urge BlackRock investors to vote for Item 6.

BlackRock recognizes that climate change poses material risk to client portfolios. BlackRock itself has estimated a nearly 25% cumulative loss in global economic output in the next two decades, if sufficient climate mitigation actions are not taken. BlackRock's current 10-K translates this potential decline into a negative effect on its own financial performance by stating that, "climate-related risks could impact BlackRock's business through adverse impacts to its clients' investments, including as a result of declines in asset values and changes in client preferences. These risks may cause the company's AUM revenue and earnings to decline."

BlackRock's approach to protect its clients' portfolios from climate change is increasingly out of step with client demands. Potential clients, such as members of the $11 trillion Net-Zero Asset Owners Alliance call climate change an existential risk and demands, "greenhouse gas emissions reduction outcomes in the real economy through advocating for and engaging on corporate and industry action." Moreover, this line states that, "one of the most important and impactful engagement opportunities we have is engaging our asset manager partners to support greater climate action."

But BlackRock is on record as refusing to engineer decarbonization in the real economy in direct contradiction to the Net-Zero Asset Owners call. As the world's largest asset manager, BlackRock could exercise a profoundly positive effect on client portfolios by voting for shareholder resolutions asking for decarbonization and voting against directors of companies who are unwilling to decarbonize in a timely fashion, but it lags its industry peers in this regard. BlackRock once used its mighty voice to loudly proclaim that climate risk is investment risk. But the firm has pulled back on this message, perhaps to avoid antagonizing climate [ph] denialists (00:29:30)

As a result, BlackRock has begun to experience client attrition. For example, when the largest pension fund in the UK, terminated its BlackRock relationship and switched to a more climate aware competitor. BlackRock also faces an activist challenge calling for Larry Fink's resignation, claiming that BlackRock statements and actions concerning sustainability are inconsistent and are alienating clients. BlackRock business in Europe, almost a third of its total is growing more slowly than in other regions. It is probably not coincidental that this is the region of the world where clients are most concerned with mitigating the effects of climate change.

BlackRock can improve client performance and therefore shareholder returns by more actively working to mitigate the systemic risk of climate change. I therefore urge BlackRock shareholders to vote yes on item six.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

The board statement of opposition to this proposal is included on page 104 of the proxy statement. The seventh and final item is a shareholder proposal submitted by Code Pink: Women for Peace. The shareholder proposal requests that the board of directors prepare and publish a report on the potential material risks to all stakeholders of the iShares U.S. Aerospace and Defense ETF, ticker symbol ITA, with a focus on the global human and environmental cost of investing in ITA. Code Pink has also provided an audio recording for the presentation of the proposal. Operator, would you please play the recording now?

Unverified Participant

Good morning. I'm Teddy Ogborn and I'm a representative for Code Pink shares in BlackRock. Moreover, I'm a 25 year old human being who wants a habitable world for myself and my family to live on. I feel it's fair to assume that this sentiment is shared by my fellow shareholders as well as their families. Our resolution proposal item seven calls for an impact report to be produced on the climate effects of the iShares Defense and Aerospace Exchange Traded Fund, also known as ITA. Given what we know about the climate crisis and militarism, it's not hard to see why we've written this proposal.

The 2015 Paris Agreement made it clear that nations must limit warming to 1.5 degrees celsius if we are to avert the worst effects of the present climate catastrophe. This crisis is already upending world affairs as it takes the lives of those less fortunate than us causing mass migration, crop failure, ocean acidification and other myriad consequences.

Among these is the financial impact on our investments as Larry Fink himself correctly identified back in 2020 that climate risk is investment risk. Climate change will certainly upend the physical and financial realities of our children as the UN reported just last week that the 1.5 degrees limit is expected to be shattered in the coming decade. There is still time though to avert further and exponentially worse climate chaos but if we don't act within the financial sector now, we will certainly run out of time.

We know our governments are not moving fast enough to limit warming but we as shareholders in this company are uniquely empowered to take a crucial step forward. BlackRock can begin taking this step simply by reporting the climate and environmental impact of this ETF. The board's unfortunate recommendation to vote against item 7 states that ITA's information page already lists the implied temperature rise associated with the fund. What the board doesn't say is that this implied temperature rise is listed as greater than 3 degrees Celsius. Greater than 3 degrees is actually the worst score possible within this metric and it's worth noting that greater than 3 could mean anything from 3.1 to 5 degrees and beyond.

If my fellow shareholders are unaware, this number represents a truly apocalyptic level of global heating with consequences far, far beyond that of a 1.5 degree world. But there is no mention of 1.5 degrees on ITA's page nor in the board statement and there is no acknowledgment of the dire implications associated with greater than three degrees warming. How then could any investor know that they would be funneling money into the near-term death of our planet into the suffering of our children and grandchildren? The information available to clients is at best incomplete and at worst misleading. The US military is the planet's largest institutional emitter of greenhouse gases and this ETF is the biggest fund fueling those emissions. Providing shareholders with accurate information on the fund is not just perfectly reasonable well within the company's wheelhouse and purview, it is a moral obligation to its clients. Thank you.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

The board statement of opposition to this proposal is included on page 106 of the proxy statement. That concludes the presentation of the items of business. It is now 8:34 AM and I declare the polls officially open. We will now take any questions related to the proposals presented at this meeting.

I see that we've already received a number of questions related to the matters up for a vote, which we will seek to address now. Shareholders can continue to submit other questions through the virtual meeting page, and we will seek to answer as many as we can in the allotted time for general Q&A.

QUESTION AND ANSWER SECTION

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

A

We've received a question from [ph] John Roth 00:34:53 (00:34:51) as well as [ph] Jesse Waxman. Jerry Bauer and Tyler Ogborn (00:34:58), who ask, given the advocacy for DEI and ESG issues at other companies, why is the board recommending a vote against the three shareholder proposals you have this year? Isn't this hypocritical?

So before turning it over to Larry, I want to note for those listening to this broadcast that our board recommends they vote against each of the three proposals for the reasons noted in our proxy statement. Our board has considered the shareholder proposals and believe they are not in the best interests of BlackRock or our shareholders [ph] for the board (00:35:31) statements of opposition, please see pages 99 through 106 of the proxy statement. With that being said, Larry, do you have anything you want to add on the shareholder proposals?

Laurence Douglas Fink

Chairman & Chief Executive Officer, BlackRock, Inc.

A

Thank you, Andrew, and thanks, John, and everybody else for the question. As Andrew said, our board has considered the proposals and determined they're not in the best interests of the company and to our shareholders. Regarding proposal 1, we believe a diverse workforce and an inclusive work environment are critical for achieving better outcomes across our level of our business.

Unfortunately, the proponent mischaracterize our commitment to DEI by suggesting that our policies promoting these goals discriminate against non-diverse employees. We are committed to providing equal opportunity, attracting, retaining talent – talented employees from all backgrounds and ensuring that every single one has a sense of belonging and are empowered to achieve their full potential. This has been the key to BlackRock's culture for 35 years and it is a key and a reason why we have industry-leading growth with our clients. And to be clear, we do not tolerate illegal discrimination or harassment of any kind.

With respect to proposal 2, our role is to focus on achieving the best long-term investment performances for our clients. Consistent with their mandate, their wishes that they give us, it is not to engineer a real world decarbonization. We have clients who wished for that, but we also have clients who are not interested in that. And our job is to be working with is to be working with our clients. Our clients have a range of goals. They invest across asset classes, invest across investment themes and BlackRock is here to help them meet those investment objectives – their investment objectives over the long term. BlackRock provides choice to our clients and continue to develop products across our platforms that are designed to meet the investment objectives of each and every client.

We think the best risk-adjusted financial returns within the guidelines that each and every client gives us. We recognize that there are potential economic benefits to effectively addressing the transition to a low-carbon economy. And we seek to provide our clients with industry leading research. We seek to help our clients through product choice and impact of the transition on their portfolios.

Of course, we do this consistent with each and every client goal and objective and we underpin our work consistently with research, data and analytics. Now I want to acknowledge the important work that our Investment Stewardship team does, engaging with companies to understand. But not to direct how companies identify and manage their risk and opportunities of climate change and the transition towards a low-carbon economy, the proponent mischaracterizes our role as an asset manager and as a fiduciary to our clients, our investors.

And the role of our BlackRock Investment Stewardship Team. Our role is not to engineer real world decarbonization. Our job is to help each and every client navigate investment risks and opportunities associated with the transition where that is consistent with their objectives and their mandate they have given us, their contracts that they've provided to us.

On proposal 3, I will briefly say, we've already made available disclosures about the material risk of investing in iShares U.S. Aerospace & Defense ETF. This is why we are opposed to the proposal and do not believe shareholders should bear the cost of preparing a report on a single ETF advised by one of BlackRock's subsidiaries.

We have a number of other ETFs and like those ITA, offer investors passive exposures to a broad range of companies in specific industries. In addition, sustainability characteristics are included in the ETF fact sheet, which are publicly available for anyone to view.

R. Andrew Dickson
Corporate Secretary & Managing Director, BlackRock, Inc.

A

Thank you, Larry. We received a question from [ph] David Dadose (00:40:22) who asks why BlackRock gives shares to executives and directors. Specifically, he's asking whether this approach wouldn't dilute each shareholder.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Thank you for the question. Let me have Bill Ford address and respond to the question.

William E. Ford
Independent Director, BlackRock, Inc.

A

Thank you, Larry, and thanks to our shareholders for all their questions. The MDCC believes that it is important to align the interests of executives and similarly directors to those of our shareholders. The most direct way to accomplish this is through equity awards. On the dilution point, the committee carefully monitors dilution to our shareholders from our equity compensation programs. Our equity burn rate or the number of shares granted to employees and directors relative to our total shares outstanding, remains steady in 2022 and below the mean and medium of our compensation peers.

For our named executive officers, our total annual compensation structure embodies our commitment to align pay with performance. In 2022, more than 60% of their total compensation was granted in deferred equity incentives that directly align the interests of these executives with BlackRock's delivery of long-term shareholder value. In fact, our belief in the merits of equity incentives is exactly why we require our directors and executives to own certain levels of shares.

Our global executive committee is required to own a target value of shares outright, ranging from $10 million for our CEO to $5 million for our President and $2 million for all other GEC members. The community monitors compliance with these guidelines. Independent directors are required to retain $500,000 of shares within five years of joining the board, which is over 5 times the annual board retainer.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

Thank you, Bill. Thank you to those of you who submitted questions. We will continue with general Q&A in a moment. But I will now make a final call for a vote on the proposals. As a reminder, any shareholder who has not yet voted or wishes to change their vote may do so by clicking on the voting button on our virtual meeting page and following the instructions. Shareholders who have sent in proxies or voted via telephone or internet and do not wish to change their vote do not need to take any further action. We will now pause for a moment for voting to occur.

Okay. I hereby declare the polls closed on all matters being voted upon by shareholders. I will now report on the preliminary voting results.

Based on the proxies and votes already received and subject to final tabulation, each of our 16 director nominees have received well over a majority of votes cast. A non-binding advisory vote on the executive compensation of our named executive officers received approximately 92% of the vote in favor and 8% against. With respect to the non-binding advisory vote to recommend the frequency of future executive compensation advisory votes, approximately 99% of the votes cast were voted for one year. The ratification of Deloitte as our independent registered public accounting firm received approximately 96% of the vote in favor and 4% against.

Turning to the shareholder proposals, the shareholder proposal submitted by the NCPPR received slightly less than 1% of the vote in favor and over 99% of the vote against. The shareholder proposal submitted by Paul Rissman received just shy of 10% of the vote in favor, approximately 90% of the vote against. The shareholder proposal submitted by Code Pink: Women for Peace received approximately 8% of the vote in favor and 93% of the vote against. Official voting results will be publicly reported and available on the SEC's website within four business days.

This concludes the formal business of the meeting. As I'm aware of no other business, the 2023 Annual Meeting of shareholders of BlackRock is hereby adjourned. We will now turn to the general shareholder Q&A portion of the meeting. Please note that the time for submitting questions for the general question-and-answer period is now closed. We will now turn to shareholder questions and will pause for a moment to review those that have been submitted through the portal. Thank you.

QUESTION AND ANSWER SECTION

R. Andrew Dickson
Corporate Secretary & Managing Director, BlackRock, Inc.
A

We've received a number of questions from shareholders, including [ph] Roger Flanagan, Mark Charles Craig Rucker (00:45:39) and others on why BlackRock uses its voice around various issues including ESG and racial equity, which they believe are personal and political preferences. Larry, can you comment on this question?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.
A

Thank you for this question. Let me start off and say we are a fiduciary to our clients. The money we manage belongs to our clients, who entrust us to manage their investments and to help them prepare for the future. Our fiduciary duty is to serve each and every client by seeking the best risk adjusted returns within the guidelines they set for us. When we deliver value for our clients, we also create more value for our shareholders. We serve our clients who have a wide range of investment objectives, preferences, time horizons, risk tolerances and we offer them choice to help them reach their investment goals and we manage their assets consistent with their objectives and their guidelines. Part of supporting our clients include speaking out on issues important to their investments.

The global energy transition is one example of an important investment risk and opportunities that our clients expect us to navigate their portfolio through. We invest in companies on behalf of our clients in accordance with the mandate they have given us. It is our clients' money, not ours. We are not involved in the management of companies. Our interest is seeing companies create sustainable, durable, long-term value for shareholders, which include our clients. I believe our approach is resonating, while most of our peers saw net outflows in 2022, clients entrusted BlackRock to manage nearly $400 billion of long-term net assets, including $230 billion alone in awards in the United States.

This momentum continues in the first quarter of 2023, with clients entrusting us with more than $100 billion in net new assets. These industry leading results, reflect a strong endorsement by our clients of the choices we make, the advice we provide, the long-term investment performance we have delivered, and the fiduciary standard that we uphold to each and every client.

R. Andrew Dickson
Corporate Secretary & Managing Director, BlackRock, Inc.
A

Thank you, Larry. We received a question from [indiscernible] (00:48:18) on why in this year's CEO letter, BlackRock did not adequately address the climate crisis in the accompanying financial risk to investors, [ph] Mary Sweeters, Diana Best, Tim Smith, Jesse Waxman (00:48:30) similarly asked, how are you dressing recent political attempts to limit BlackRock's ability to manage climate risk? Larry, how would you respond to these questions?

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.
A

Again. Thank you for the questions. As we're hearing from the questions that have been submitted, we have shareholders from very different perspectives, including some on the transition to a low-carbon economy. In some respects, my answer to the question is going to be similar to the previous one.

In my letter this year, I wrote about how the transition to a low-carbon economy is top of mind for many of our clients. Like our shareholders, our clients have a range of investment objectives and perspectives on this topic. We have clients, who want to invest in ways that seek to align with a particularly transitioned path or to accelerate that transition. Many of our clients see the investment opportunities that will come as they establish energy – as they come as – established energy companies adapt their business. They recognize the vital role energy companies will play in ensuring energy security and successful energy transition.

In all and every case, we manage clients' assets consistent with their objectives and guidelines. It is our clients choice, where to invest and how to invest. And it is our fiduciary duty to seek the best risk adjusted returns within the investment guidelines they set with us. Let me leave it there.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

A

Thank you, Larry. We've received a question from [ph] Eric Lewis (00:50:10). He's asking essentially about the returns on his BlackRock stock.

Laurence Douglas Fink

Chairman & Chief Executive Officer, BlackRock, Inc.

A

[ph] Eric (00:50:17), thank you for that question. Since BlackRock's founding, we've always been unwavering in our commitment to serving our clients and by doing so, we've delivered outsized returns for our shareholders. Our framework for delivering value to shareholders over a long period of time is simple, focus on the key elements of our business model that we can control. We can generate organic growth. We can realize the benefits of scale and driving operating leverage. We are consistently returning capital to you, our shareholders. And a successful execution of our strategy will enable us to generate value for our shareholders over the long term.

Yet, BlackRock was not immune to the downturn of the market sentiment in 2022, with global equity markets ending down nearly 20%. As a significant holder of BlackRock shares myself, the share – the price was disappointing in the near-term performance. BlackRock was founded on a belief of long-term growth in the capital markets, and we continue to advocate it to our people, to invest their savings over decades and take advantage of the long-term returns delivered by the growth of the capital markets.

Over the long term, our business has been strong. Our financial results and commitment to consistently investing for the future has enabled us to deliver a 55% total return for our shareholders over the last five years. We are proud to be the highest-performing financial services stock in the S&P 500 since our IPO in 1999. At the end of 2022, we had delivered a total return of 7,700% since our IPO, well in excess of all our peers and well in excess of the broader equity markets. The diversification and breadth of our platform enables us to serve clients across market environments, and we believe BlackRock is well-positioned as ever to meet the needs of you, our shareholders, to continue to drive long-term returns for each and one of you as shareholders.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

A

Thank you, Larry. We received a question from [ph] Moira Burse (00:52:32), who's asking, what is BlackRock doing to ensure that the companies in which it invests are sufficiently assessing and mitigating the risks associated with not properly seeking consent from indigenous peoples? These are risks that BlackRock itself laid out in its latest stewardship guidelines. I'm going to ask Joud Abdel Majeid, our Global Head of Investment Stewardship, to take this question. Joud?

Joud Abdel Majeid
Global Head-Investment Stewardship & Member-Global Executive Committee, BlackRock, Inc.

A

Thanks, Andrew, and thank you to [ph] Moira (00:52:56) for the question on this important issue. As you note, our guidelines outline our approach on this topic in more detail. But to summarize, we think it is important that companies whose operations have material impacts on the rights of indigenous people, take a comprehensive approach to engaging with those parties on the relevant issues and reporting to shareholders on these processes through robust disclosures.

We also recognize that governments and policymakers are ultimately responsible for enforcing relevant laws and regulations on these issues. On our side, our investment stewardship team engages with companies on how they manage the human rights issues that are material to their businesses and monitors the effectiveness of company's human rights practices on a best efforts basis. And as with other issues and situations, where we believe that company policies, actions or disclosures are insufficient, we raise those concerns through our engagements and warranted through proxy voting.

R. Andrew Dickson
Corporate Secretary & Managing Director, BlackRock, Inc.

A

Thanks, Jude. We've received a question from longtime shareholder [ph] Eric Haaretz (00:54:03) regarding Aladdin's resilience in times of market stress. Larry, I'll turn that one over to you.

Laurence Douglas Fink
Chairman & Chief Executive Officer, BlackRock, Inc.

A

Thank you, [ph] Eric (00:54:10), for that question. Aladdin was built for times of market dislocation and we are very proud that our technology enables clients to act quickly with clarity and confidence during market shocks. Well, there's been tremendous ups and downs in the broader markets and operating environment. The need for digitization and efficiencies through technology remains a constant. Market volatility in a growing demand for immediate, precise information on direct and indirect exposures underscores the need for a robust enterprise operating system and risk management technology offered through Aladdin. For example, in the week following the collapse of Silicon Valley Bank, we saw significant increases in the usage of Aladdin exposures and interactive modeling tools as clients sought to understand their exposures to specific securities, the sectors and their exposure across the yield curve.

They leverage Aladdin capabilities to manage interest rate risk in portfolios and set enterprise level broker and trade restrictions. Similarly, Aladdin wealth clients turned to the platform to better understand their clients' exposures as they have in other significant market events like the start of COVID, the Russian invasion of Ukraine. Usage following failures in US regional banks more than doubled as many of our wealth clients – on most of our clients wealth platforms.

We are incredibly proud that Aladdin continues to play a key role in risk management and businesses continuity and during times of market stress, both at BlackRock and for our clients. As I said earlier, demand for Aladdin's integrated, resilient investment management technology is only increasing. And we look forward to working with more and more clients, which will help deliver revenue growth for BlackRock, but most importantly, it's great value for our clients.

R. Andrew Dickson

Corporate Secretary & Managing Director, BlackRock, Inc.

Many thanks, Larry. And thank you to all the shareholders who submitted your questions. In reviewing the remaining questions, we have determined that they concern topics which we have already addressed during the meeting. As I've previously mentioned, a transcript of the meeting will be posted to our Investor Relations website later this week. I will now turn it over to Larry for some closing remarks.

Laurence Douglas Fink

Chairman & Chief Executive Officer, BlackRock, Inc.

I'd like to thank all of you for being BlackRock's shareholders. We appreciate you joining our Annual Meeting and thanking you for those, who submitted questions. As I said in my prepared remarks, I see tremendous opportunities for your firm. And our focus remains on delivering the power of our platform to each and every of our clients. By doing so, we believe we're better positioned to generate long-term, durable profits for you, our shareholders. Thank you and have a good day, good week, and enjoy summer.

Operator: The meeting has now concluded. Thank you for joining and have a pleasant day.