BLACKROCK INVESTOR DAY 2013

Agenda

8:00 – 8:15am	**Welcome Remarks** **Robert S. Kapito**, President
8:20 – 8:40am	**Strategic Product Management: *Optimizing the Platform*** **J. Richard Kushel**, Deputy COO & Head of Strategic Product Management
8:45 – 9:15am	***Combined Power of Alpha & Beta*** **Quintin R. Price**, Global Head of Alpha Strategies **Amy L. Schioldager**, Global Head of Beta Strategies
9:20 – 9:50am	**Retail: *A Global Opportunity*** **Robert W. Fairbairn**, Global Head of Retail & iShares
9:55 – 10:10am	**Break**
10:10 – 10:40am	**Institutional & BlackRock Solutions: *Focused Execution*** **Robert L. Goldstein**, Global Head of Institutional & BlackRock Solutions
10:40 – 11:00am	**Aladdin Platform: *Sustainable Differentiation*** **Charles S. Hallac**, COO
11:05 – 11:35am	**iShares: *Growth from Here*** **Mark K. Wiedman**, Global Head of iShares
11:40 – 12:10pm	***Delivering Shareholder Value*** **Gary S. Shedlin**, CFO
12:10 – 12:15pm	**Break**
12:15 – 12:45pm	**Luncheon**
12:45 – 1:30pm	**Audience Discussion**
1:30 – 2:00pm	**Closing Remarks & Final Questions** **Laurence D. Fink**, Chairman & CEO

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's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and BlackRock's subsequent filings with the SEC, accessible on the SEC's website at www.sec.gov and on BlackRock's website at www.blackrock.com, discuss these factors in more detail and identify additional factors that can affect forward-looking statements.

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Welcome Remarks

Robert S. Kapito, *President*

Today's goals

1. Deepen understanding of BlackRock
2. Provide enhanced access to a broad range of senior leaders

Agenda

Strategic Product Management	**Richard Kushel**	*Deputy COO & Head of SPM*
Alpha / Beta	**Quintin Price** **Amy Schioldager**	*Global Head of Alpha Strategies* *Global Head of Beta Strategies*
Retail	**Robert Fairbairn**	*Global Head of Retail & iShares*
Institutional & BRS	**Robert Goldstein**	*Global Head of Institutional & BRS*
Aladdin Platform	**Charles Hallac**	*Chief Operating Officer*
iShares	**Mark Wiedman**	*Global Head of iShares*
Finance	**Gary Shedlin**	*Chief Financial Officer*
Keynote	**Laurence Fink**	*Chairman & CEO*

Today's goals

1. Deepen understanding of BlackRock
2. Provide enhanced access to a broad range of senior leaders
3. Communicate growth, differentiation and execution

The BlackRock Principles

BLACKROCK PRINCIPLE

WE ARE A FIDUCIARY TO OUR CLIENTS.

We operate our business with a fiduciary mindset—which means putting our clients' interests first.

BLACKROCK PRINCIPLE

WE ARE PASSIONATE ABOUT PERFORMANCE.

We are passionate about our work and intensely focused on performing at the highest levels.

BLACKROCK PRINCIPLE

WE ARE ONE BLACKROCK.

We challenge ourselves—and each other—to collectively raise our game.

BLACKROCK PRINCIPLE

WE ARE INNOVATORS.

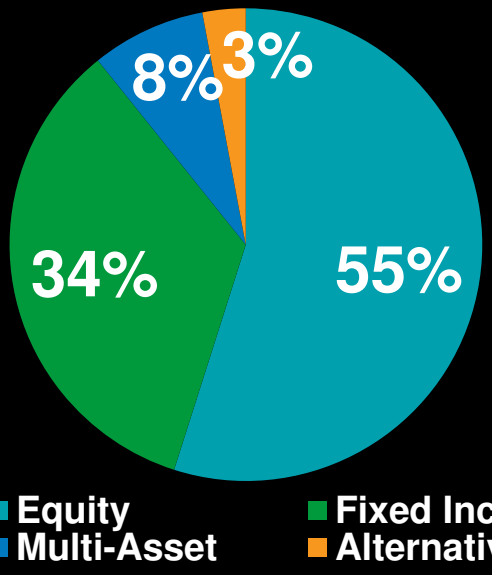
Continuous innovation helps us bring the best of BlackRock to our clients.

Highly differentiated asset manager

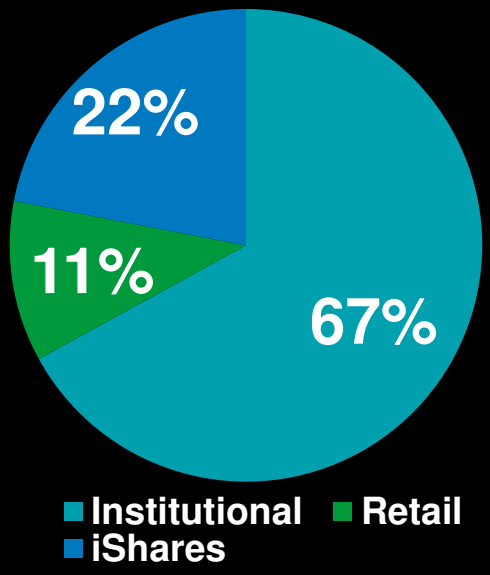
Diversified global firm with $3.9 trillion in AUM & $2.4 billion in 1Q Revenue

- Unparalleled mix of active and passive strategies to meet evolving client needs
- Industry leader in advice-oriented solutions, risk management, and innovation

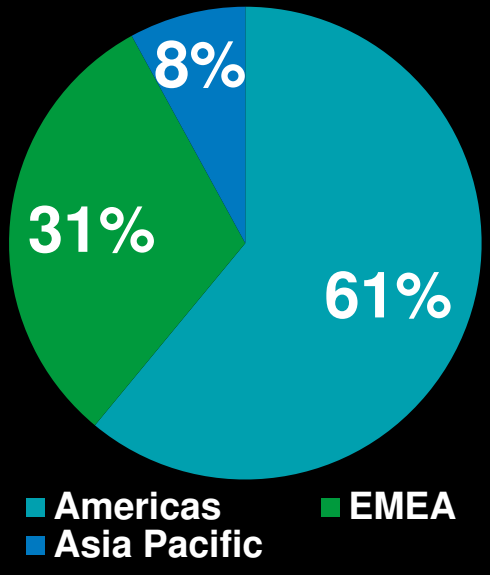
Product



Client Type



Region



Note: Charts above reflect long-term AUM at March 31, 2013 which excludes Cash Management & Advisory AUM.

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Strategic Product Management: *Optimizing the Platform*

Rich Kushel, *Deputy Chief Operating Officer*

Why Strategic Product Management?

Unifying function central to optimizing product set and driving organic growth

Discipline

- Apply fact-based objective criteria to product decisions
- Optimize decisions for clients and BlackRock

Focus

- Align distribution and investment teams
- Recognize that capacity is a dear resource
- Results driven by limited number of products

Innovation

- Drive innovation to stay ahead of client needs and market opportunities

SPM is a key differentiator for BlackRock

Balancing product breadth and complexity

Discipline | Focus | Innovation

Diverse set of products & customized offerings

- **$3.93tn** Assets Under Management
- **7,373** Portfolios across multiple fund structures

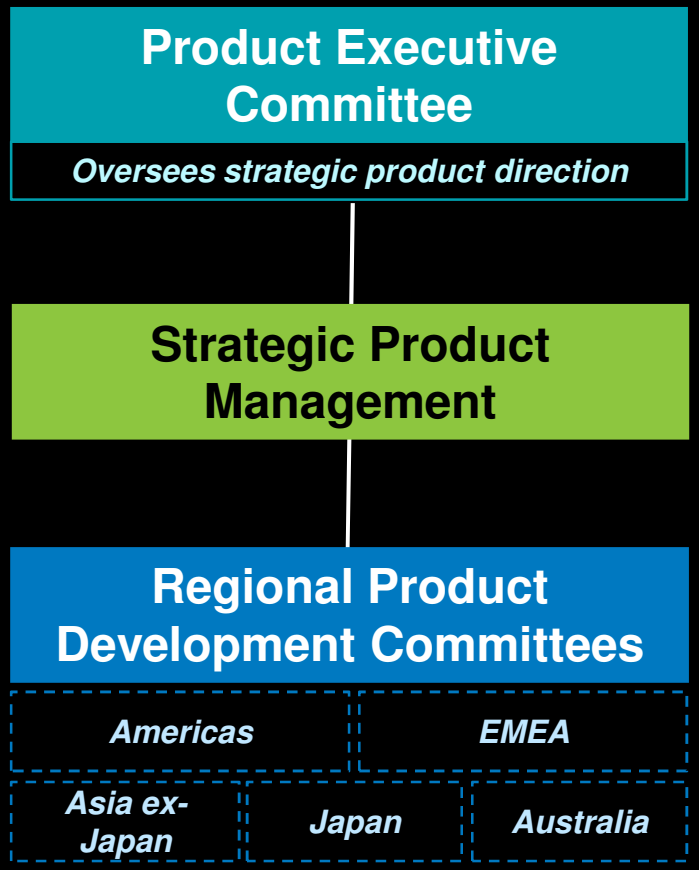
	US Mutual Funds	iShares® ETFs	US Collective Trusts	Non-US Mutual Funds	Other	Separate Accounts
AUM $bn	$199	$803	$775	$168	$366	$1,624
Portfolio Count	199	627	1,004	329	945	4,269

As of March 31, 2013; Source: BlackRock

Disciplined product approval process

Rigorous approach to adding products to the shelf

- What need are we fulfilling for the client?
- Is this consistent with the BlackRock Principles & our themes?
- Shift dialogue to “should we” launch this, not simply “can we”
- Margin & materiality thresholds
- Focus on scalable opportunities



Product rationalization creates capacity and drives focus

Discipline | Focus | Innovation

BlackRock's portfolio distribution is very long-tailed

Eliminate or reposition unnecessary or underperforming products based on product health criteria

- ***250*** funds closed to date
- ***102*** funds in closure
- ***188*** funds scheduled to close

Embed product rationalization as a core management practice

Example: Restructuring Australia product line-up

- Closed 94 funds across asset classes eliminating product overlap

Number of closures or scheduled closures representative of pooled funds
Figures reflected as of March 31, 2013 and reflect 2012 & 2013 closures

Product health reviews objectively assess offerings

Discipline | Focus | Innovation

SPM serves as an objective arbiter of how our products perform:

1. Performance data
2. Distribution data and commentary
3. Competitive / industry landscape

Five product health categories:

Category Killer	Performing	Watch List	Remediation	Provisional
All four pillars of health show positive momentum	*Investment performance / asset flows are stable*	*Material issues identified with pillars of health*	*Critical deficiencies identified*	*Recently launched or modified products*

Strategic product direction focuses firm's efforts

Discipline | Focus | Innovation

SPM partners with the client and investment businesses to execute on strategic themes

- Ensure that the firm is aligned on key product priorities

We use BlackRock's themes to inform our firm-wide product strategy

- Themes reflect a 3 to 5 year view on market opportunities

Income	ETFs	Outcomes
Alternatives	Emerging Markets	Retirement

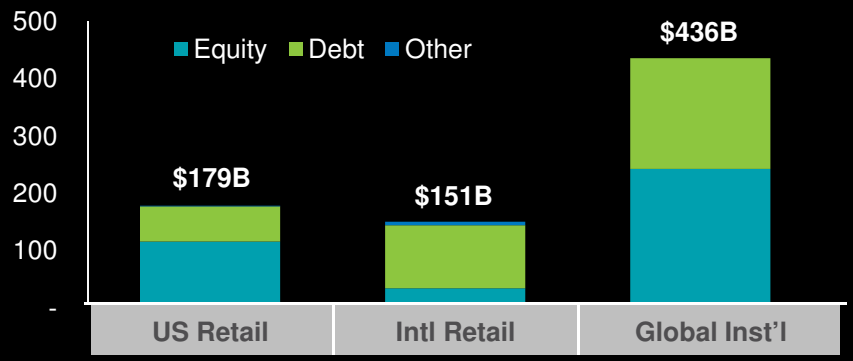
Innovation case study: EM Allocation Fund

Discipline | Focus | Innovation

What was the situation we faced?

Investors continue to increase exposure to EM…

~$760B flowed into Emerging Markets from 2010 to 2012



Clients want…

- Multi-asset exposure
- Diversified exposure to Emerging markets
- Less volatility

BlackRock has unique breadth of capabilities…

Global Index Equity	*Pac Basin Fund. Equity*	*Emerging Europe & Frontiers*	*Index & Model-based FI*
SAE Emerging Markets	*Asia Pacific Equity*	*Latin America*	*EM Debt*
Global EM Equity	*India Equity*	*EM Currency*	*Asia Fixed Income*

BlackRock is the largest EM manager…

- BlackRock accounts for ~10% of addressable EM assets today
- AUM currently dominated by Beta strategies
- Not actively participating in active EM flows

Source: US Simfund, Global Simfund, eVestment

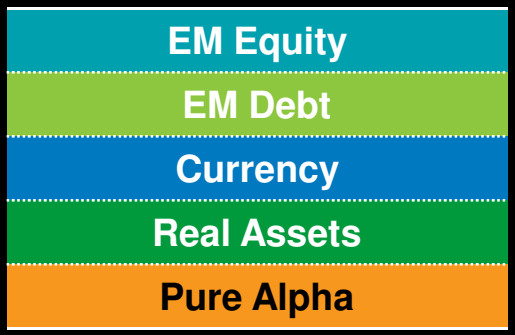
Innovation case study: EM Allocation Fund

Discipline | Focus | Innovation

BlackRock Solution

- **Bring together capabilities into one global EM platform (headed by Jeff Shen)**
- **Design differentiated product and build Asset Allocation capability to…**
  - Access broadest EM opportunity set
  - Satisfy demand for EM exposure with less volatility
  - Leverage insights of diverse investment experts
  - Build upon success of Global Allocation franchise
- **Launch campaign in various outlets**

BLACKROCK®
EM Allocation Fund



Optimizing the key challenges

Complexity *vs.* **Breadth**

Discipline *vs.* **Innovation**

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Combined Power of Alpha & Beta

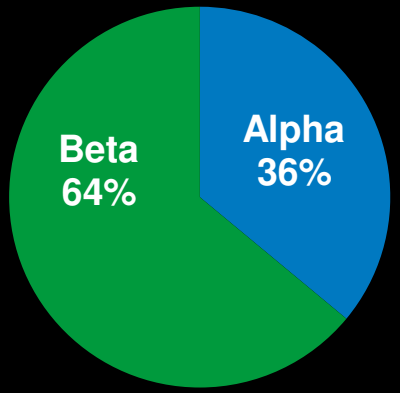
Quintin Price, *Global Head of Alpha Strategies*
Amy Schioldager, *Global Head of Beta Strategies*

Alpha & Beta at BlackRock

BlackRock manages a unique combination of active and passive investments on behalf of clients

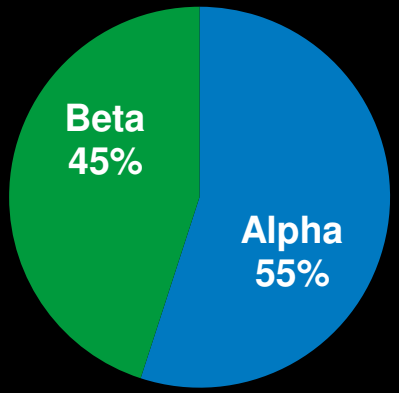
Alpha & Beta at BlackRock

% of 1Q13 AUM



BlackRock Long-Term
AUM: $3.629tn

% of 1Q13 Base Fees



BlackRock Long-Term
Base Fees: $2,043mm

Notes: Beta includes Index Equity, Index Fixed Income, and iShares.

Beta at BlackRock is Differentiated

Longevity and Innovation

- 40 years of indexing experience
- Continuous innovators contribute to broadest suite of investment strategies

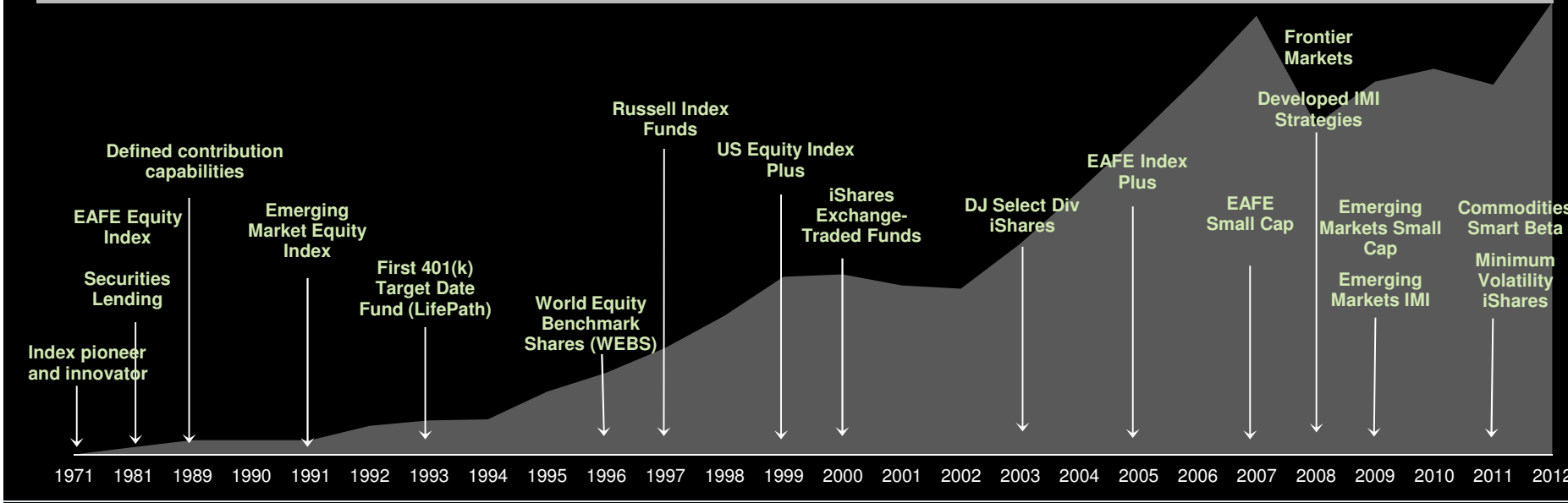
Performance

- Expertise results in reliable and consistent risk adjusted performance
- Scale benefits translate to lower cost for clients

Client Experience

- In depth consultations with clients lead to customized investment solutions
- Backed by BlackRock's best in class research, risk and analytics, client servicing

40 Years of Index Equity Management



Product Breadth Provides Pulse into Investor Behavior

Breadth of Beta exposures with room to grow through innovation

Index Equity Strategies

Traditional			*Non-Traditional*		
Large Cap	IMI	Low Risk Beta	Commodities	Income	Fundamental Index
Small Cap	Sectors	Target Date	Real Estate	Minimum Volatility	Risk Factors

Across Market Exposures

North America	Global	Developed	Emerging / Frontier

Enhancing the Beta Investment Process

- Regional expertise
- Leading technology and risk models
- Rapid dividend reinvestment



- Index changes
- PhD staffed Research
- Advocacy

- Internal crossing network
- Best execution
- Trading Strategies
- Global Trading Research Team

- Daily review
- Investment Review Committee
- Independent Risk Team

* Index Equity 3 Year Performance as of March 2013; see Appendix for Performance Notes

Combined Power of Alpha and Beta

Providing individual product solutions and outcomes that leverage our broad spectrum of capabilities to meet evolving client needs

- Unparalleled combination of Active & Passive strategies on one platform
- Deliver solutions across Institutional, Retail and iShares clients
- Competition specializes in one or the other — we specialize in both



Alpha Strategy Overview



Performance

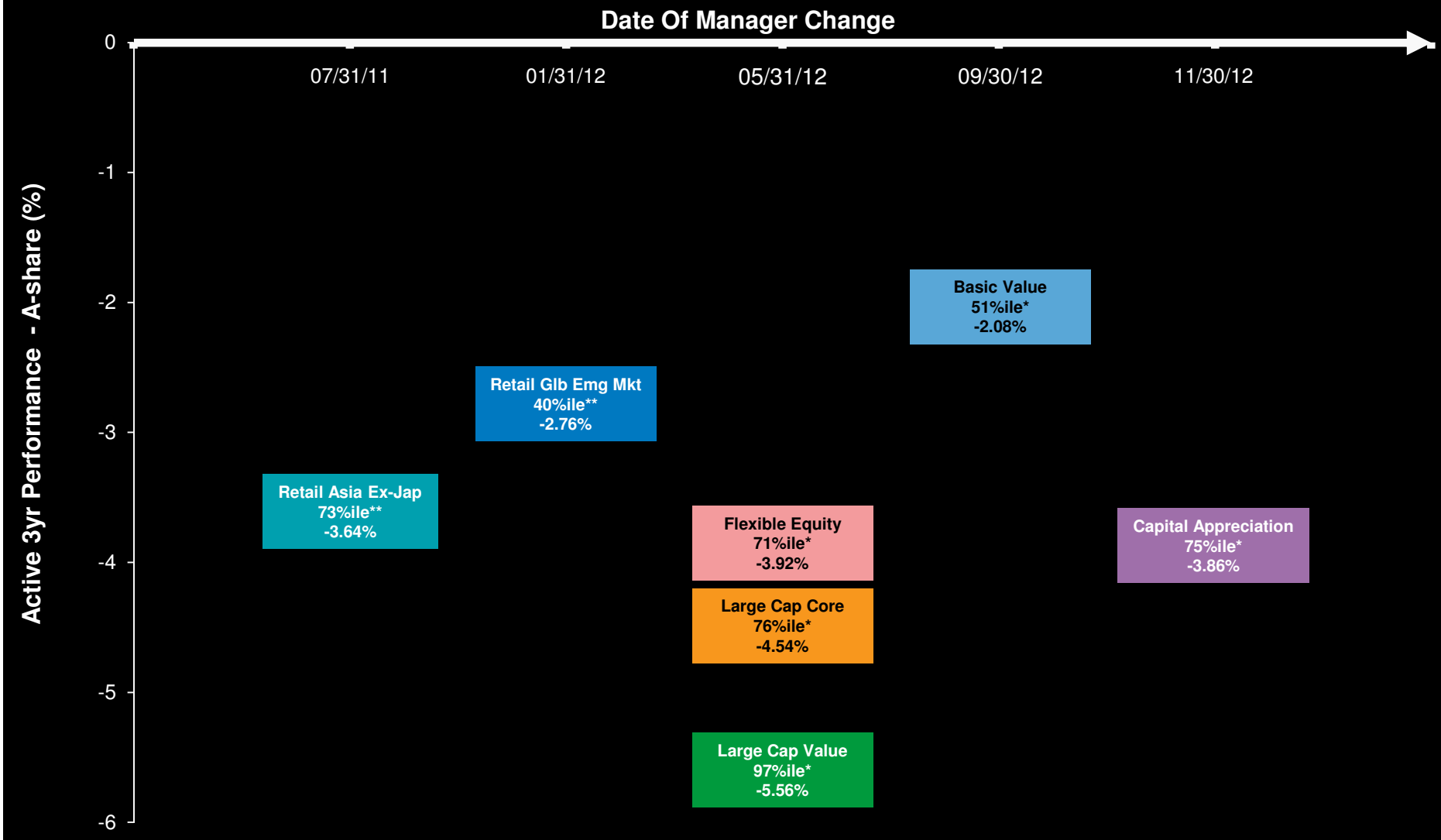
Focus on the teams that Generate Alpha

Identifying opportunities to enhance performance, focusing our attention on them, and executing in a deliberate and effective manner

	% of AUM above benchmark / peer median 3-year	
Fixed Income	78%	▸ Greater accountability, enhanced by new alignment of divisional structure ▸ Enhanced performance in Fixed Income over 1 & 3 years, 5 year numbers expected to strengthen
Scientific Active Equity	92%	▸ Particularly strong performance in Emerging Markets ▸ New alpha sources being explored for long-term sustainable success
Fundamental Equity	39%	▸ Americas Equity re-stack largely complete ▸ New managers performing strongly overall

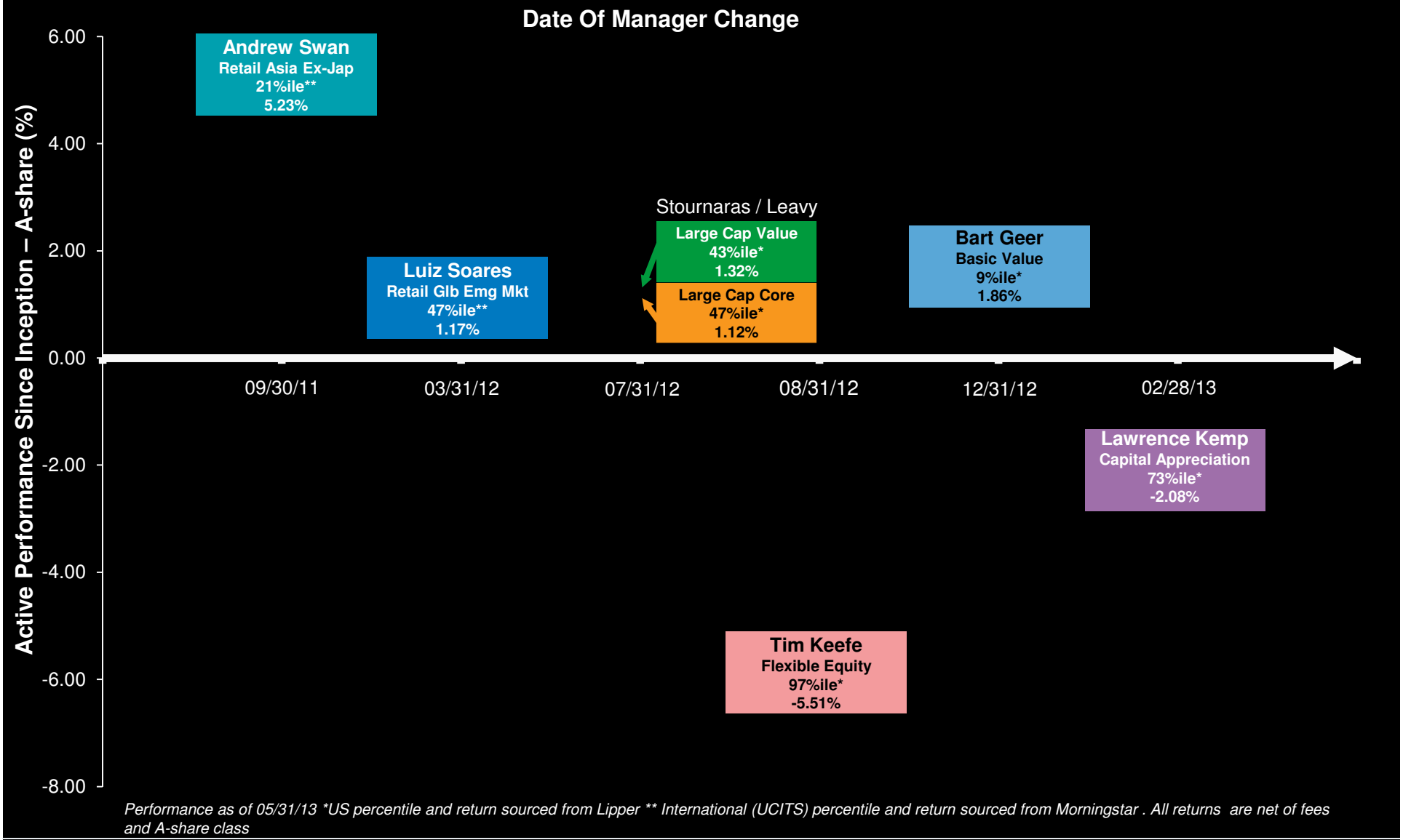
Performance data as of March 2013; see Appendix for Performance Notes

Addressing Underperformance: Where We Were - 3 Year



*Trailing 3yr manager performance at the manager change date. Percentile as of the manager change date *US percentile and returns sourced from Lipper ** International (UCITS) percentile and return sourced from Morningstar. All returns are net of fees and A-share class*

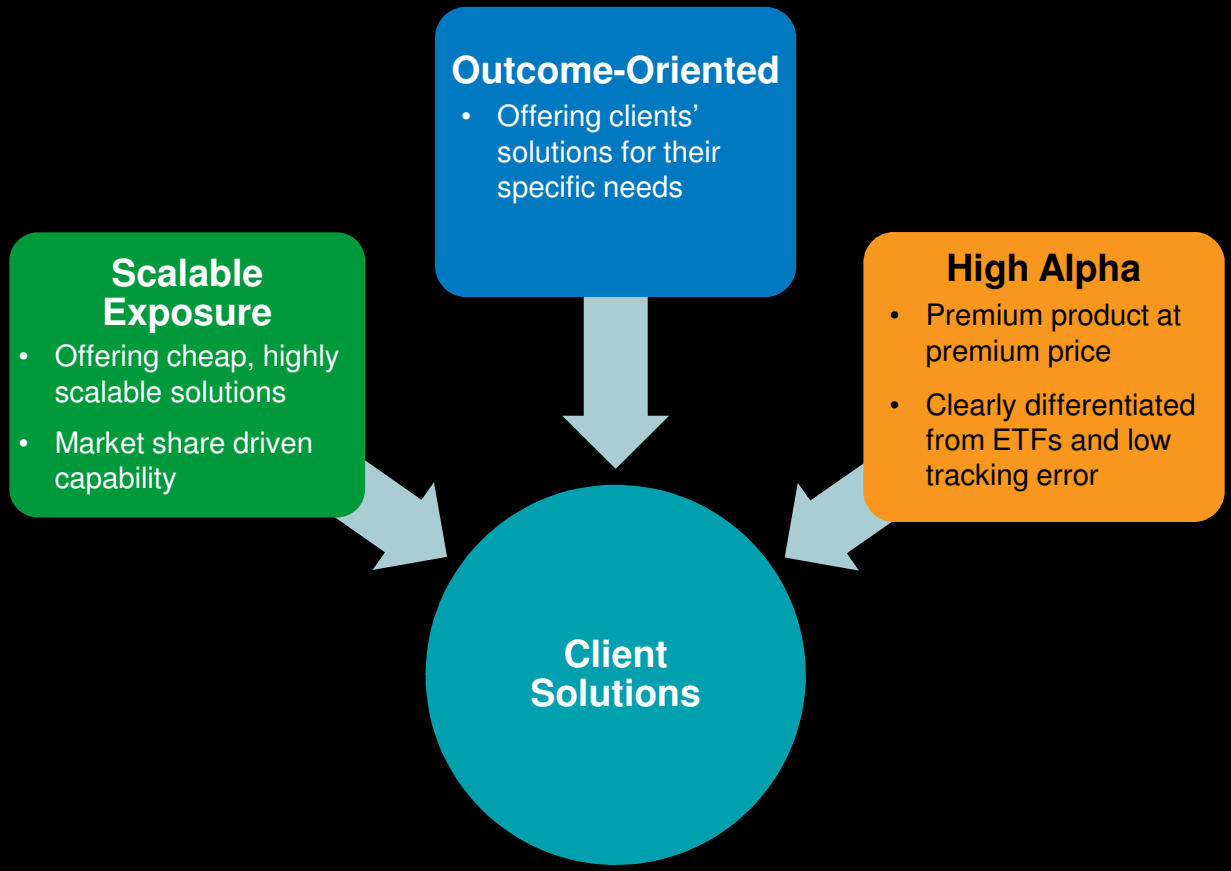
Addressing Underperformance: Where We Are Since New PM Inception



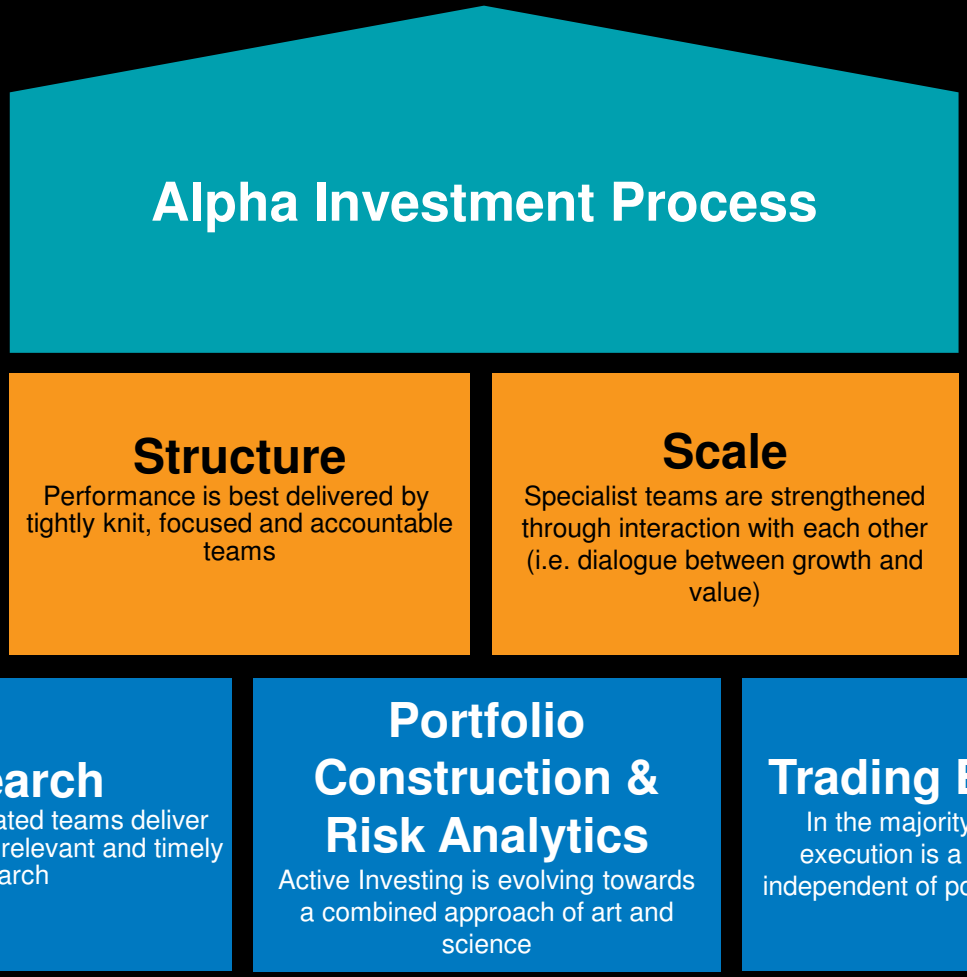
*Performance as of 05/31/13 *US percentile and return sourced from Lipper ** International (UCITS) percentile and return sourced from Morningstar . All returns are net of fees and A-share class*

Alpha Products

Broad product set enabling solutions for range of client needs



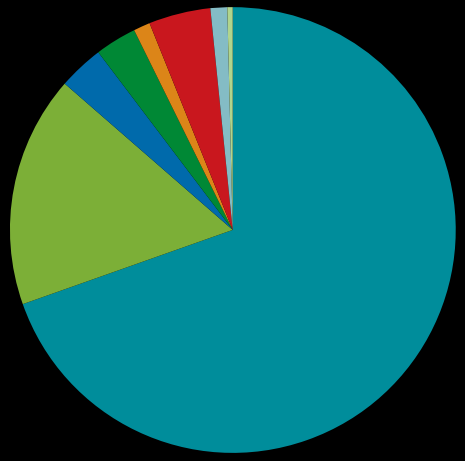
Can BlackRock Generate Consistent Alpha?



Leveraging The Breadth Of BlackRock
Client Case Study

Client Portfolio Overview

Large, global consumer electronics company



Alpha & Beta on One Platform

Challenge

- Client outsourcing more pension liabilities as they reduce size of their pension office

BlackRock was the ideal partner due to unparalleled breadth of capabilities and alpha and beta solutions on one platform

BlackRock's Solution

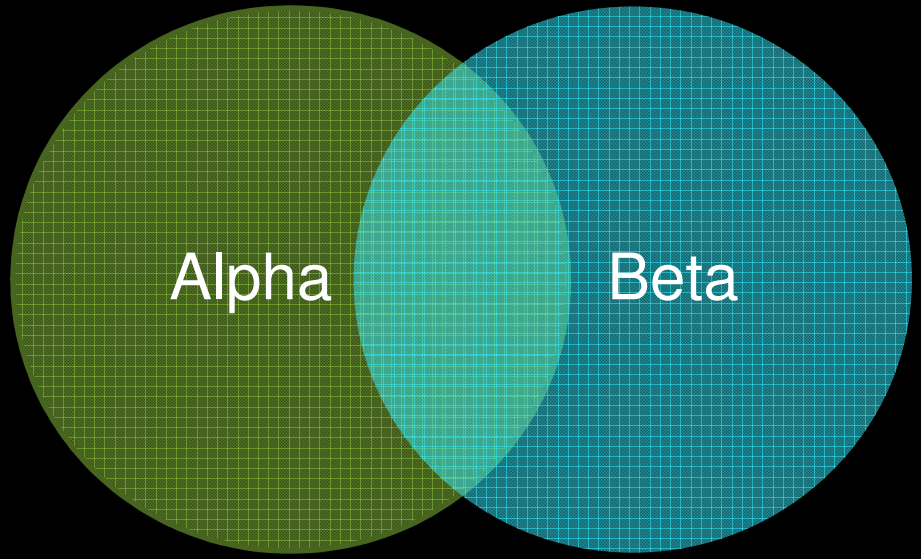
- BlackRock delivers complete product suite
  - Manages 95% of Clients' assets, as well as provide risk management services through Aladdin platform
  - Provides both active and passive options
  - Flexibility to shift between fund management styles

Client increased exposure to cost-effective passive products

Further integrated with the firm through BlackRock Solutions risk reporting services

Key Takeaways

- **Performance, client experience and innovation differentiate Beta**
- **People, products and investment process drive Alpha generation**
- **Unmatched combination of Active and Passive on one platform**



Appendix: Performance Notes

Past performance is not indicative of future results. The performance information shown is based on preliminarily available data. The performance information for actively managed accounts reflects U.S. open-end and closed-end mutual funds and similar EMEA-based products with respect to peer median comparisons, and actively managed institutional and high net worth separate accounts and funds located globally with respect to benchmark comparisons, as determined using objectively based internal parameters, using the most current verified information available as of March 31, 2013 (February 28, 2013 for high net worth accounts).

Accounts terminated prior to March 31, 2013 are not included. In addition, accounts that have not been verified as of April 12, 2013 have not been included. If such terminated and other accounts had been included, the performance information may have substantially differed from that shown. The performance information does not include funds or accounts that are not measured against a benchmark, any benchmark-based alternatives product, private equity products, CDOs, or accounts managed by BlackRock's Financial Markets Advisory Group. Comparisons are based on gross-of-fee performance for U.S. retail, institutional and high net worth separate accounts and EMEA institutional separate accounts and net-of-fee performance for EMEA based retail products. The performance tracking information for institutional index accounts is based on gross-of-fee performance as of March 31, 2013, and includes all institutional accounts and all *iShares* funds globally using an index strategy.

AUM information is based on AUM for each account or fund in the asset class shown without adjustment for overlapping management of the same account or fund, as of March 31, 2013. Source of performance information and peer medians is BlackRock, Inc. and is based in part on data from Lipper Inc. for U.S. funds and Morningstar, Inc. for non-U.S. funds. Fund performance reflects the reinvestment of dividends and distributions, but does not reflect sales charges.

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Retail: *A Global Opportunity*

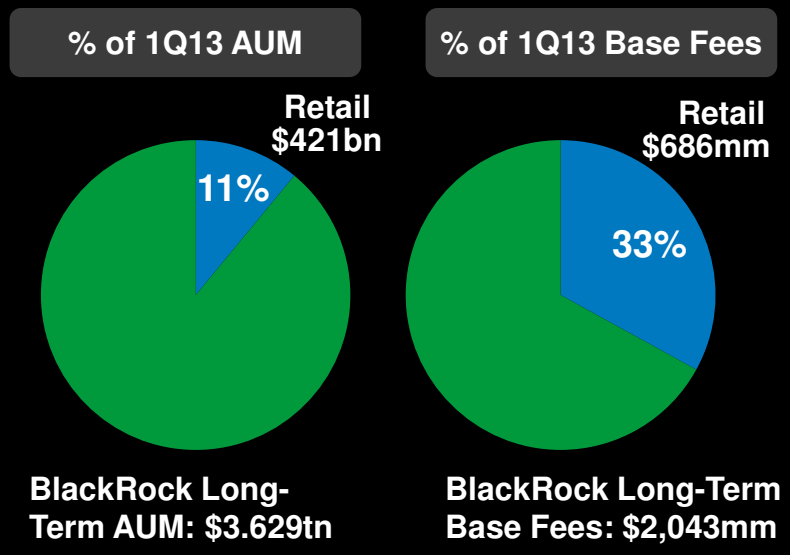
Robert Fairbairn, *Global Head of Retail and iShares*

Global Retail at BlackRock

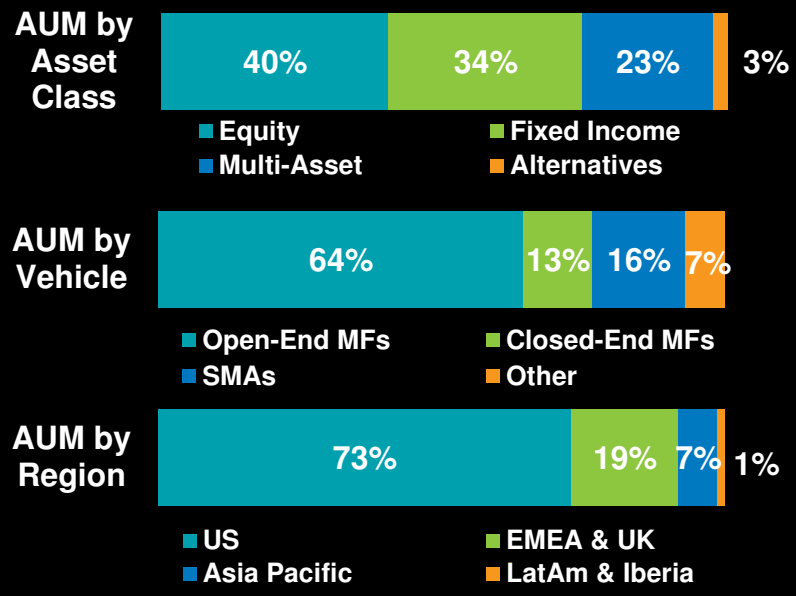
Global Retail represents 11% of BlackRock's AUM and 33% of base fees

- Broad range of capabilities to meet client needs and deliver investment outcomes

Global Retail at BlackRock



Diversified Asset Base



BlackRock's Retail Clients and Product Set

BlackRock has unparalleled global reach and scale

- Presence in 68 cities across 30 countries
- Registered in 47 jurisdictions
- Over 575 Retail sales professionals globally

Strength across vehicles	
Open End MF / Unit Trusts	Separately Managed Accounts (SMAs)
Unit Linked / Variable Annuities	ETFs
Sub-Advisory	Hedge Funds
Tactical and Strategic Models	Closed End Funds / Investment Trusts

Diverse client types	
Gatekeepers and Due Diligence	Financial Advisors
Private Bankers	Insurance Distributors
Consultants (e.g. Morningstar)	DC Advisors & Platforms
Direct Platforms	Investors and Multi-Managers

Global Growth Strategy in Retail

Evolve our Product Set

Enhance Distribution

Deliver the Firm

Evolve our Product Set: Strategic Themes

BlackRock's themes inform our global product strategy

- Themes reflect a 3 to 5 year view on market opportunities

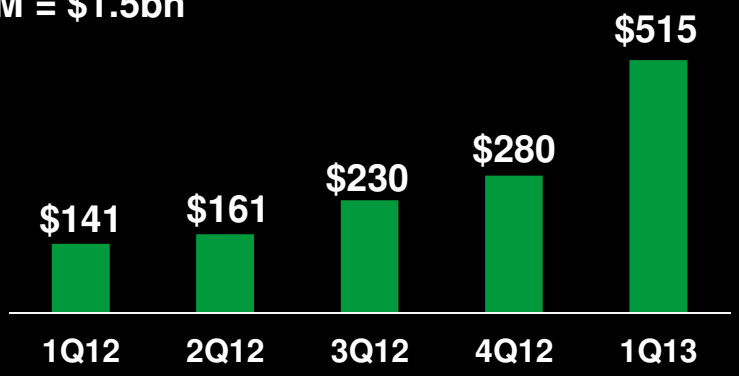
Income	**ETFs**	**Outcome Investing**
Alternatives	**Emerging Markets**	**Retirement**

Evolve our Product Set: US Retail

Strong Growth in Alternatives & Outcome

US Retail Alts Mutual Fund Suite NNB ($mm)

AUM = $1.5bn



Multi-Asset Income Fund NNB ($mm)

AUM = $2.3bn

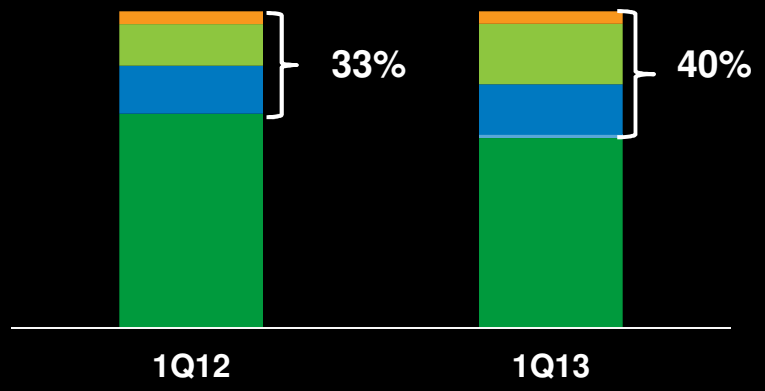


Growth Strategy

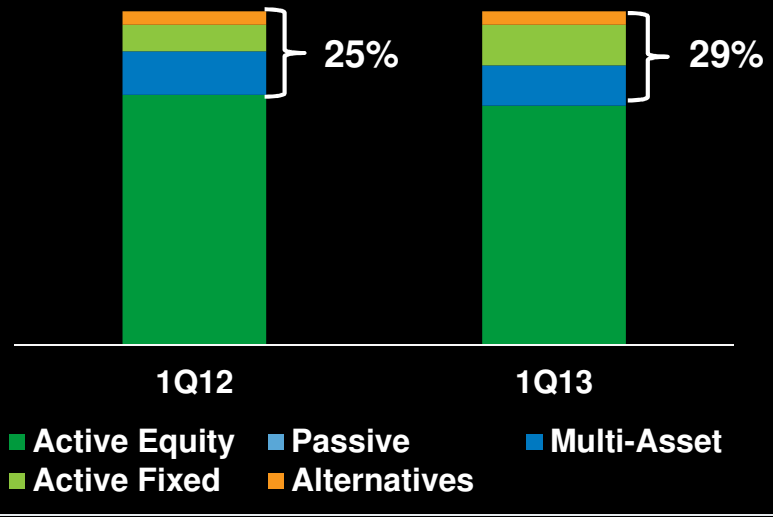
- Capture share in US open-end mutual fund market
- Build on traditional areas of strength
- Compete aggressively in Alternatives and Outcome Investing

Evolve our Product Set: International Retail

AUM Diversification in International Retail



Revenue Diversification in International Retail



Growth Strategy

Continued product diversification:

- **Alternatives**
- **Fixed Income**
- **Multi-Asset**
- **Passive**

Enhance Distribution: US Retail

US Market AUM ($tn)

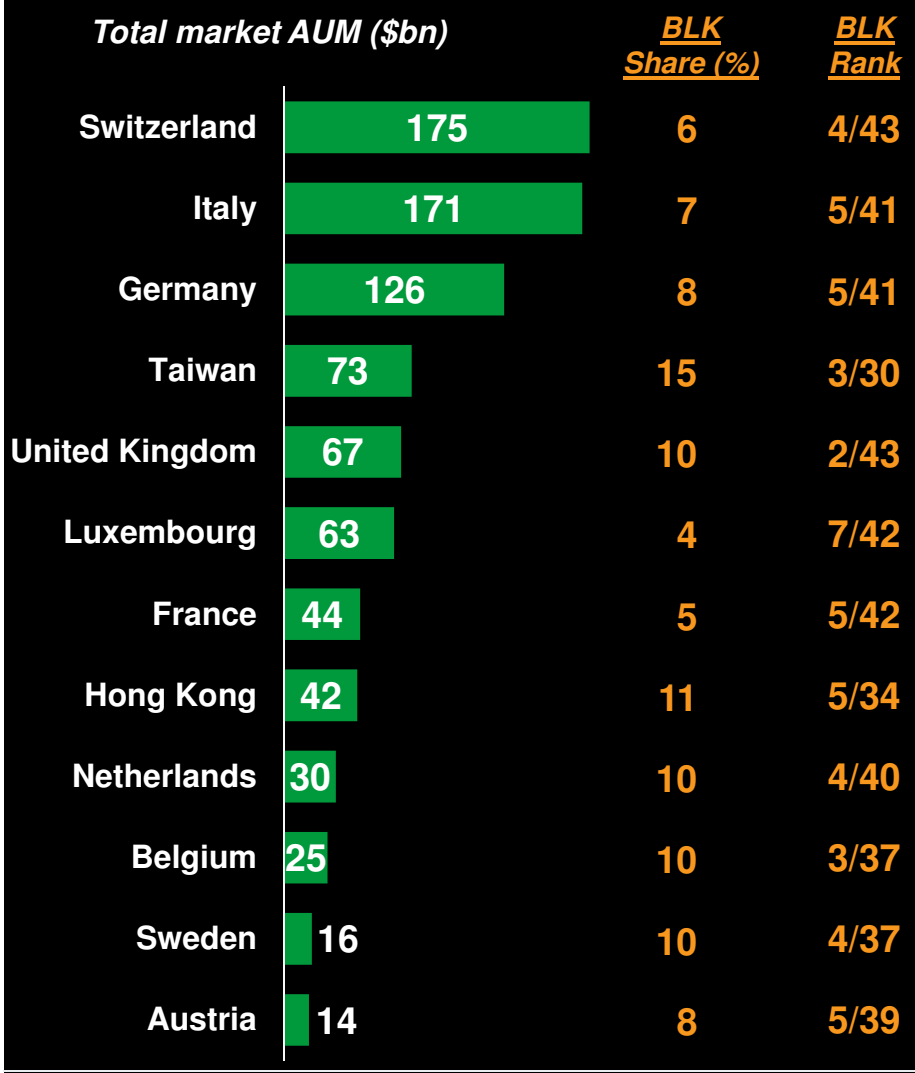


	Wires/Broker Dealers	Direct	RIA	Private Bank
Projected 5-yr CAGR[1]	2-3%	4-5%	6-7%	4%
Market Leader Share of AUM	7-8%	15%+	10%+	10%
BLK Market Share of AUM	3%[2]	<1%	<1%	<1%

[1]Source: Industry sources and BlackRock internal estimates
[2]Note: Wires ex-Merrill Lynch

Enhance Distribution: International Retail

Cross-Border Distribution Opportunity



Growth Strategy

Deepen existing client relationships

Penetrate new segments

Capitalize on regulatory change

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Source: Lipper AssetWatch, as of March 31, 2013

Deliver the Firm

Uniquely equipped to deliver comprehensive solutions to Retail clients

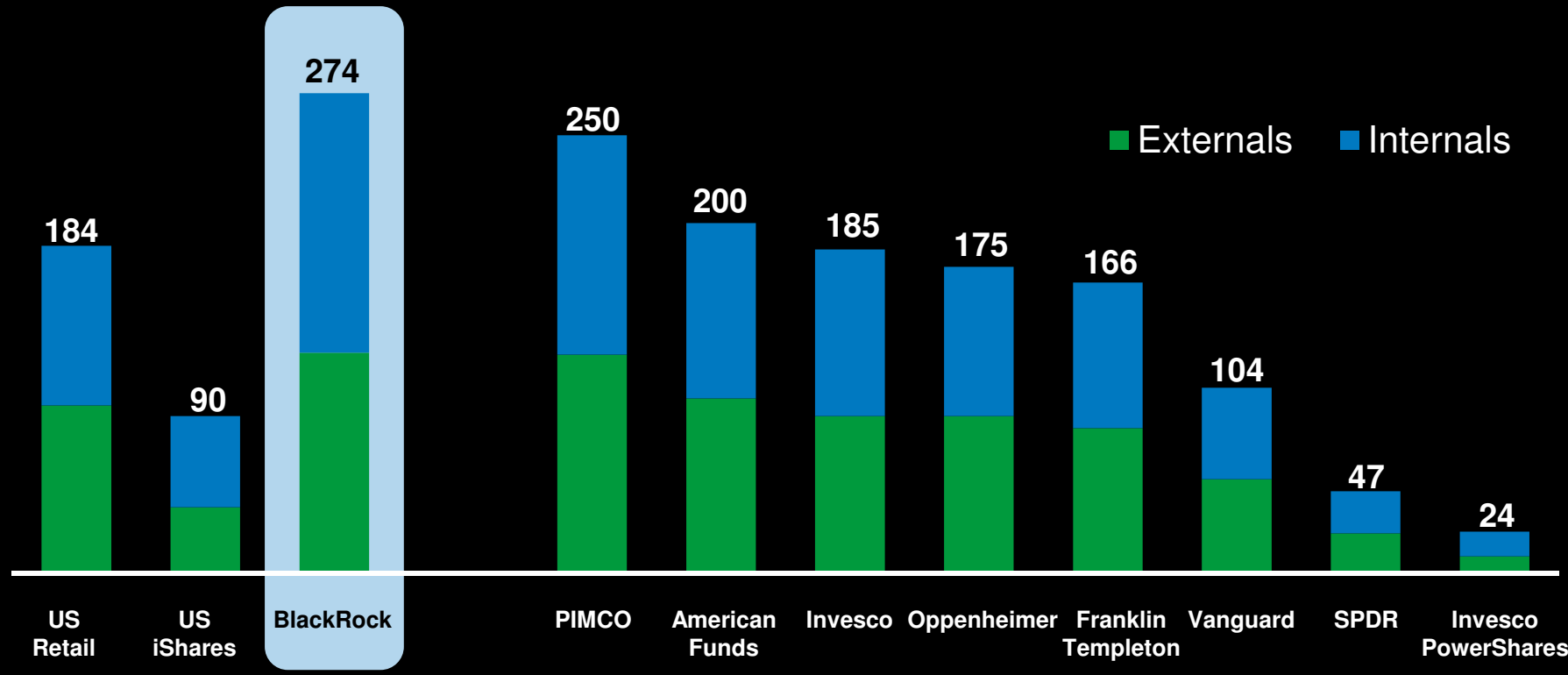
Deep Expertise, Simply Delivered

- Aligned distribution: “One BlackRock” to the client
- Consultative, thematic approach
- Asset allocation, building blocks, customized solutions
- Models and tools
- Clear, actionable investment content

Deliver the Firm: Spotlight on Aligned Distribution

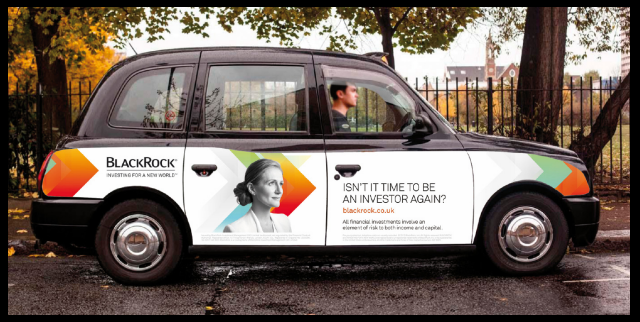
Our combined distribution footprint is unparalleled as we deliver "One BlackRock" to clients

US Wholesalers By Firm



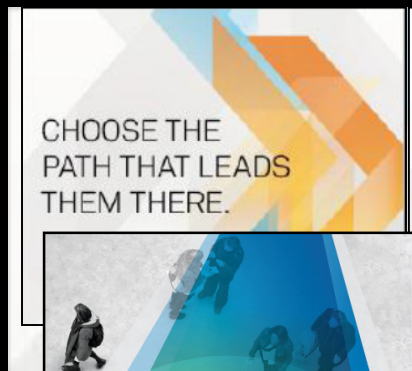
Source: BlackRock, Market Metrics, as of 3Q12

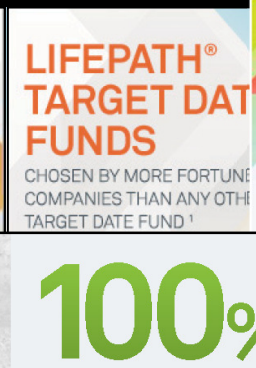
Build the BlackRock Brand





















Differentiation in Retail

Unparalleled, diverse product set

Global distribution opportunities

Ability to deliver the full firm to clients

BLACKROCK®

BLACKROCK INVESTOR DAY

Institutional Client Business & *BlackRock Solutions®*

Focused Execution

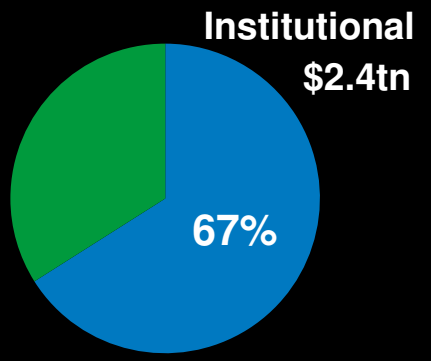
Rob Goldstein, *Head of Institutional Client Business & BlackRock Solutions*

Institutional Client Business at BlackRock

Institutional Client Business represents 67% of BlackRock's AUM and 32% of base fees

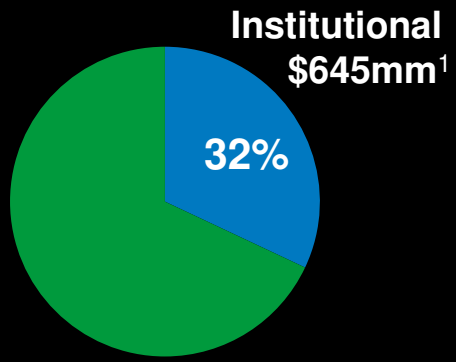
Institutional Client Business at BlackRock

% of AUM



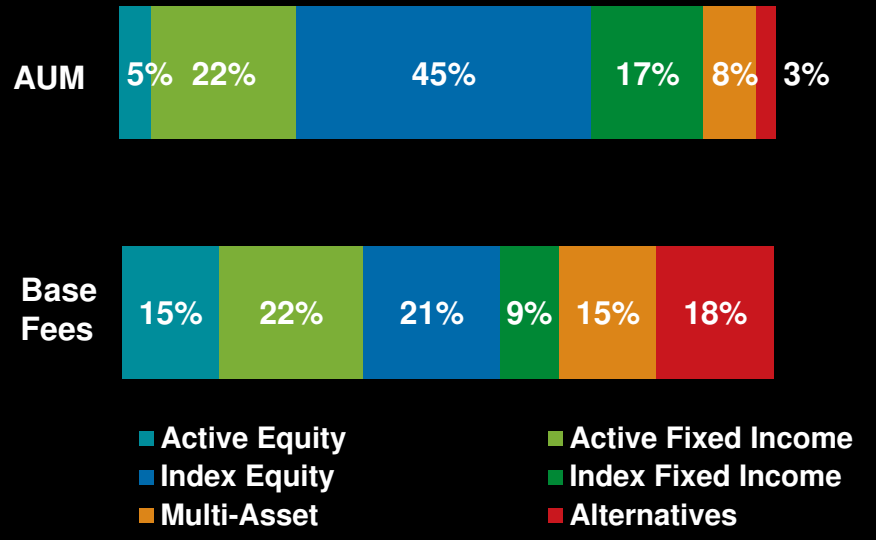
BlackRock Long-Term
AUM: $3.629 tn

% of Base Fees



BlackRock Long-Term
Base Fees: $2,043 mm

Diversified Across Asset Classes & Styles



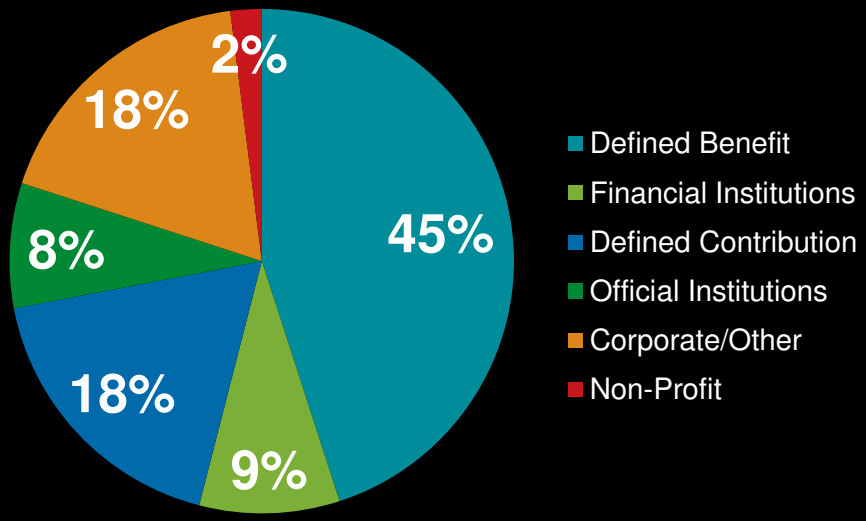
[1] BlackRock's long-term Institutional base fees for 1Q 2013

Mature business serving a diverse client base

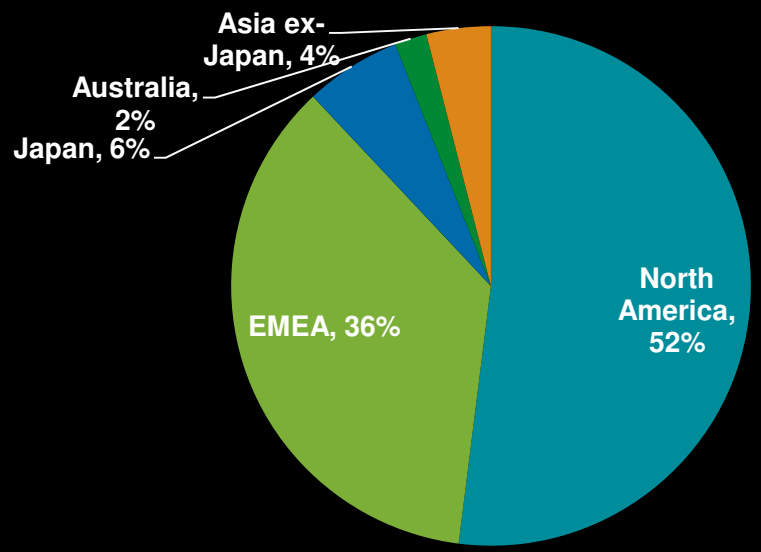
Institutional Client Business is organized into specialized teams focused on understanding the unique needs of each client

- With over 600 professionals in 33 cities around the globe

Institutional AUM by Client Type



Institutional AUM by Region[1]



Data as of March 31, 2013
[1] AUM by market domicile

Key Questions

- Can the Institutional business grow, given its size and the headwinds facing defined benefit pensions plans?
- Is concentration a concern within BlackRock's existing institutional client base?
- What do we mean when we talk about providing outcome-oriented solutions to our institutional clients?

State of the industry: A two-speed marketplace

Increasingly a 'two-speed' market with limited natural growth

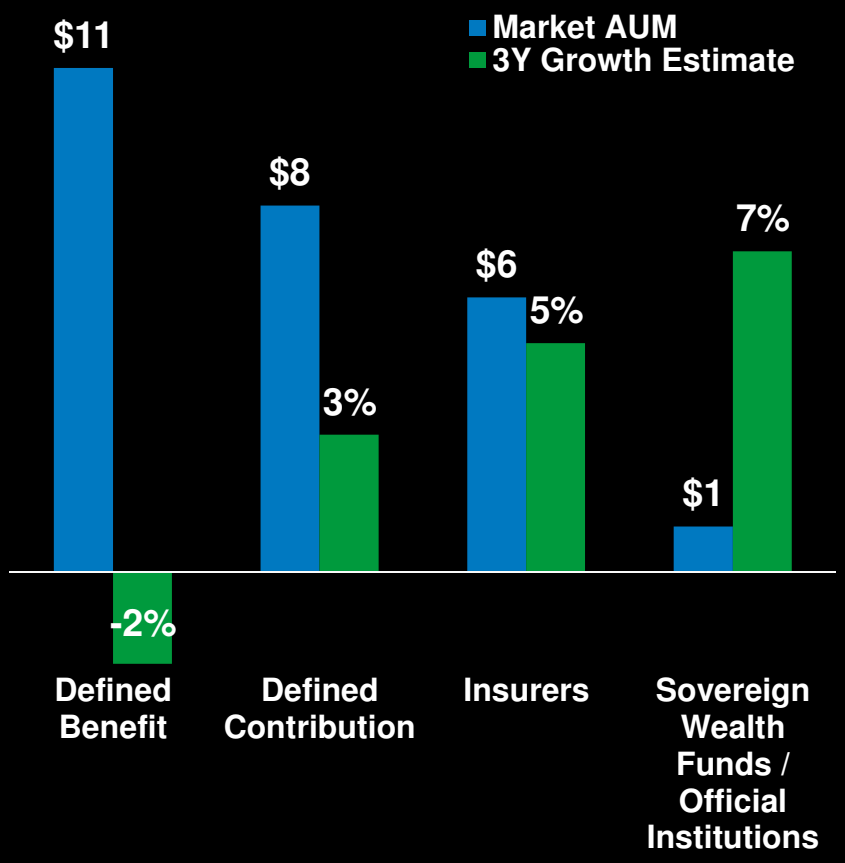
Traditional DB business in secular decline

Specialty segments growing faster

- Defined Contribution
- Insurers
- Sovereign Wealth Funds / Official Institutions

'Two speed' Institutional Market[1]

Market AUM ($tn)



(1) Source: McKinsey Global AM database, as of December 2011.

Theme-based client approach

1	Beware the asymmetry in fixed income—and prepare for a different future	▸ Revisit guidelines ▸ Adopt a more unconstrained, opportunistic approach
2	Reappraisal of your Alternatives Allocation	▸ Demand institutional quality from alts managers ▸ Diversify among asset classes to uncover true risk and return drivers
3	Focus on achieving desired outcomes through multi-asset approaches	▸ Allocate more effectively to reach desired goals, such as growth, downside protection, or reduction of unrewarded risk
4	Demand more from your beta strategies	▸ Make low-turnover portfolios work harder ▸ Maximize liquidity budget
5	Strengthen allocations to emerging markets	▸ Adopt a more dynamic risk framework ▸ Build optimal mix of emerging market exposures across asset classes and investment styles
6	Harness scientific techniques to enhance diversification and performance	▸ Systematically implement fundamental insights to optimize risk-adjusted returns

Growth in the Institutional Client Business

Strategy designed to capitalize on industry dynamics

Unique combination of a diversified platform and the ability to anticipate industry and client dynamics positions us well for future growth

Institutional Growth Strategy

1. Growing market share in key client segments
2. Deepening existing relationships
3. Continually building on our outcome-oriented approach

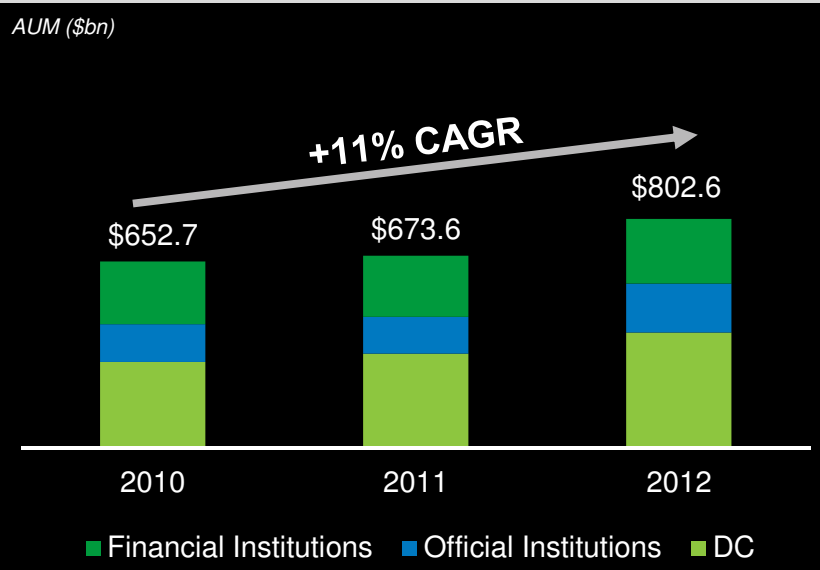
Significant growth opportunities in key client segments

1

Dedicated client teams capture further opportunities in fast growing client segments:

- Financial Institutions
- Official Institutions
- Defined Contribution

BLK Key Client Segment AUM



Focus Areas

Financial Institutions

- Business mix evolving into Fixed Income, Equity Dividend, liquid and illiquid Alts and advisory

Official Institutions

- Specialized client teams and relationships to capture opportunities

Defined Contribution

- Expand share across mid-sized plans, LifePath, Fixed Income products

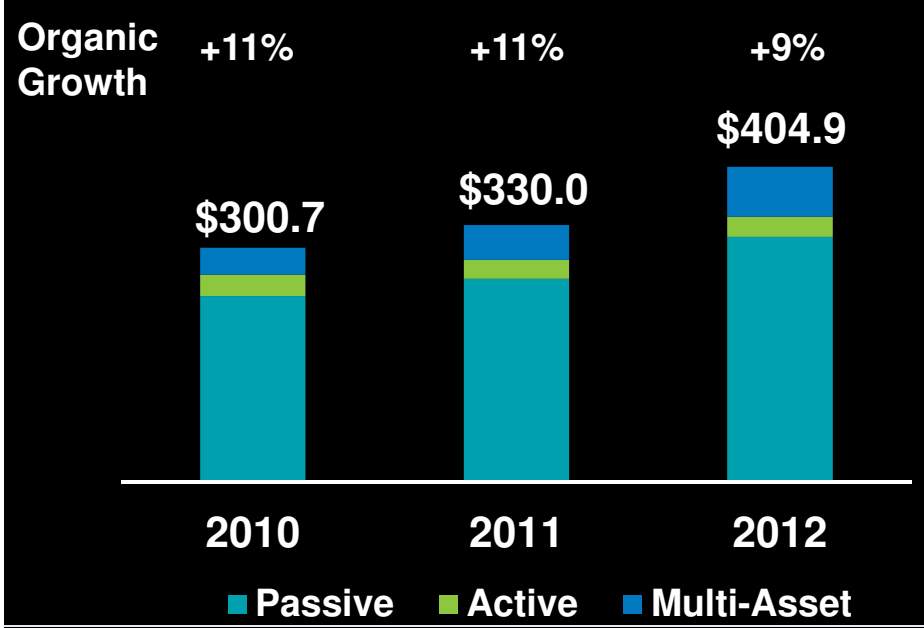
Growth in the Defined Contribution segment

1

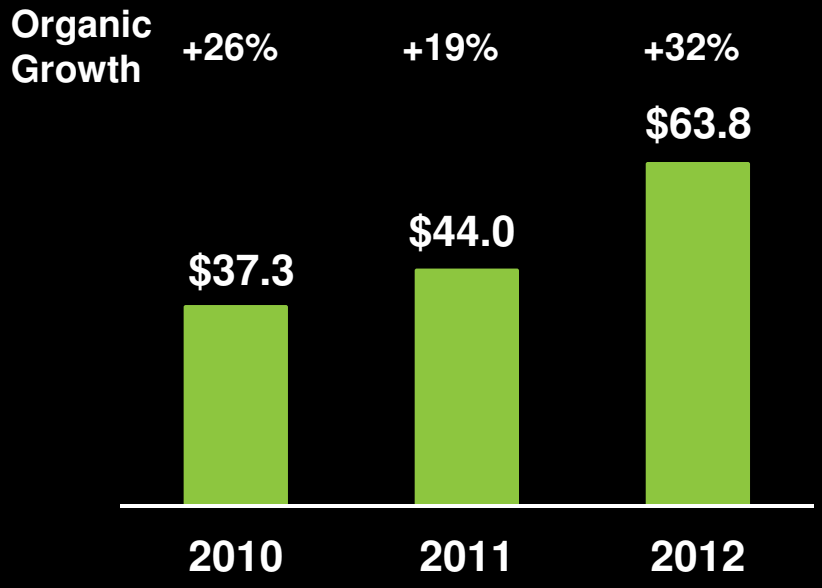
Uniquely positioned to capitalize on the shift of retirement assets from Defined Benefit to Defined Contribution

- Deep capabilities across index and active
- History of expertise with DC plans
- Industry leading target-date LifePath products

Defined Contribution Long-Term AUM ($bn)



LifePath AUM ($bn)



Deepening existing client relationships

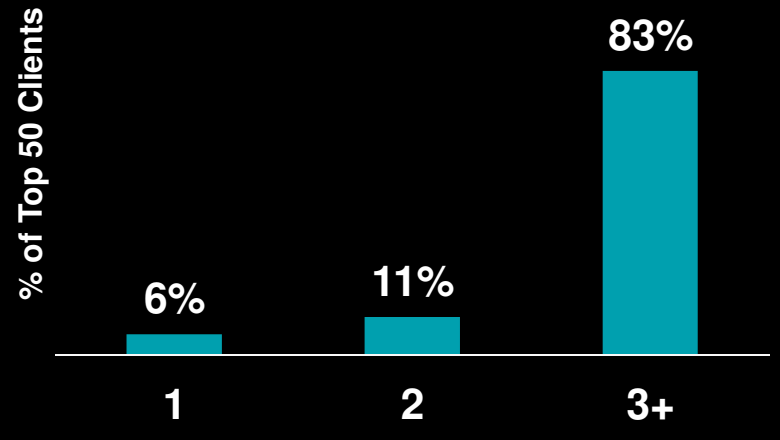
2

Focused on evolving our long-term client relationships across our broad capabilities

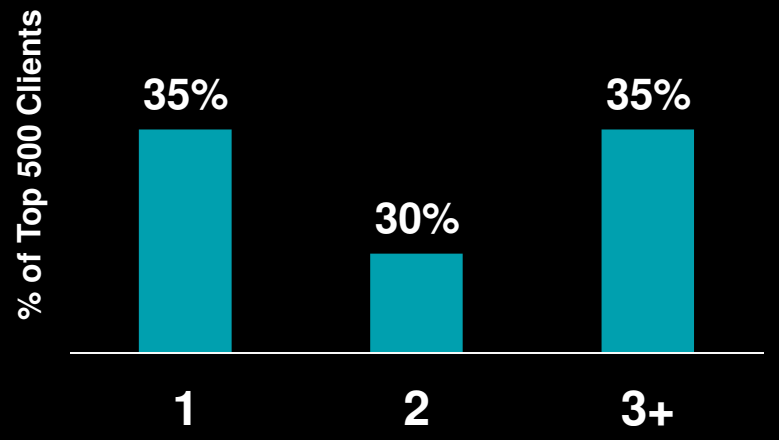
- Thought leadership, operating excellence and "client-first" thinking
- 60% of top 50 clients increased AUM in 1Q13

Opportunity to Cross-Sell

83% of top 50 clients own 3 or more products



35% of top 500 clients own only 1 product



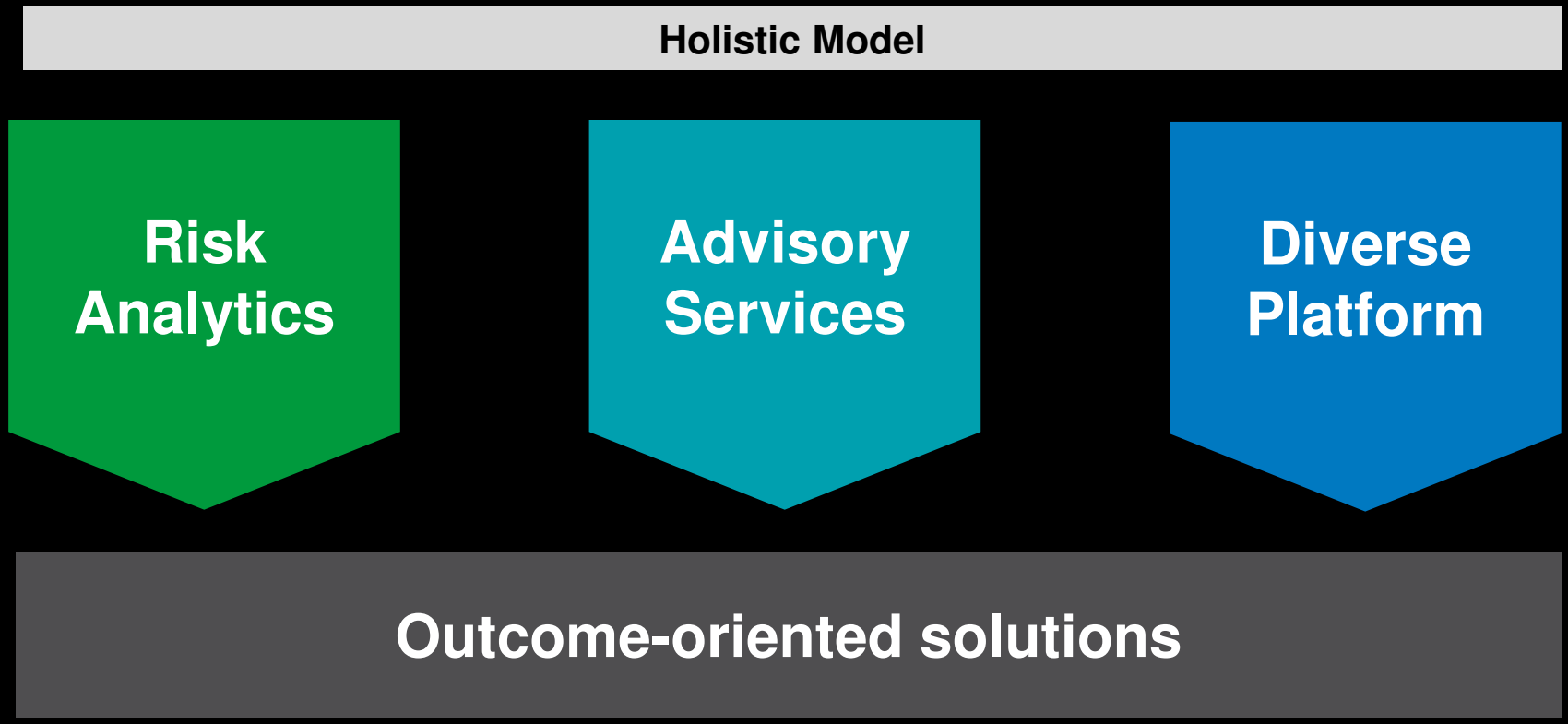
Note: Product definition includes Index Equity and Fixed Income, Scientific and Fundamental Active Equity, Active Fixed Income, Model-Based Fixed Income, Alternatives, Multi-Asset, and BlackRock Solutions. Product definition excludes Cash, iShares, TRIM, and Securities Lending.

Building an outcome-oriented approach

3

As the landscape evolves, clients demand holistic portfolio solutions and multi-asset class products to achieve specific outcomes

- Analytics and advisory capabilities aligned to deliver unmatched integrated solutions
- Client Solutions team focused on complex, evolving institutional client needs



Client Solutions: Case Study

Client challenge

- Pension portfolio funding gap
- Regulator restricted reliance of parent entity support
- Client required to de-risk and implement a Liability Driven Investment Portfolio

BlackRock's unique approach

Tailored LDI portfolio solution (QIF)

Corporate Bond Index Fund

Equity Index Fund

Training sessions to Educate Board on Asset Management

BlackRock has tools necessary to repeat

BlackRock Solutions: Key differentiator & growth driver

BlackRock Solutions helps clients navigate their investment processes and most complex capital markets challenges

- Aladdin Business
- Financial Markets Advisory (FMA)

BlackRock Solutions Revenue ($mm)



FMA Capabilities

- One-time valuations and ongoing monitoring or strategic disposition assignments
- Managed over $160 billion of disposition mandates since '08
- Successfully disposed of $74.5 billion of assets on behalf of governments and private clients in 2012

Aladdin Business

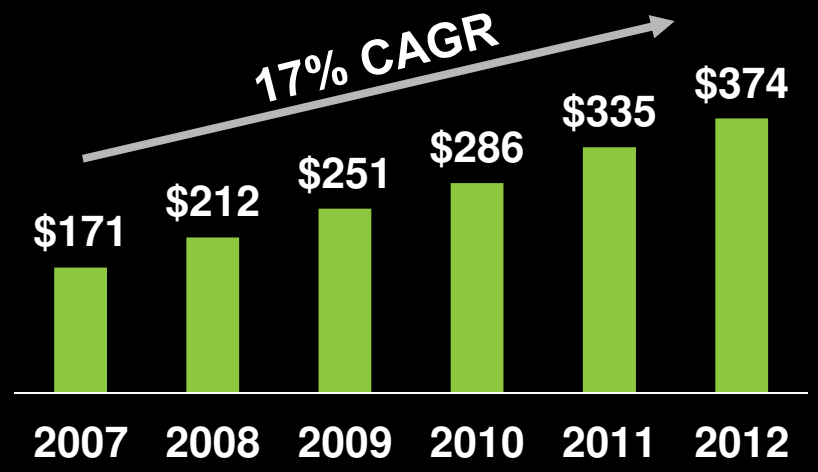
Aladdin Business comprises our industry-leading investment and risk management platform, *Aladdin*®, and related risk reporting services

- Recurring revenue stream represents 75% of BlackRock Solutions revenue

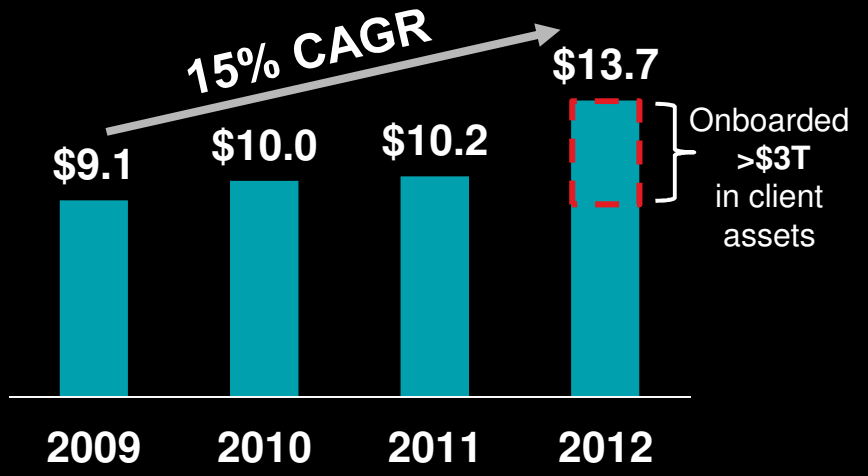
Continue to innovate and grow Aladdin Business capabilities

- Clients implement Aladdin as single platform for global operating model
- Transformed fixed income platform into true multi-asset platform
- Continually expanding to an increasingly global set of clients

Aladdin Business Revenue ($mm)



Over $13 Trillion Assets on Aladdin ($tn) [1]



[1] Includes BlackRock managed assets

BlackRock Solutions is positioned to address key market themes

Key Themes	How BlackRock Solutions Helps
Global Investment Platform Consolidation	• *Aladdin*® serves as a consolidated, scalable investment and risk management platform
Clients seeking Risk Solutions across Asset Classes	• Enterprise risk reporting across fixed income, equities and alternatives
Regulatory change and capital constraints across Financial Institutions	• Provide customized advice, valuation, and disposition management
Clients seeking Outcome-Oriented Solutions	• Model entire client portfolio to determine best solution for desired outcome

Key takeaways

ICB and BlackRock Solutions are sizeable and consistent contributors to BlackRock's financial results

ICB and BlackRock Solutions are separate businesses that collaborate on client solutions and outcome-oriented investment approaches

Our institutional strategy is formed by industry dynamics, a close familiarity with our clients and BlackRock's unique capabilities

Our strategy is supported by client-first thinking and "Focused Execution", ensuring that we deliver the best of BlackRock to our clients

Our solutions orientation means we know when to stop asking "what do you want" and start asking "what are you solving for"

BLACKROCK®

BLACKROCK INVESTOR DAY 2013

Aladdin: Sustainable Differentiation

Charles S. Hallac, *Chief Operating Officer*

Aladdin is BlackRock's Core Operating System

BlackRock is a complex global business

Over 10,500 employees including more than 1,600 investment professionals

$3.94tn in assets managed across more than 10,500 portfolios



One platform, one process, one culture

Why a common platform is at the heart of building one firm

- Simplifies large, complex business
- Presents one face to the client
- Brings together people from around the world
- Catalyzes a common culture
- Creates operational leverage for everyone

Aladdin

Single Set of Data

Consistent Process

Shared Research

Risk Management Tools

Aladdin's functionality supports the whole firm

Portfolio & Risk Analysis

- Daily risk exposure reporting
- Pre-trade analytics
- Trade modeling & allocation

Trade Execution

- Order management
- Trade execution & capture
- Real-time risk & cash reporting

Risk Management, Control & Oversight

- Real-time compliance monitoring
- Daily exposure limit monitoring
- Value-at-risk, tracking error, stress testing

Portfolio Administration

- Cash & position reconciliation
- Performance attribution
- NAV calculation

Data Control & Oversight

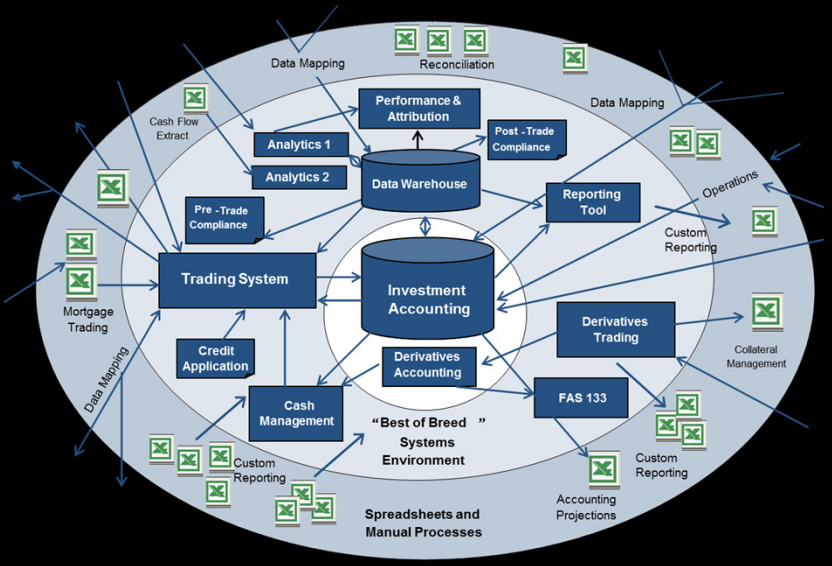
- Security data management
- Trade confirmation & routing
- Corporate action processing

What is Aladdin?

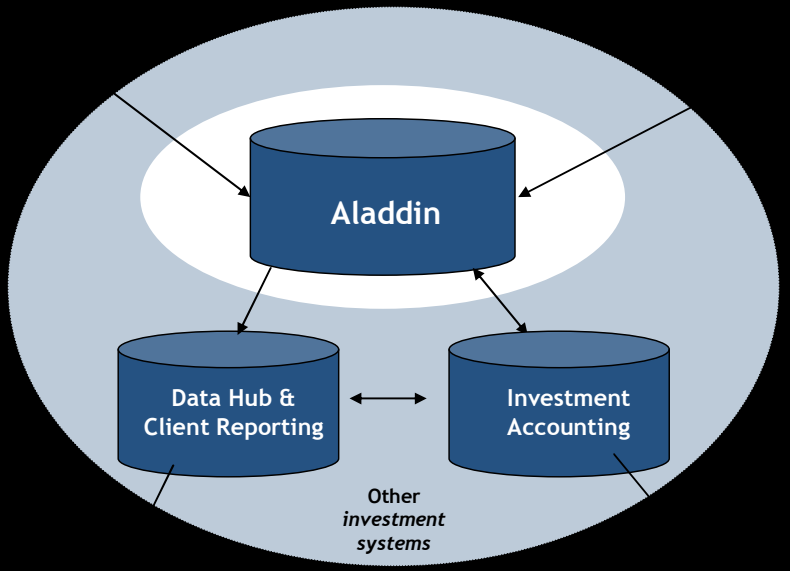
Aladdin is the core operating system of the company

- Sophisticated technology fueled by a set of data integrity processes
- Common language understood by employees across the world
- Collection of tools that transforms data into information

Best-of-breed model

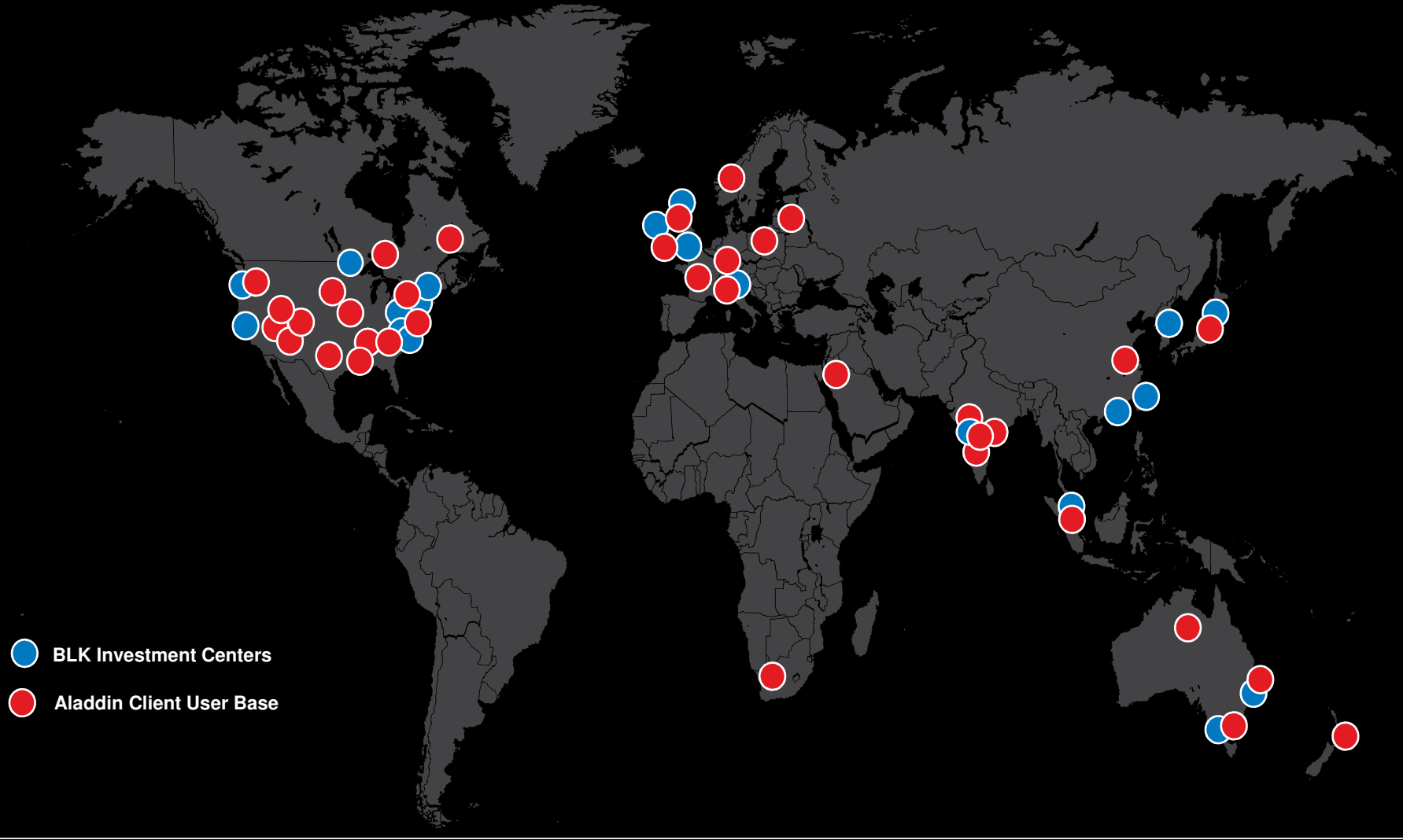


Enterprise model



A global platform

$14tn in assets managed across 170+ clients



Provides scalability and consistency

54 Aladdin clients

96 Risk clients

30,000 portfolios

17,000 users

$14 trillion analyzed each day

3,000 risk factors in our models

100,000,000 Monte Carlo simulations/day

25 million lines of code

182 total assignments

1.5 billion BMS messages/day

700 developers

54 million Green Package reports/month

Global solution with **24x7** support

BLACKROCK®

Aladdin Demonstration

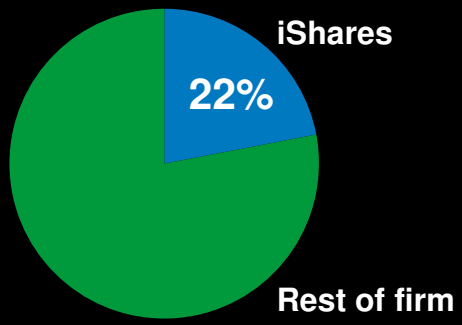
BLACKROCK®

iShares: Growth From Here

Mark Wiedman, Global Head of iShares

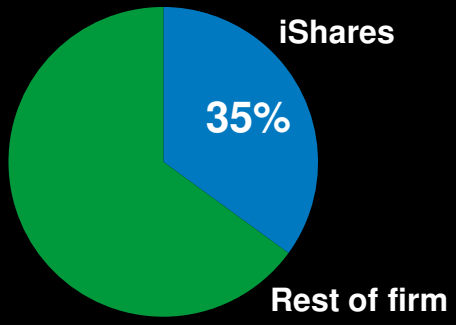
iShares at BlackRock

% of 1Q13 AUM



BlackRock Long-Term AUM: $3.629tn

% of 1Q13 Base Fees



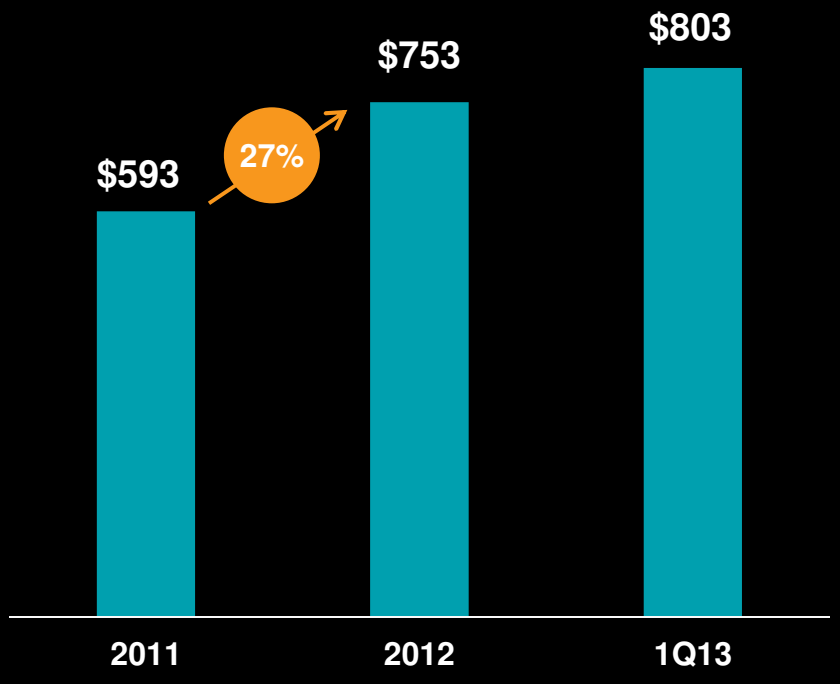
BlackRock Long-Term Base Fees: $2,043mm

4 questions

1. **How has the iShares business performed?**
2. What is the growth outlook for ETFs?
3. What are iShares' competitive advantages?
4. What is our strategy to win?

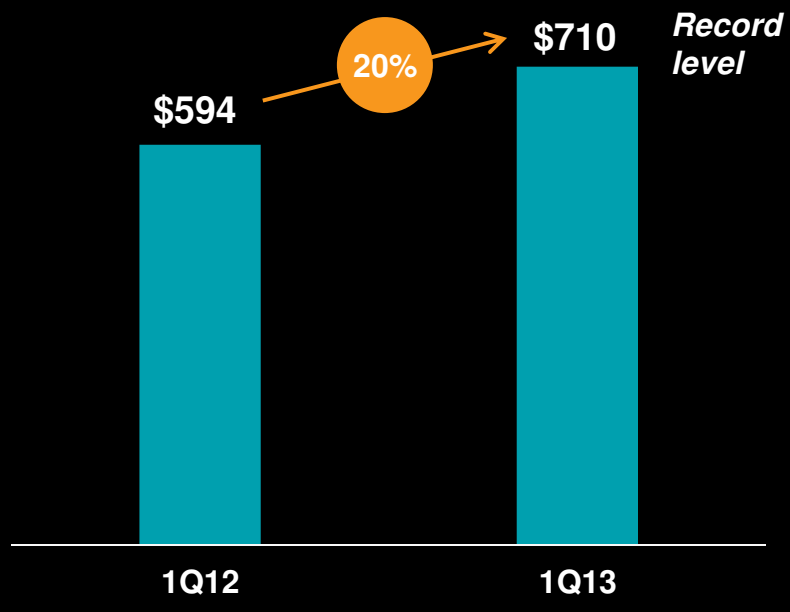
iShares results – powered by organic growth

iShares AUM & Organic Growth ($bn)



Organic Growth	14.4%	13.6%(1)
Net new business	$85.2	$25.6(2)

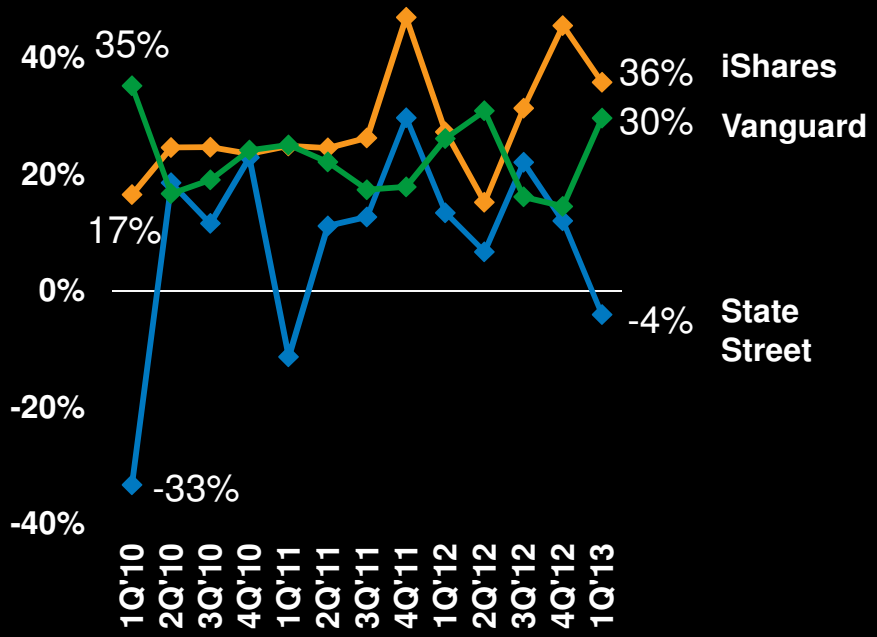
iShares Revenue ($mm)



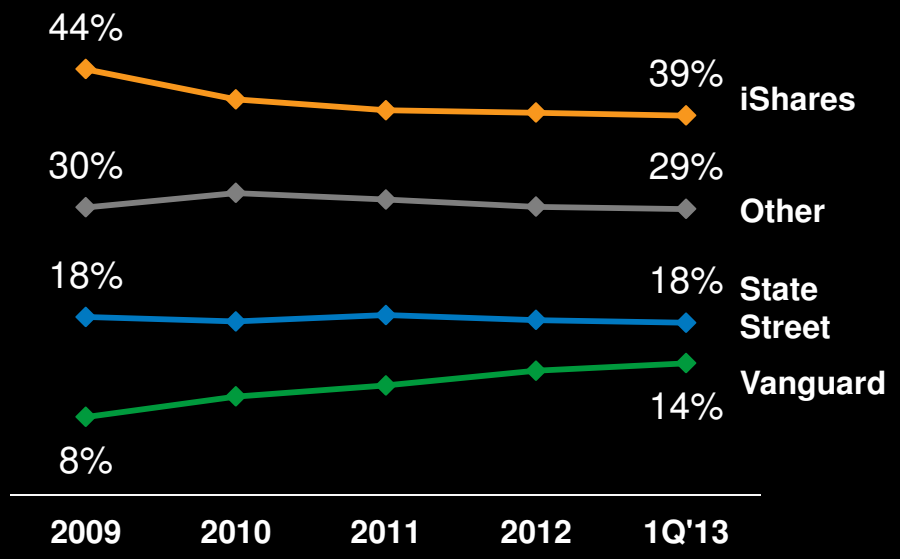
(1) 1Q13 annualized organic growth
(2) 1Q13 flows only

We aim to be the global leader in flows and assets

Flows – market share



AUM – market share



Source: BlackRock and Bloomberg

4 questions

1. How has the iShares business performed?

2. What is the growth outlook for ETFs?

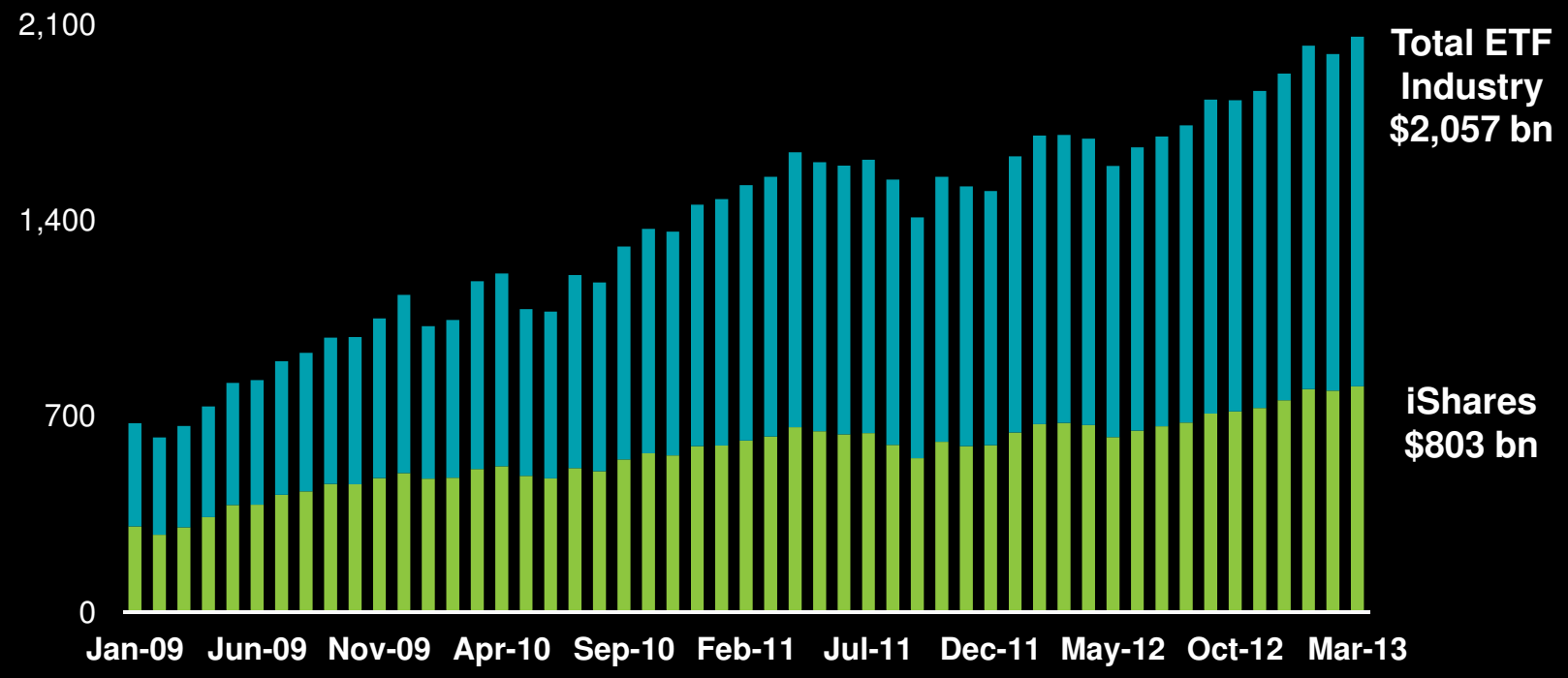
3. What are iShares' competitive advantages?

4. What is our strategy to win?

Over a decade and still growing strong…

ETF industry and iShares both grew 27% in 2012

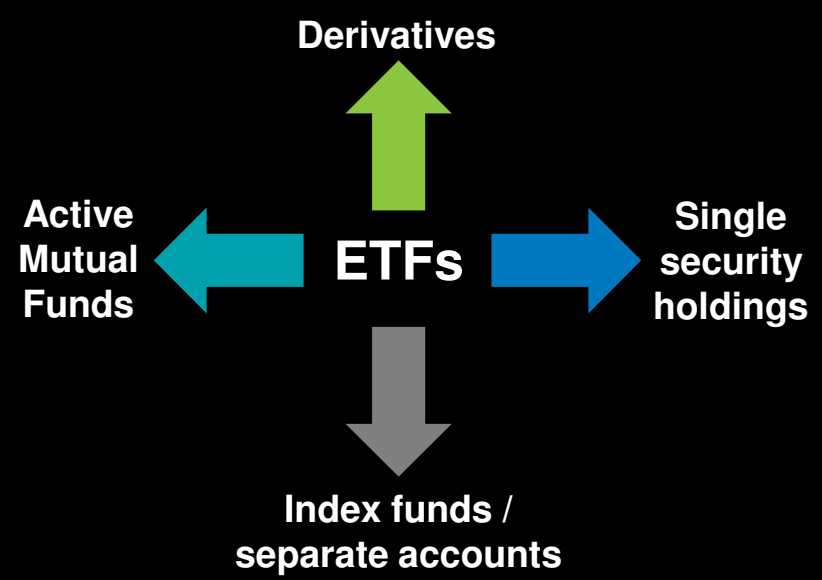
Global ETF and iShares AUM ($ bn)



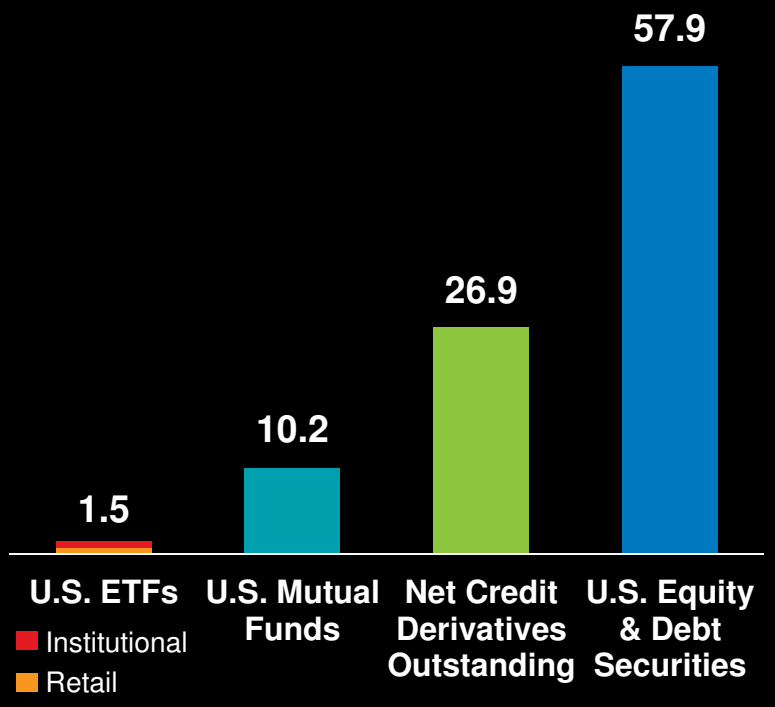
Source: BlackRock and Bloomberg

… and still a lot more room to grow

ETFs compete with 4 types of assets



There is huge runway for growth ($ tn)



(3) Global OTC CDS notional amounts outstanding.
Sources: SimFund, Bank for International Settlements, Bloomberg, SIFMA. ETFs as of May 31, 2013. Mutual Funds (excluding money market funds) as of April 30, 2013. Net Credit Derivatives outstanding as of December 31, 2012. Total US Equity and Debt Securities as of March 31, 2013.

4 questions

1. How has the iShares business performed?

2. What is the growth outlook for ETFs?

3. What are iShares' competitive advantages?

4. What is our strategy to win?

iShares' competitive advantages are truly global

1. A global brand
2. Product breadth, quality, and liquidity
3. Global footprint
4. Operating scale

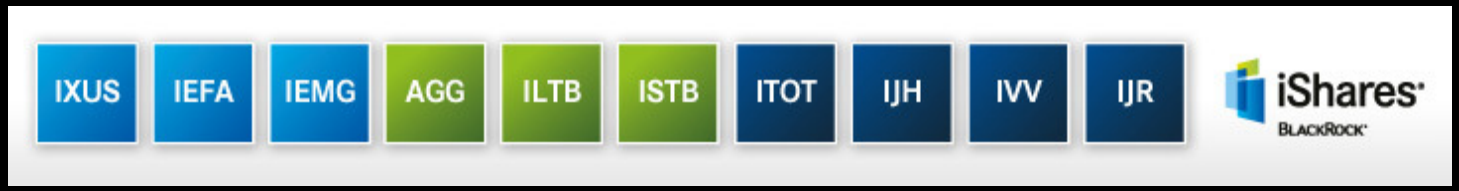
…with the result of truly global growth

1. Our global brand



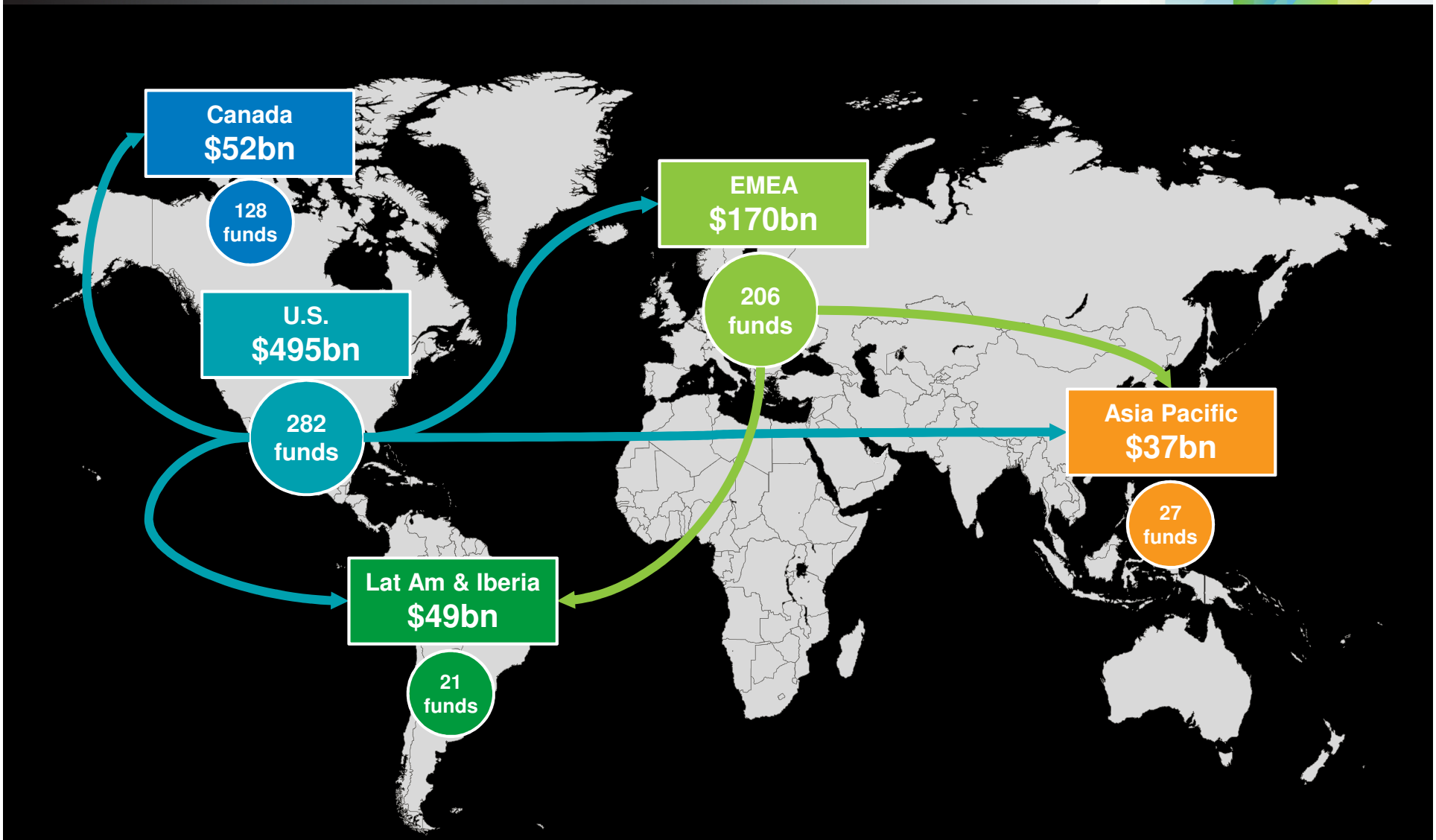






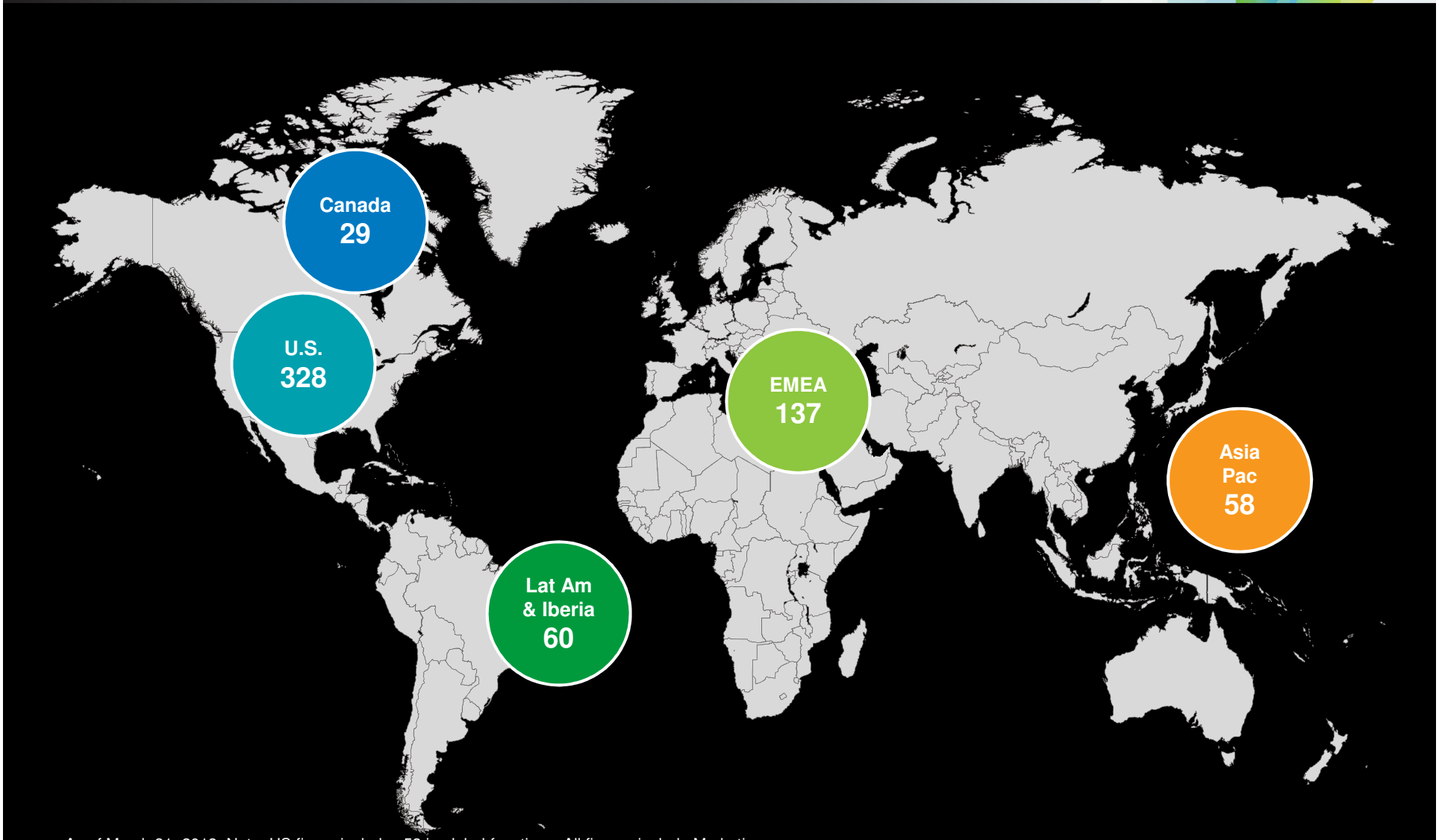


2. Two global and multiple local product lines



Fund counts as of March 31, 2013. $ figures represent client AUM (excluding iPath).

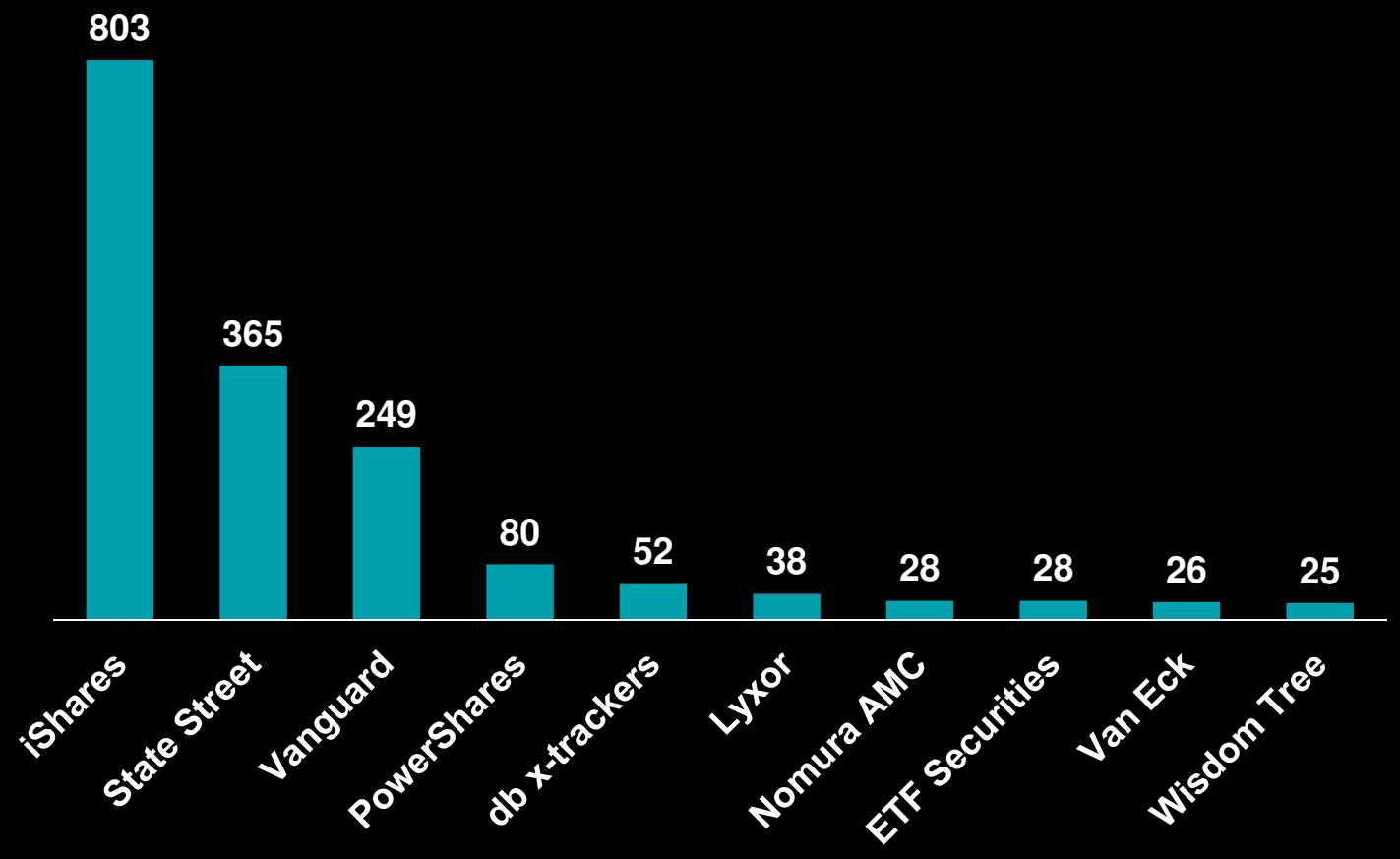
3. Global footprint



As of March 31, 2013. Note: US figure includes 53 in global functions. All figures include Marketing.

4. Operating scale

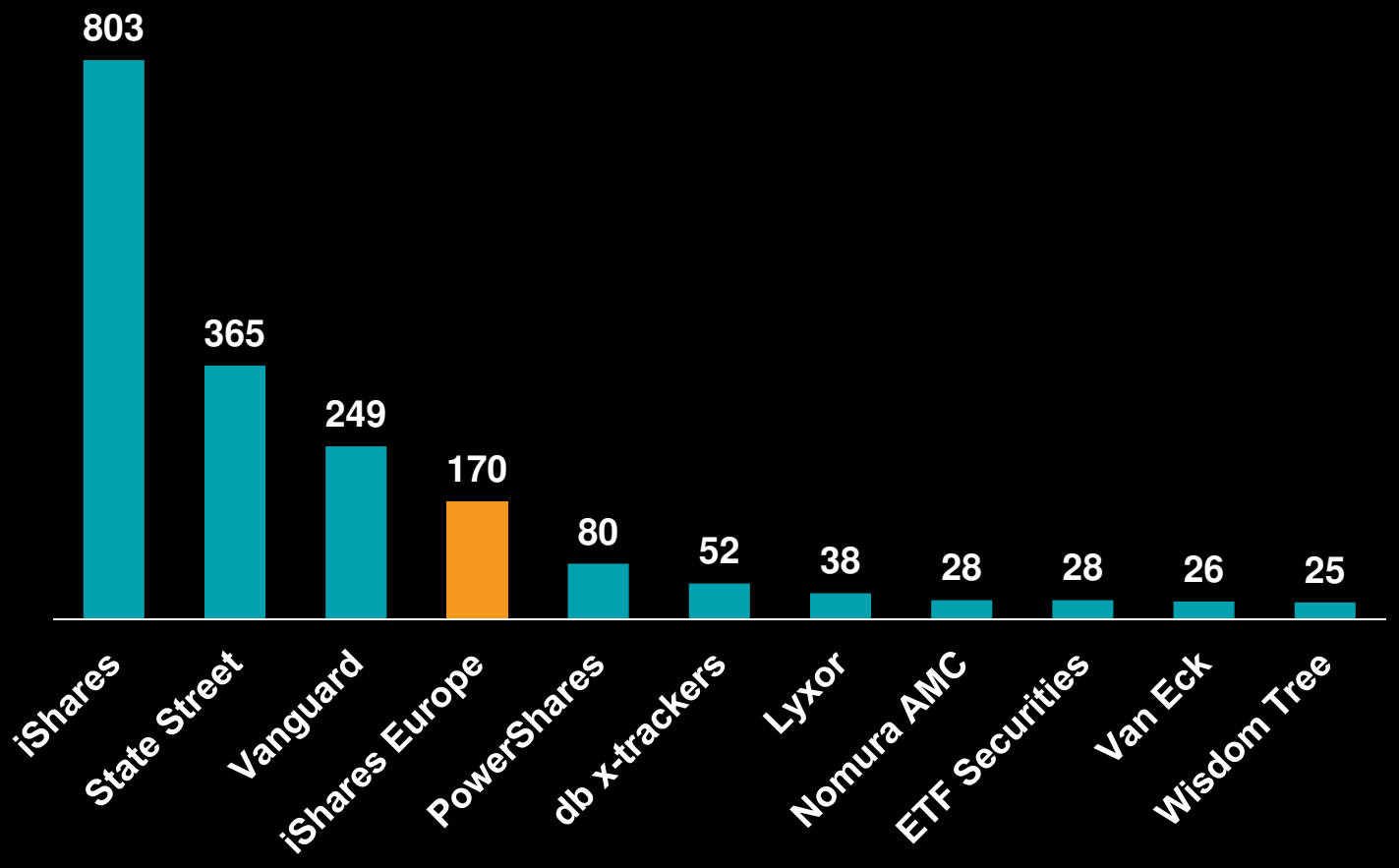
Top 10 ETF providers by AUM globally ($bn)



As of March 31, 2013. Source: BlackRock and Bloomberg.

4. Operating scale

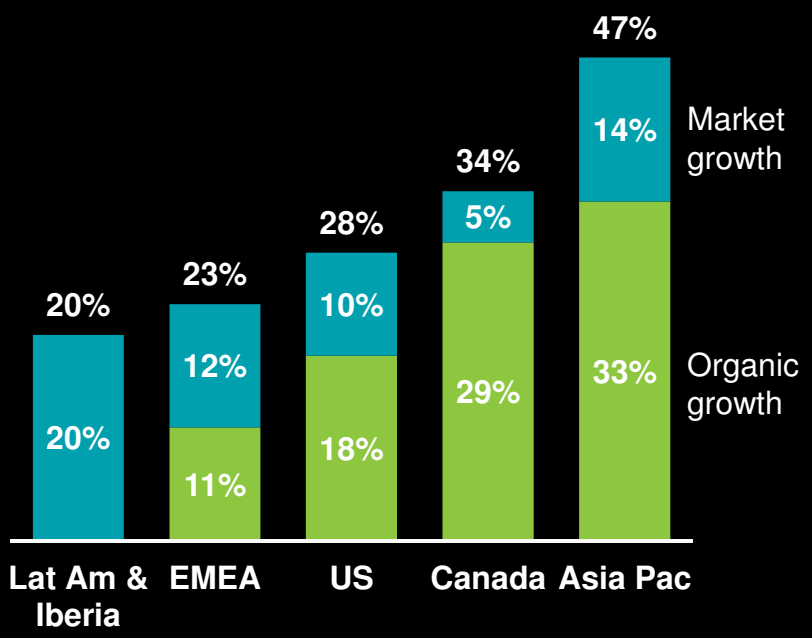
Top 10 ETF providers by AUM globally ($bn)



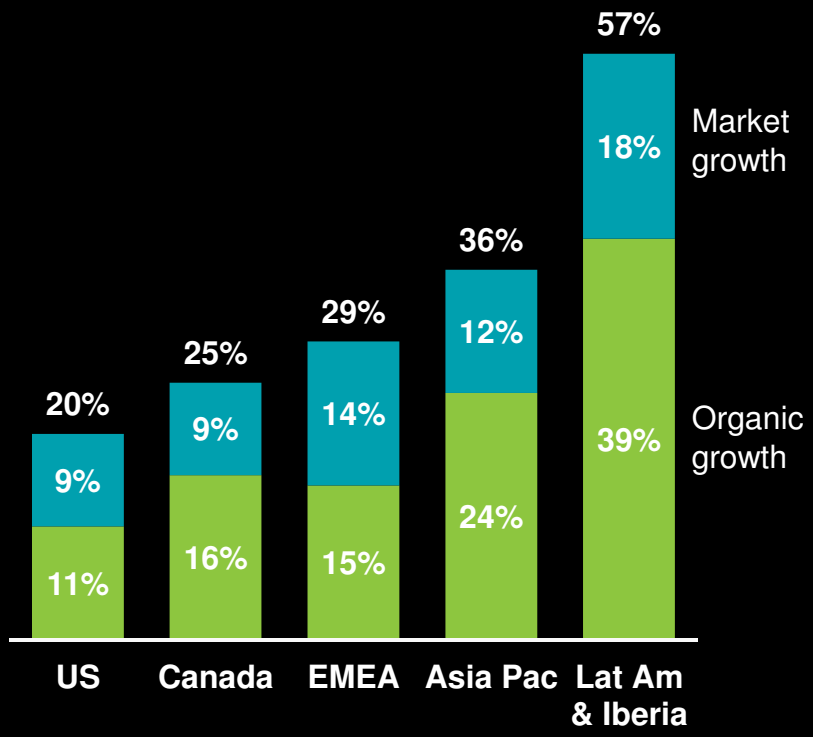
As of March 31, 2013. Source: BlackRock and Bloomberg.

Result – strong growth around the world

2012 ETF industry product growth



2012 iShares client growth



As of December 31, 2012. Source: BlackRock and Bloomberg.

4 questions

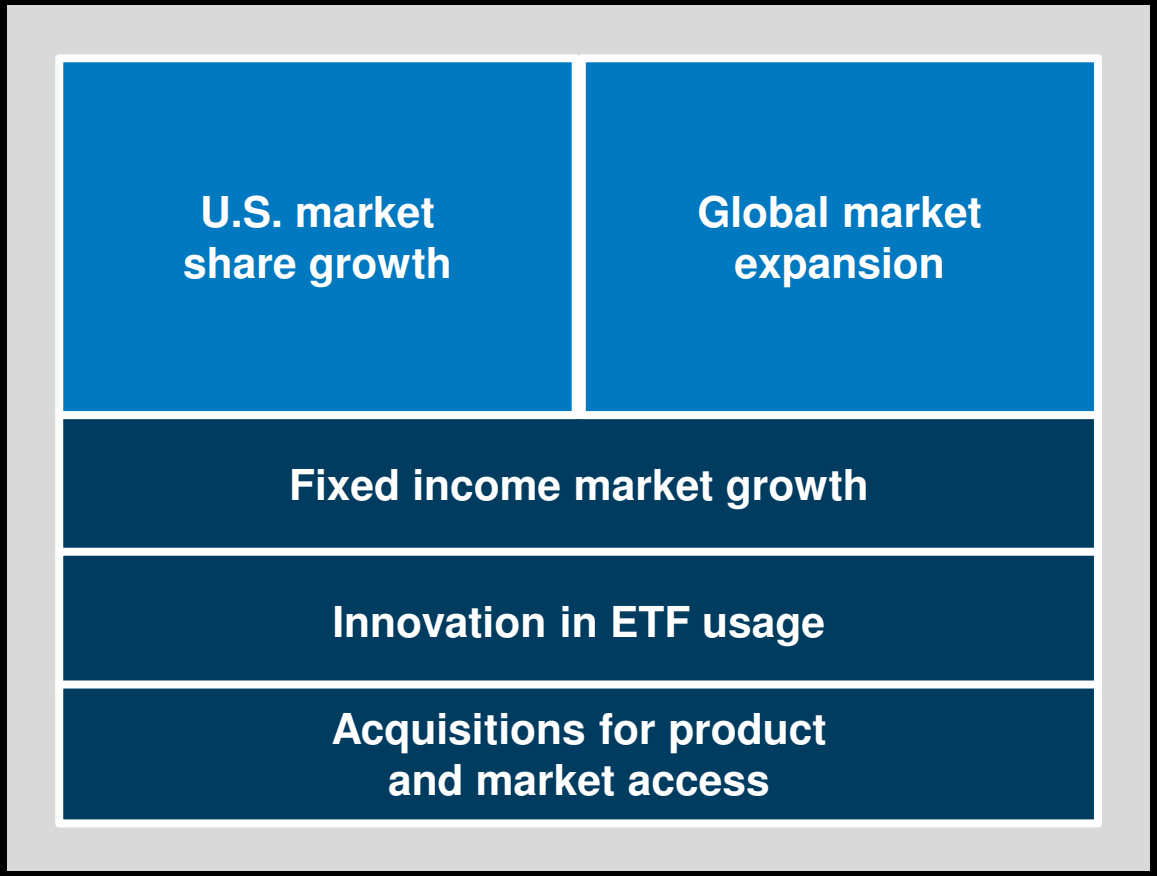
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3. What are iShares' competitive advantages?

4. What is our strategy to win?

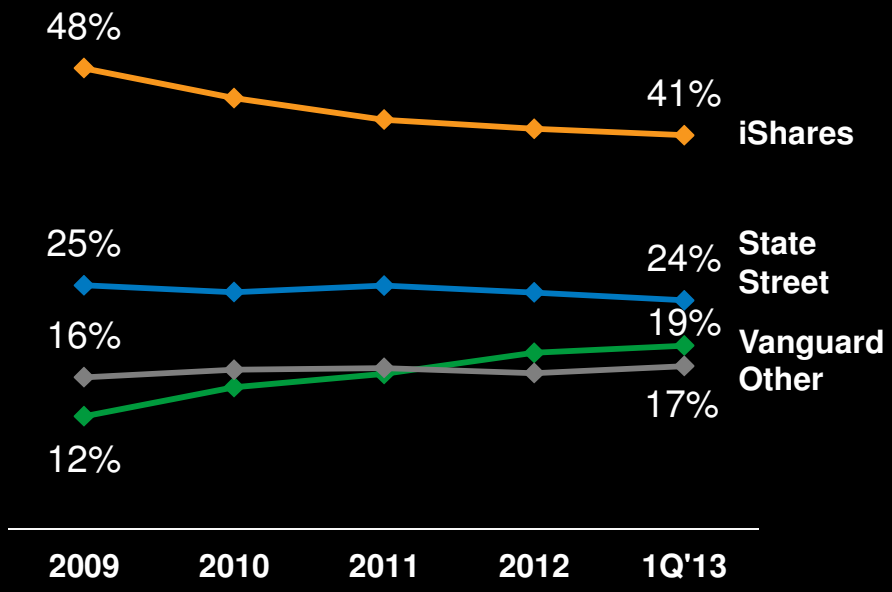
5 global growth themes



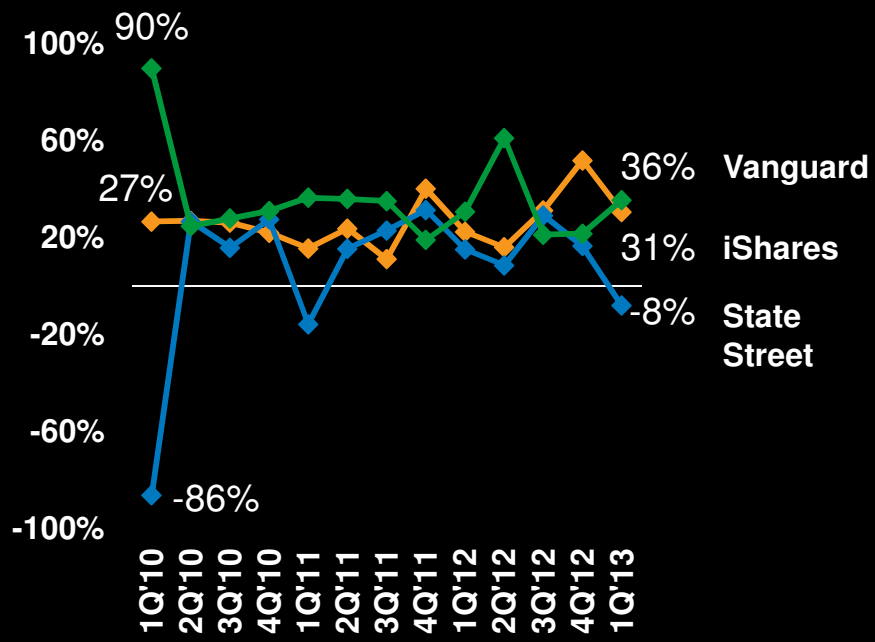
U.S. market share: The context

We aim to be the leader in assets and flows in the most mature ETF market

U.S. AUM – market share



U.S. flows – market share



Source: BlackRock and Bloomberg

U.S. market share: Strategies for leadership

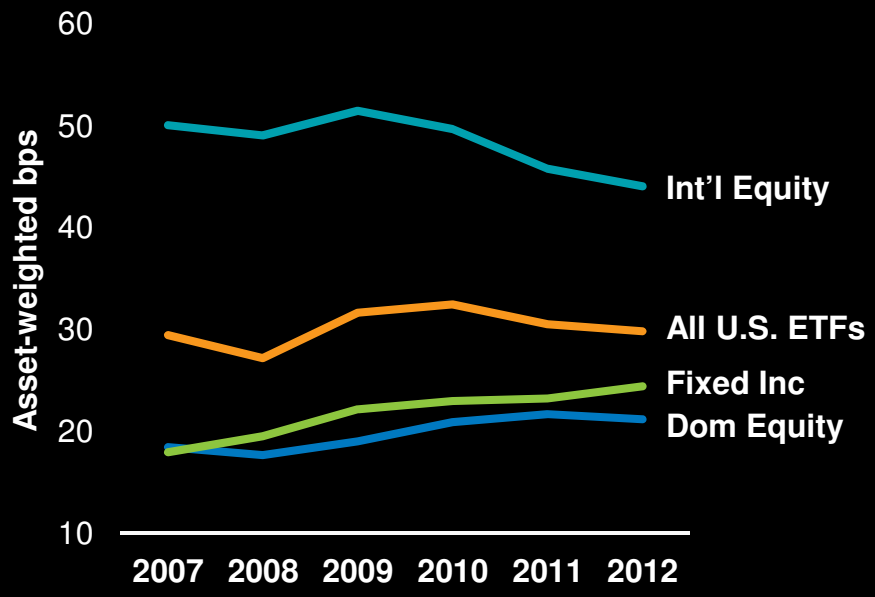
1. iShares Core Series
2. Strategic alliance with Fidelity
3. Integration of wealth advisory sales force
4. Marketing / brand

U.S. market share: The pricing story

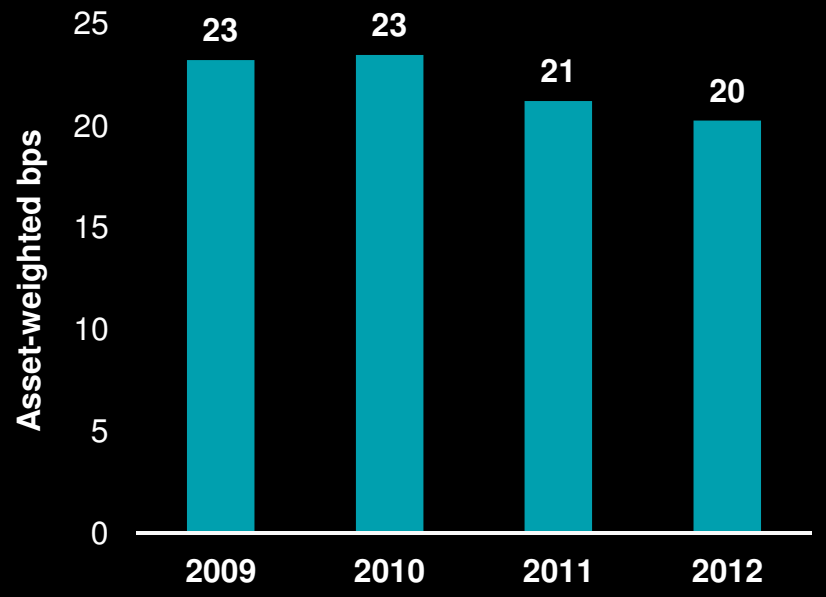
Pricing in the U.S. has been broadly consistent over time

In core exposures, we have faced increasing pricing pressure

Average price of U.S. ETFs



Average price of U.S. core exposures

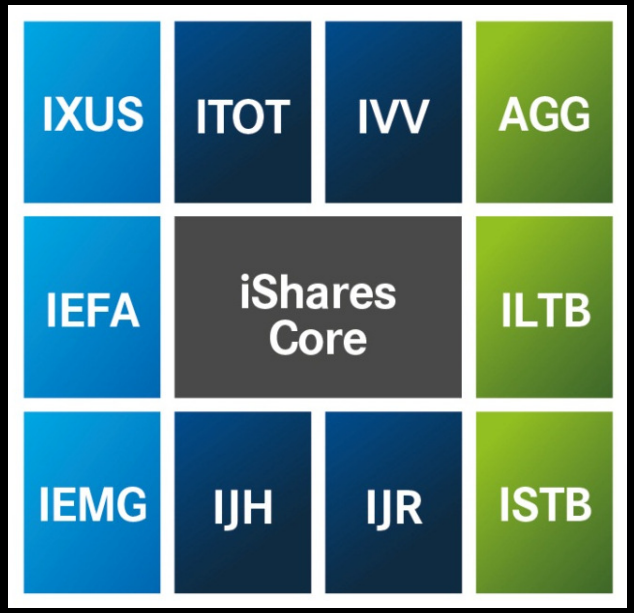


Source: U.S. ETP Reference Guide. Excludes inverse and leveraged funds. Core pricing based on 84 funds classified as core exposures by BlackRock.

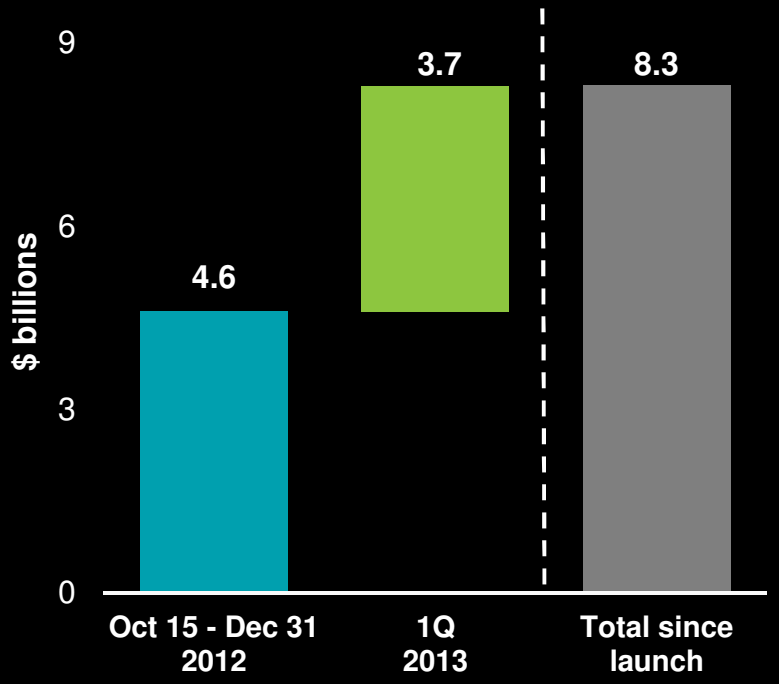
U.S. market share: The iShares Core Series

Launched in October 2012

iShares Core Series



Flows into the Core Series since launch



U.S. market share: Fidelity

Fidelity:

- The leading distributor in self-directed, with over 10 million clients

Start of the partnership:

- iShares is Fidelity's featured index ETF brand
- Fidelity increases offering of commission-free iShares from 30 to 65
- Fidelity uses BLK as its preferred partner in ETF solution products
- BLK also acts as sub-advisor to Fidelity-branded passive sector ETFs



Global market expansion: Grow in every region

Institutions
Examples of expansion segments

- Sovereign Wealth Funds
- Insurance
- Central Banks
- Banks
- Global Pension Plans
- Asset Managers

Retail
A tale of 2 cities

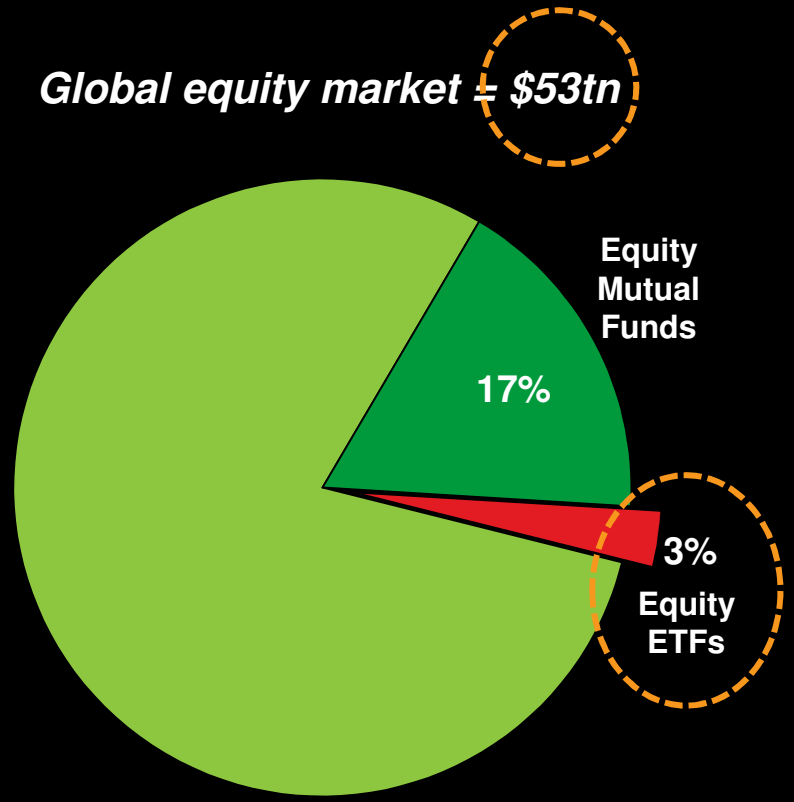
Post-retrocession world

- U.K.
- Germany
- Holland
- Switzerland
- U.S.
- Canada

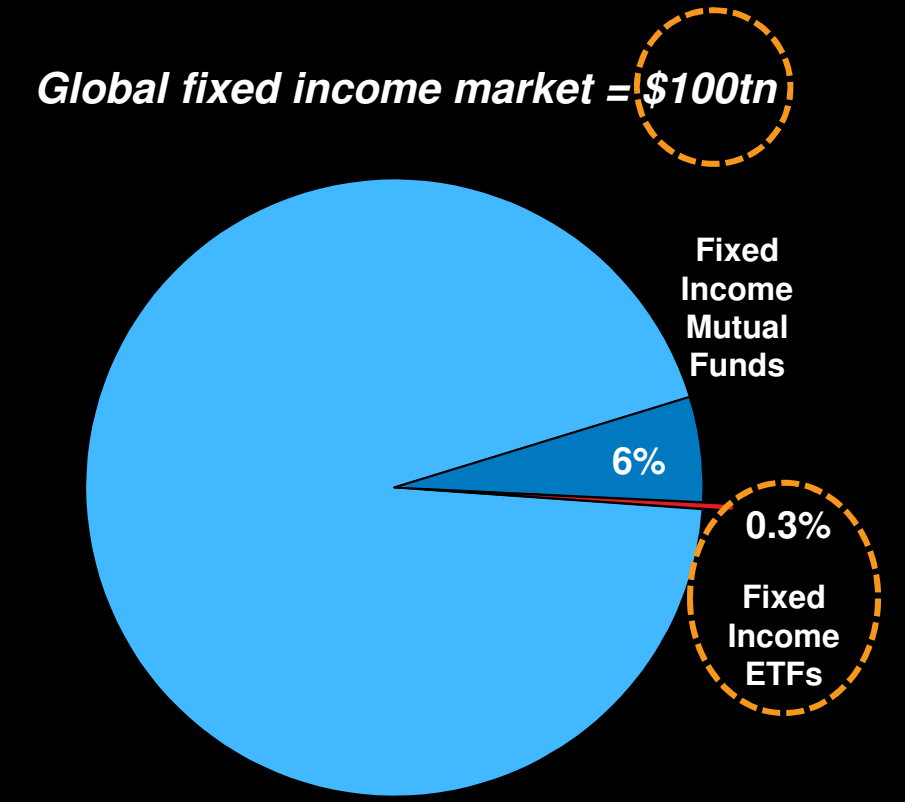
Retrocession world

- Asia Pac
- Lat Am
- Southern Europe
- France

Fixed income: Raise ETF penetration



Global market and MFs as of December 2012. MFs and ETFs of December 2012.
Source: The World Bank, Cerulli, BlackRock, Bloomberg.



Global market as of June 2013. MFs and ETFs as of December 2012.
Source: McKinsey, Cerulli, BlackRock, Bloomberg.

Innovation: New applications and products

New applications



Pension fund converts $1.5B fixed income portfolio to ETFs



Insurer hedges with a Treasury ETF



Bank allocates its balance sheet risk capital with ETFs



Insurer uses ETFs to aggregate fixed income

New product types

EEMV

Minimum Volatility

β

Enhanced Beta ETFs & Factor ETFs

IBCB

iSharesBonds

4 questions

1. iShares business performance

2. The growth outlook for ETFs

3. iShares' competitive advantages

4. Strategy to win

Disclosures

Carefully consider the iShares Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting www.iShares.com. Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

Disclosures

The information provided is not intended to be a complete analysis of every material fact respecting any strategy and has been presented for educational purposes only.

Asset allocation models and diversification do not promise any level of performance or guarantee against loss of principal.

Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained.

Mutual funds and iShares Funds are obliged to distribute portfolio gains to shareholders by year-end. These gains may be generated due to index rebalancing or to meet diversification requirements. Trading shares of the iShares Funds will also generate tax consequences and transaction expenses. Certain traditional mutual funds can be tax efficient as well.

When comparing stocks or bonds and iShares Funds, it should be remembered that management fees associated with fund investments, like iShares Funds, are not borne by investors in individual stocks or bonds. The annual management fees of iShares Funds may be substantially less than those of most mutual funds. Buying and selling shares of iShares Funds will result in brokerage commissions, but the savings from lower annual fees can help offset these costs.

Index returns are for illustrative purposes only and do not represent actual iShares Fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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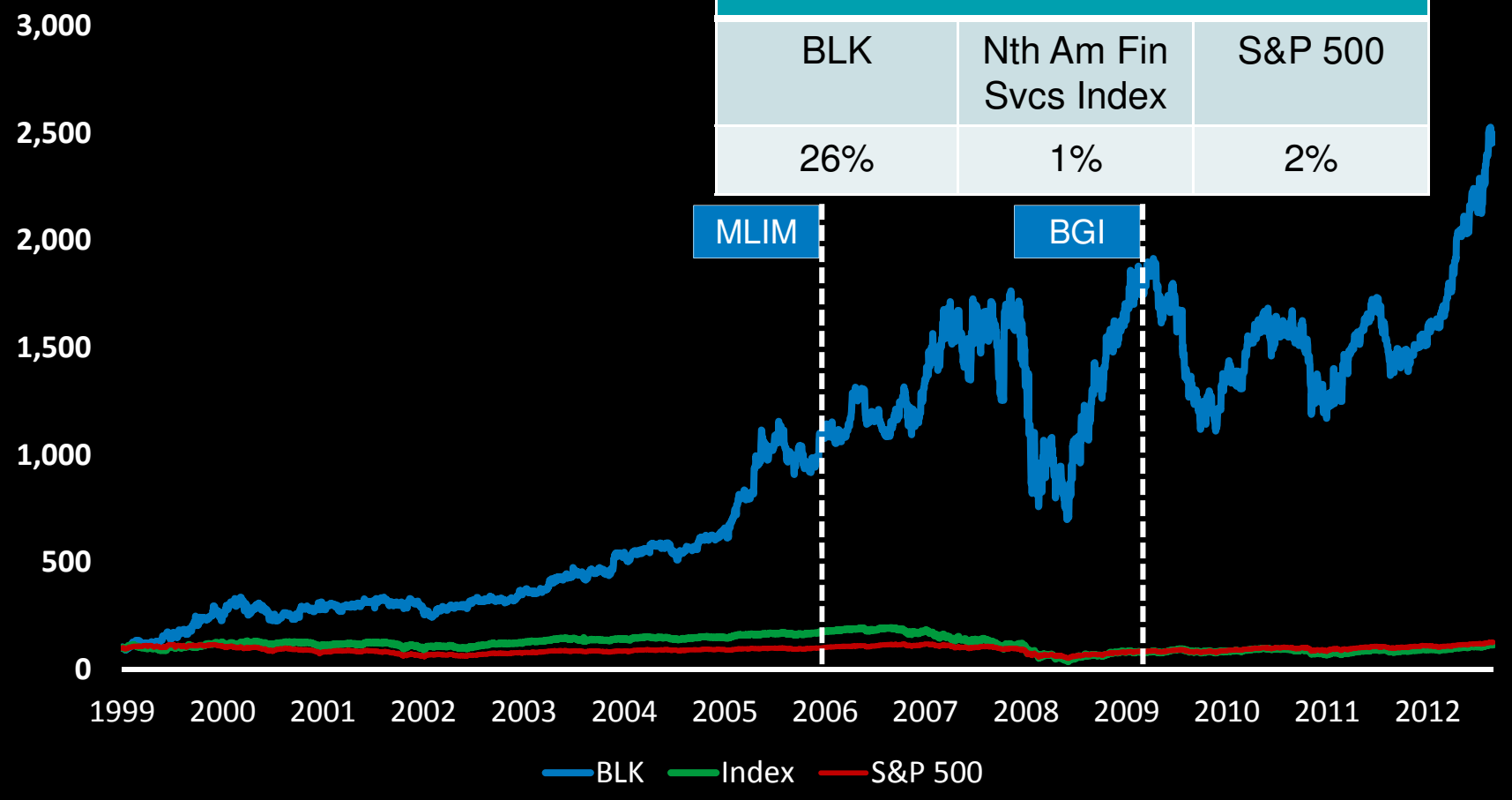
Delivering Shareholder Value

Gary Shedlin, *Chief Financial Officer*

Delivering shareholder value

Total Return

CAGR since BLK IPO		
BLK	Nth Am Fin Svcs Index	S&P 500
26%	1%	2%



Note: Index used is the S&P North America financial services sector index
Source: Factset

Drivers of shareholder value

Organic Growth

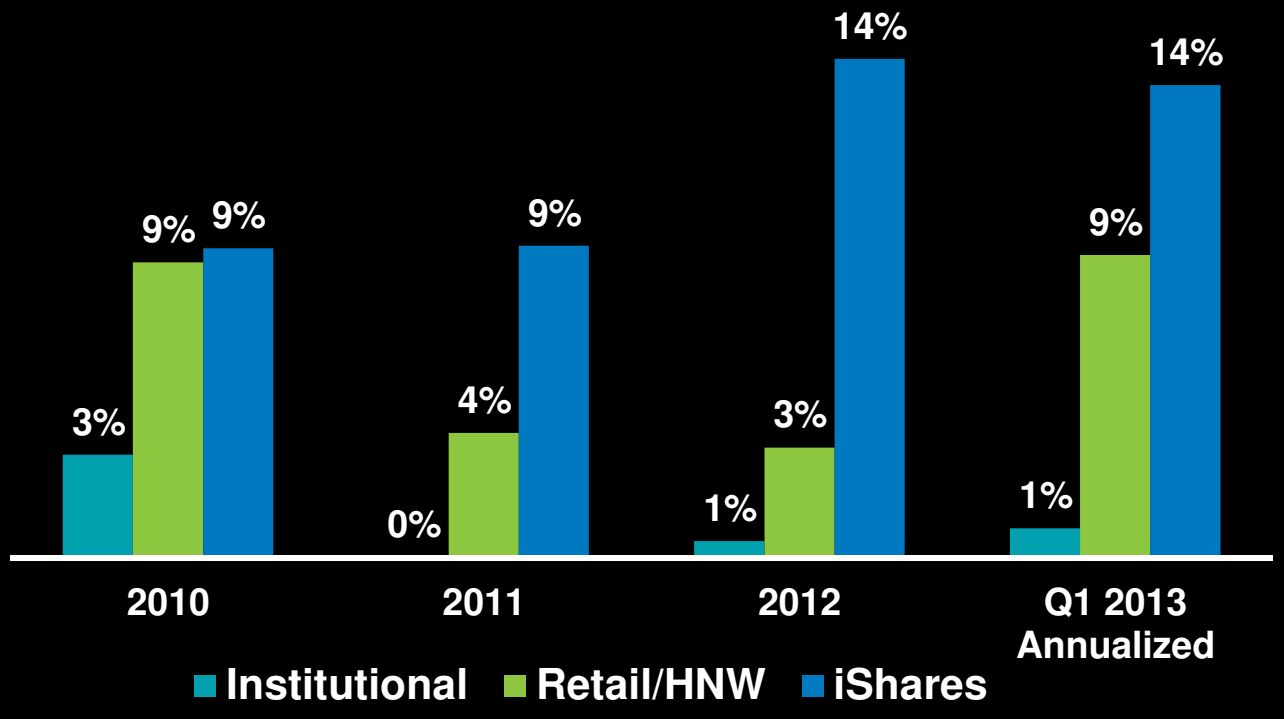
Operating Leverage

Capital Management

Organic AUM growth improving

Total Long Term Organic NNB Growth

Total BLK:	5%	2%	3%	5%
Global AUM [A]:	0%	1%	2%	--

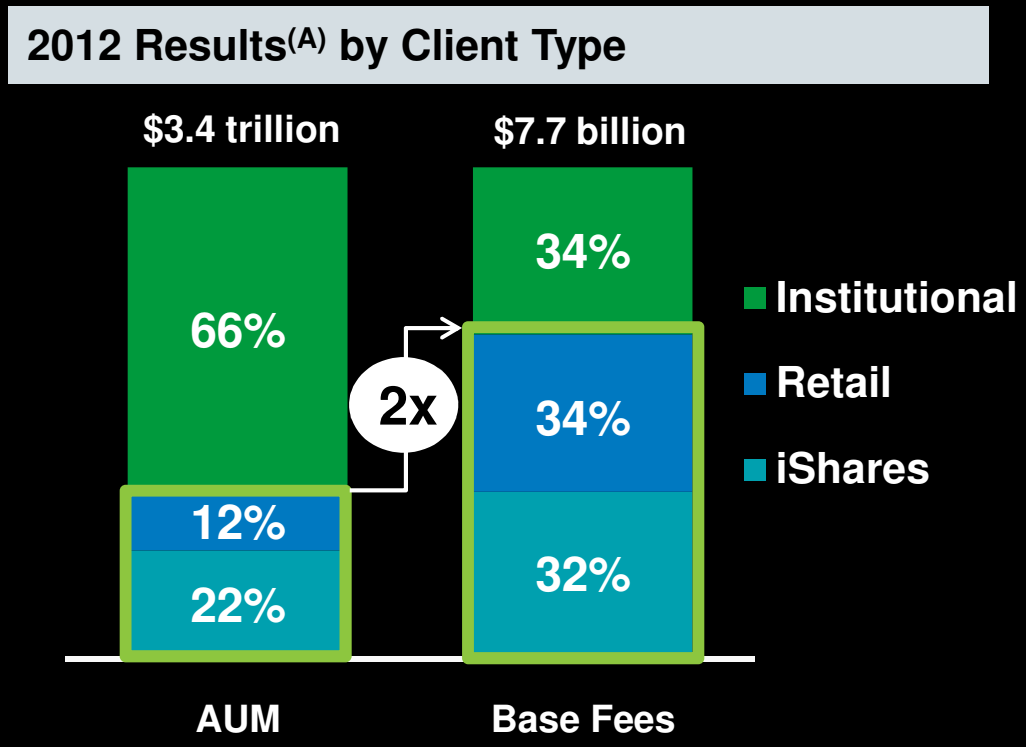


Note: Excludes the effect of two single client low-fee institutional index fixed income outflows in 2012 and merger-related outflows in 2011 and 2010
(A) Source: McKinsey & Company

Organic revenue growth impacted by mix change

Mix change and strategic focus should result in revenue growth higher than AUM growth

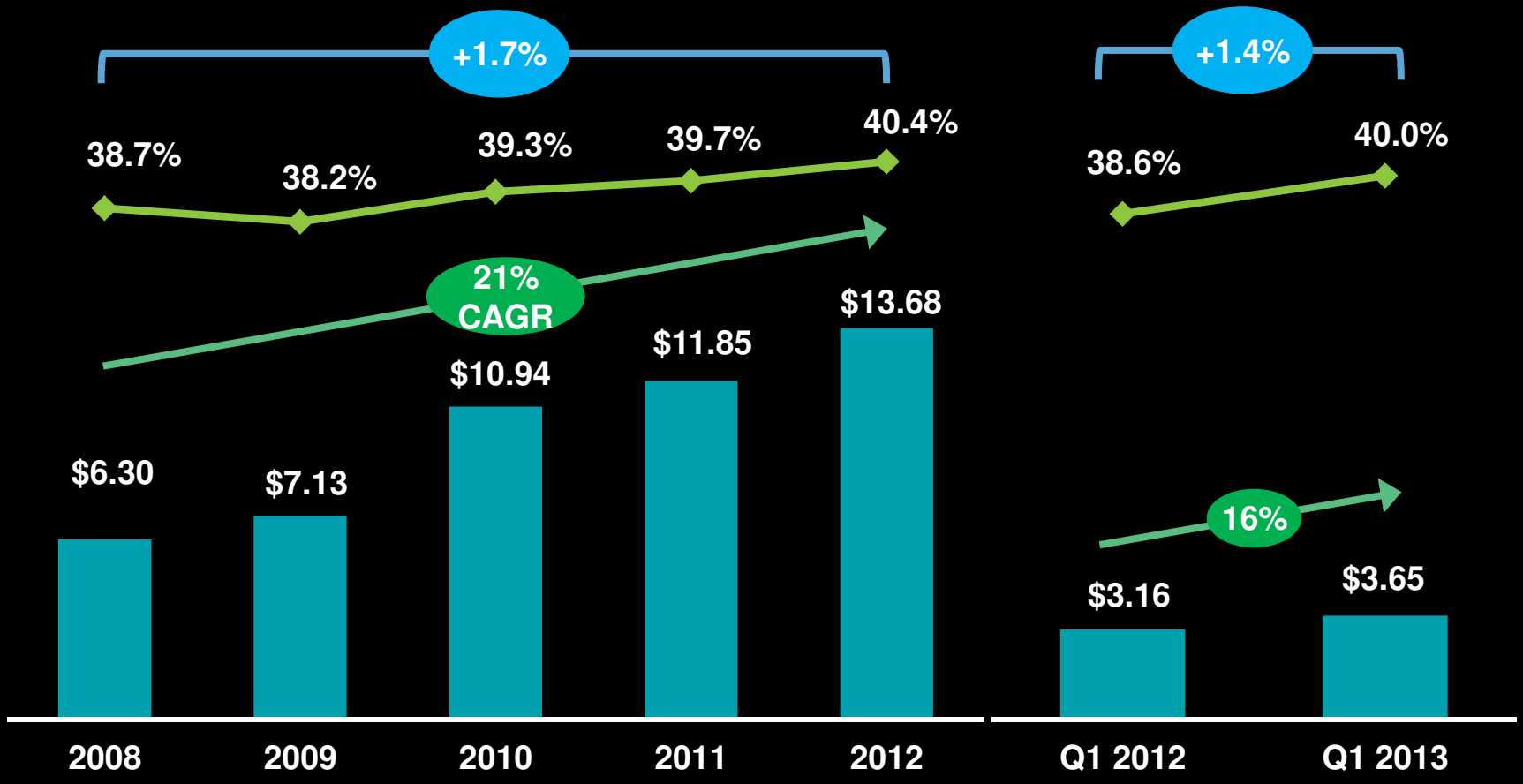
- *iShares* and Retail represent 34% of our AUM, but represent 66% of our revenue



(A) AUM and base fees for long-term assets only which do not include cash management and advisory AUM

Proven ability to leverage scale

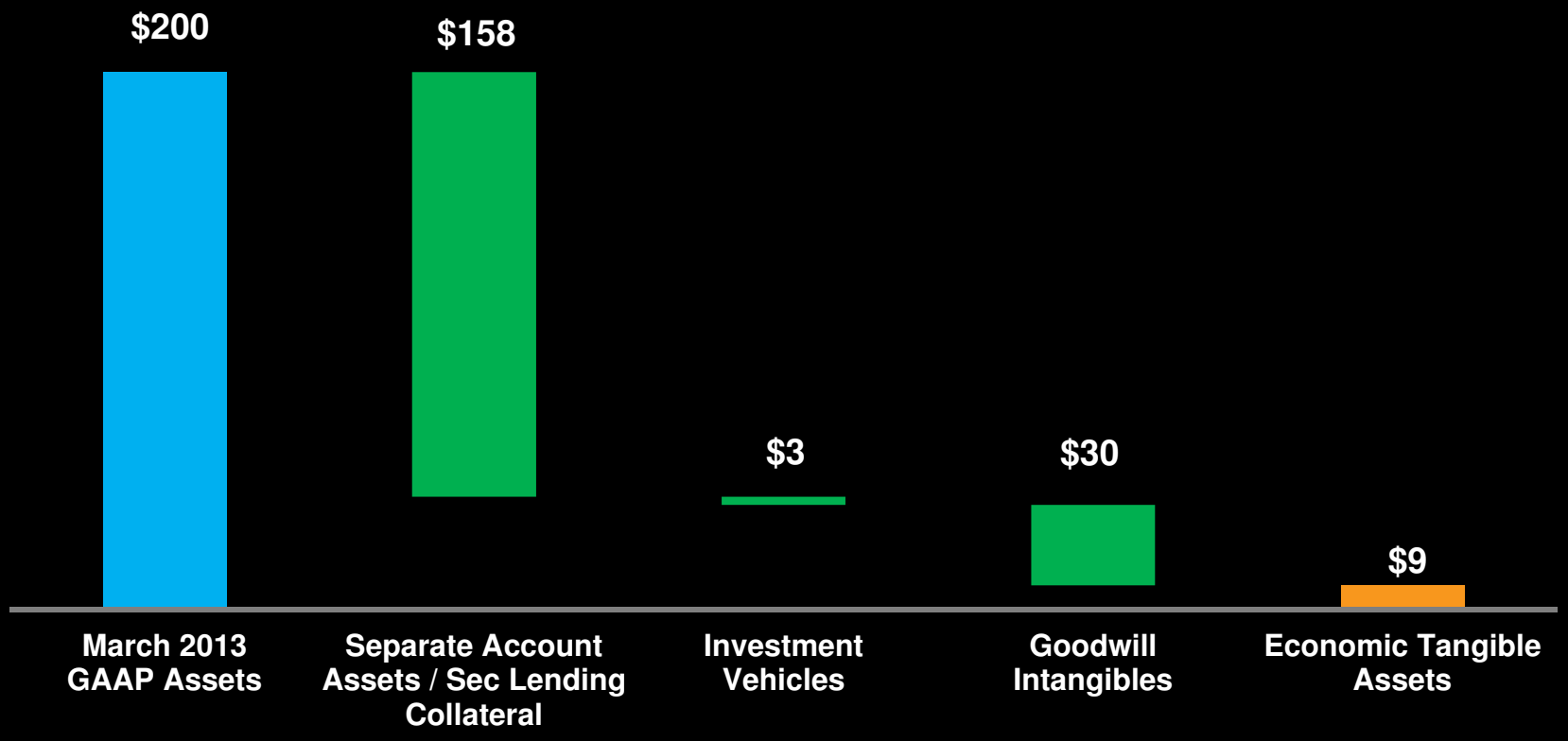
Adjusted EPS and Operating Margin



For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, Form 10-Qs, 8-Ks and the appendix to this presentation

Balance sheet is asset lite

While our GAAP total assets are $200bn, tangible assets are only $9bn



Strong cash generating business

Operating cash flow, as adjusted ($bn)



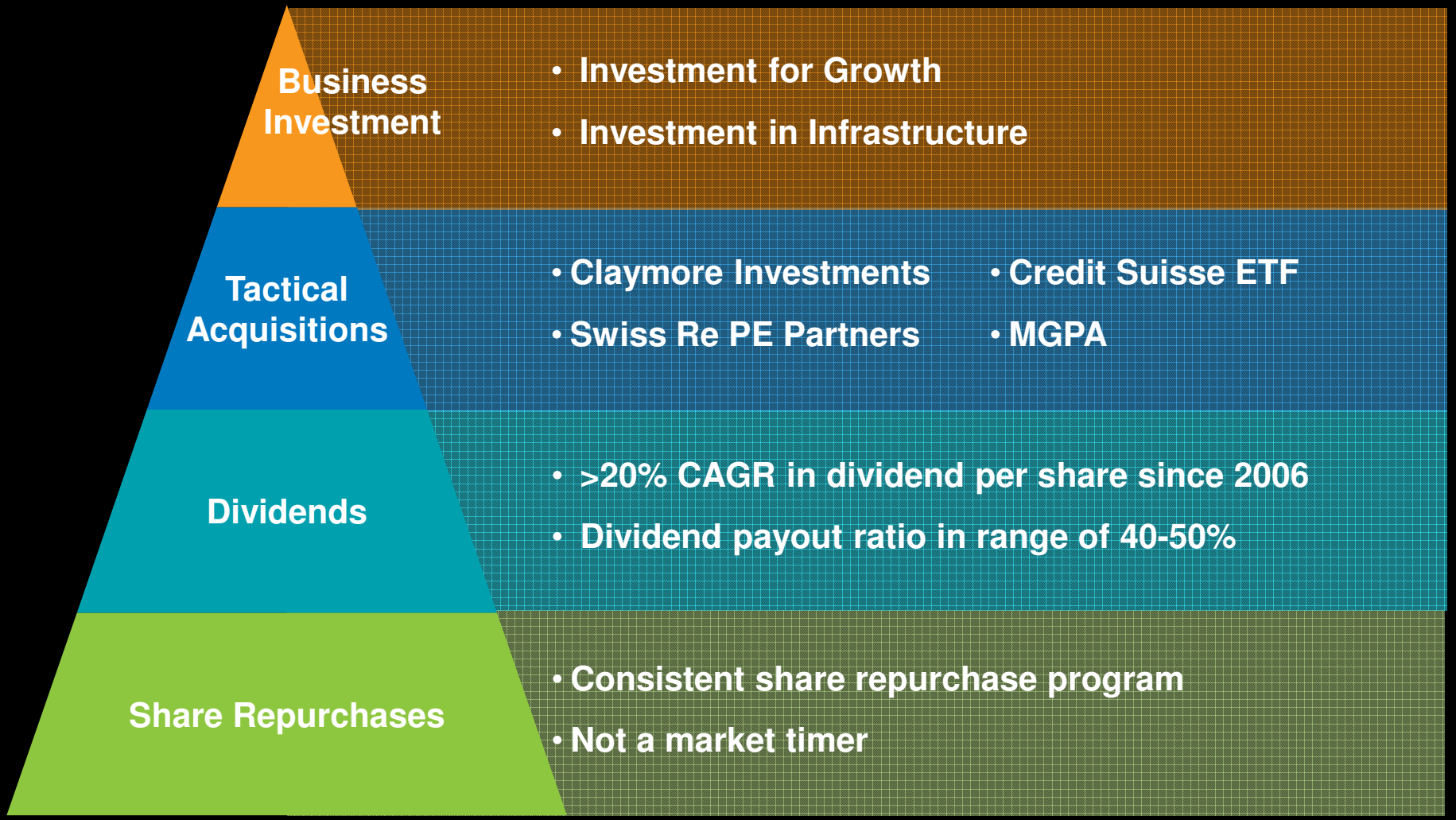
Prioritization of Cash Use

- Business Investment
- Tactical Acquisitions
- Dividends
- Share Repurchases

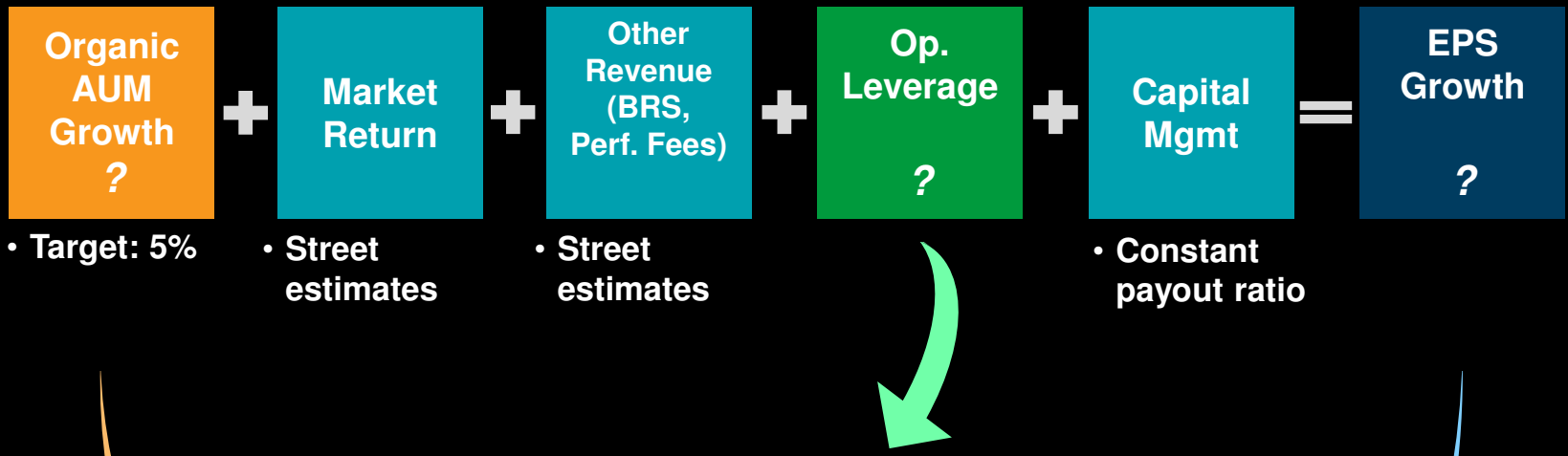
(A) Adjusted for ~$300m related to trading seed investment

For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, Form 10-Qs, 8-Ks and the appendix to this presentation

Consistent and predictable capital management



EPS: Impact of organic growth and operating leverage



EPS Growth		Operating Margin		
		40%	42%	44%
Org. AUM Growth	3%	11%	12%	13%
	5%	12%	14%	15%
	7%	14%	15%	16%

Note: Assumptions around beta and other revenue growth consistent with street estimates. Capital management assumes constant payout ratio.
This slide is for illustrative purposes only and should not be considered a forecast.

Appendix

Reconciliation to Non-GAAP Measures

	Full Year					Q1	Q1
	2008	2009	2010	2011	2012	2012	2013
(Dollar amounts in millions, except per share data)							
Operating income, GAAP basis	**$1,593**	**$1,278**	**$2,998**	**$3,249**	**$3,524**	**$815**	**$909**
Non-GAAP expense adjustments [1]	69	292	169	143	50	10	12
Operating income, as adjusted	**1,662**	**1,570**	**3,167**	**3,392**	**3,574**	**825**	**921**
Closed-end fund launch costs and commissions	9	3	17	29	25	-	18
Operating income used for operating margin measurement	1,671	1,573	3,184	3,421	3,599	825	939
Revenue, GAAP basis	5,064	4,700	8,612	9,081	9,337	2,249	2,449
Non-GAAP adjustments[2]:	(742)	(577)	(510)	(467)	(419)	(111)	(103)
Revenue used for operating margin measurement	4,322	4,123	8,102	8,614	8,918	2,138	2,346
Operating margin, GAAP basis	**31.5%**	**27.2%**	**34.8%**	**35.8%**	**37.7%**	**36.2%**	**37.1%**
Operating margin, as adjusted	**38.7%**	**38.2%**	**39.3%**	**39.7%**	**40.4%**	**38.6%**	**40.0%**
Net income attributable to BlackRock, Inc., GAAP basis	**784**	**875**	**2,063**	**2,337**	**2,458**	**572**	**632**
Non-GAAP adjustments, net of tax [3]	72	146	76	(98)	(20)	3	5
Net income attributable to BlackRock, Inc., as adjusted	**856**	**1,021**	**2,139**	**2,239**	**2,438**	**575**	**637**
Allocation of net income, as adjusted, to common shares	$828	$995	$2,109	$2,218	$2,435	$574	$637
Diluted weighted-average common shares outstanding	131,376,517	139,481,449	192,692,047	187,116,410	178,017,679	181,917,864	174,561,132
Diluted earnings per common share, GAAP basis	**$5.78**	**$6.11**	**$10.55**	**$12.37**	**$13.79**	**$3.14**	**$3.62**
Diluted earnings per common share, as adjusted	**$6.30**	**$7.13**	**$10.94**	**$11.85**	**$13.68**	**$3.16**	**$3.65**

[1] Non-GAAP expense adjustments include BGI transaction/integration costs, U.K. lease exit costs, a contribution to STIFs, restructuring charges, PNC funding LTIP obligation, Merrill Lynch compensation contribution and compensation related to appreciation (depreciation) on certain deferred compensation plans.

[2] Non-GAAP adjustments include distribution and servicing costs, amortization of deferred sales commission and reimbursable property management compensation.

[3] Non-GAAP expense adjustments include BGI transaction/integration costs, U.K. lease exit costs, a contribution to STIFs, restructuring charges, PNC funding LTIP obligation, Merrill Lynch compensation contribution and income tax law changes.

NOTE: For more information on the reconciliation of GAAP to as adjusted see the previously filed 10-Ks,10-Qs and 8-Ks.

Cash Flow GAAP and As Adjusted

(in millions)	2008	2009	2010	2011	2012
Operating Cash Flows					
Operating Cash flows, GAAP basis	$ 1,916	$ 1,399	$ 2,488	$ 2,826	$ 2,240
Less: Non-GAAP adjustments (1)	413	168	(77)	178	(483)
Operating Cash flows, as adjusted	1,503	1,231	2,565	2,648	2,723
Investing Cash Flows					
Investing Cash flows, GAAP basis	(394)	(5,519)	(627)	(204)	(266)
Less: Non-GAAP adjustments (1)	(9)	31	(52)	24	(211)
Investing Cash flows, as adjusted	(385)	(5,550)	(575)	(228)	(55)
Financing Cash Flows					
Financing Cash flows, GAAP basis	(887)	6,749	(3,170)	(2,485)	(944)
Less: Non-GAAP adjustments (1)	(410)	(185)	110	(71)	631
Financing Cash flows, as adjusted	$ (477)	$ 6,934	$ (3,280)	$ (2,414)	$ (1,575)

(1) Non-GAAP adjustments include the impact on cash flows of consolidated sponsored investment funds and consolidated VIEs.

NOTE: For more information on the reconciliation of GAAP to as adjusted see the previously filed 10-Ks,10-Qs and 8-Ks.


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