BLACKROCK

INVESTOR DAY

2014

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.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to risk factors previously disclosed in BlackRock's Securities and Exchange Commission ("SEC") reports and those identified elsewhere, in this presentation, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management ("AUM"); (3) the relative and absolute investment performance of BlackRock's investment products; (4) the impact of increased competition; (5) the impact of future acquisitions or divestitures; (6) the unfavorable resolution of legal proceedings; (7) the extent and timing of any share repurchases; (8) the impact, extent and timing of technological changes and the adequacy of intellectual property, information and cyber security protection; (9) the impact of legislative and regulatory actions and reforms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock or The PNC Financial Services Group, Inc. ("PNC"); (10) terrorist activities, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (11) the ability to attract and retain highly talented professionals; (12) fluctuations in the carrying value of BlackRock's economic investments; (13) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products or transactions, which could affect the value proposition to clients and, generally, the tax position of the Company; (14) BlackRock's success in maintaining the distribution of its products; (15) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (16) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

BlackRock's Annual Report on Form 10-K, 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.

BlackRock Investor Day 2014

ROBERT S. KAPITO

President

Focus on talent

Client-centric approach, differentiation and execution will drive growth

Focus on Talent

Deliberate effort to build a deep bench of senior leaders

Continuously map leaders to new roles

Broaden horizons of leaders to maximize impact

Investment performance

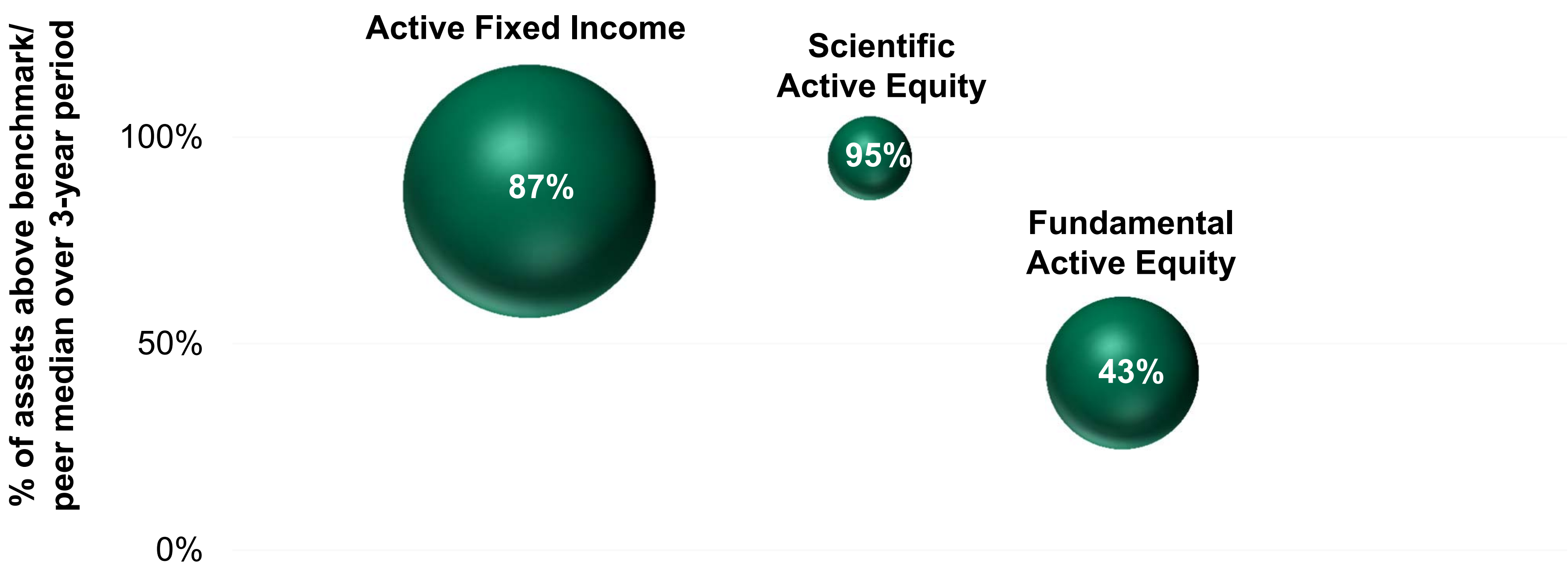
Active Fixed Income & Active Equity		
1-Year	3-Year	5-Year
70%	75%	73%

Index Fixed Income & Index Equity		
1-Year	3-Year	5-Year
96%	98%	96%

Note: Data as of 3/31/14. Active Fixed Income & Active Equity performance reflects % of assets above benchmark or peer median for the 1-,3- and 5-year periods. Index Fixed Income & Index Equity include ETFs and represents % of assets above or within risk tolerance levels. Past performance is not indicative of future returns.

Active performance update

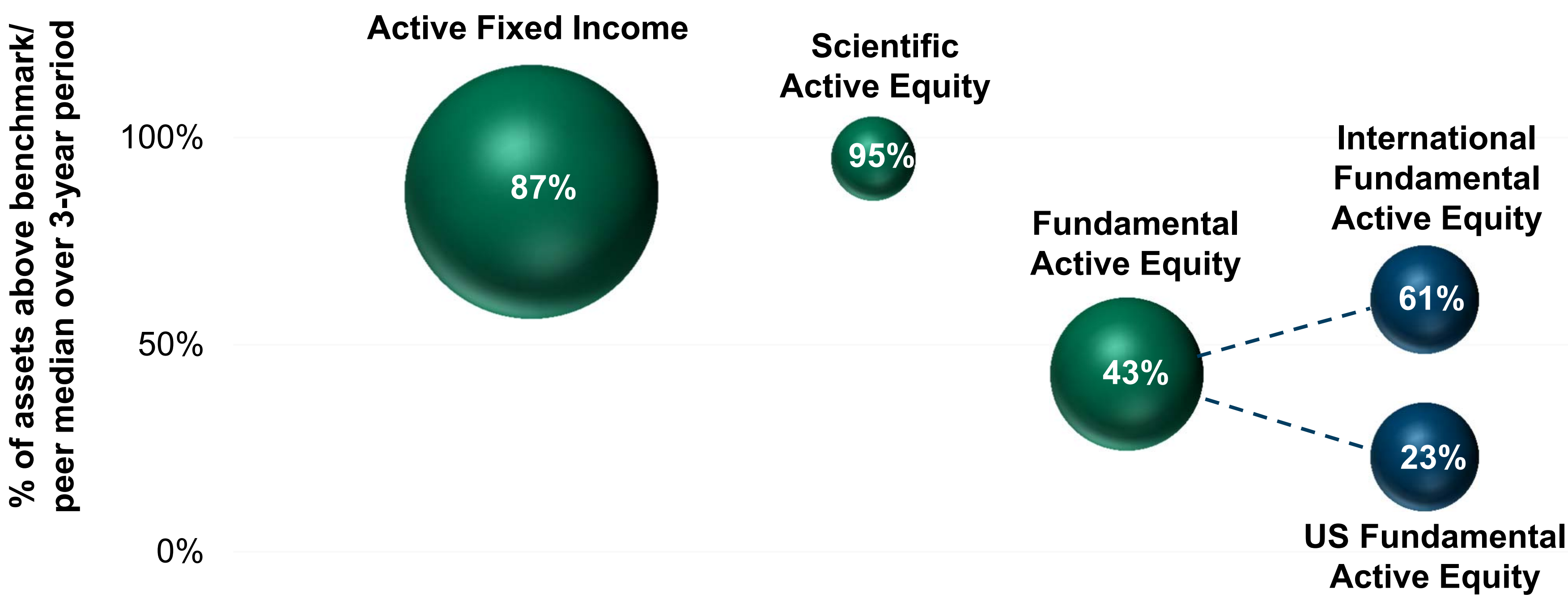
% of Assets above Benchmark or Peer Median for 3-Year Period



Note: Data as of 3/31/14. Size of bubbles represents total AUM managed by BlackRock in representative asset classes. Not all AUM is captured in performance data. Past performance is not indicative of future returns.

Active performance update

% of Assets above Benchmark or Peer Median for 3-Year Period



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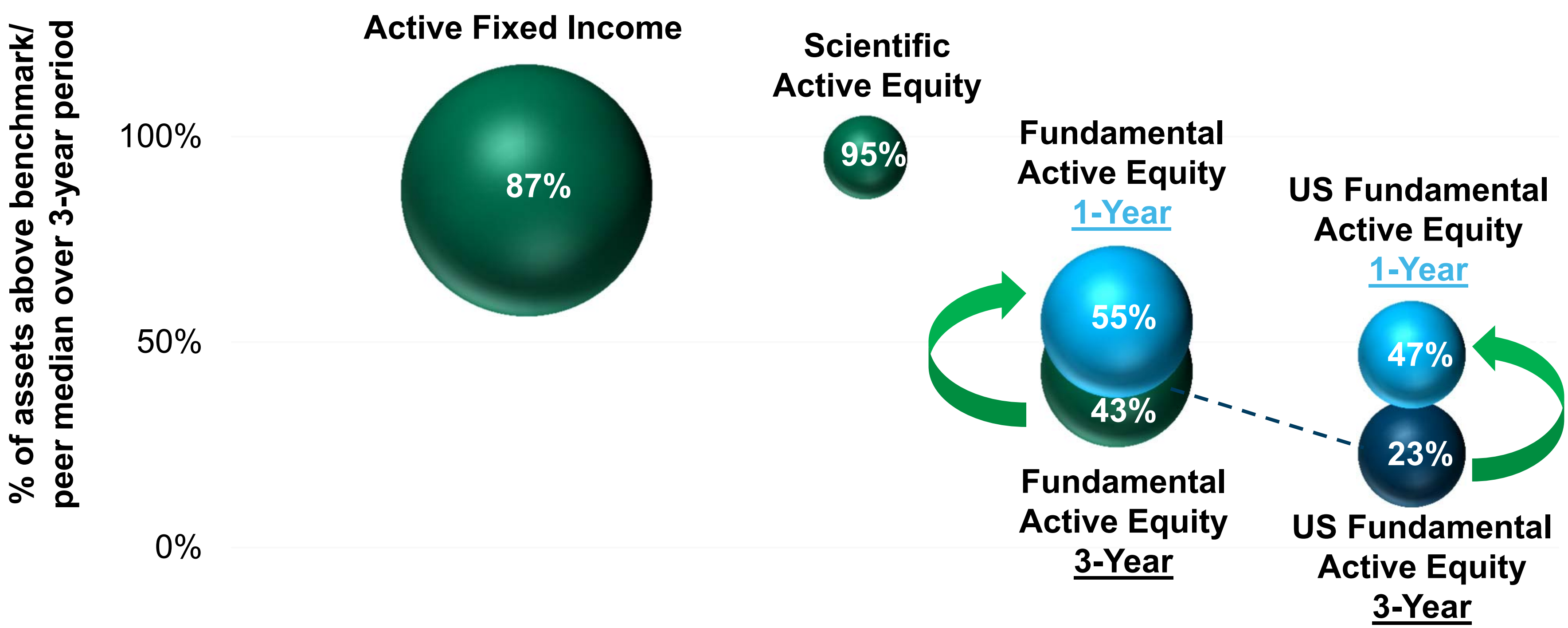
Active performance update

% of Assets above Benchmark or Peer Median for 3-Year Period



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Last year, we focused on growth drivers by organization

Institutional

- Growth in specialty client businesses
- Deepening existing relationships
- Continually building on solutions-oriented approach

Retail

- Evolve product set
- Enhance distribution
- Deliver the firm

iShares

- US market share growth
- Global market expansion
- Fixed income market growth
- Innovation in ETF usage
- Acquisitions for product and market access

BlackRock Solutions

- Expansion of Aladdin's multi-asset capabilities
- Global adoption of Aladdin

Alpha & Beta

- People, product, process focus to enhance performance in alpha
- Differentiating beta at BlackRock
- Combined power of alpha and beta on a single platform

Finance

- Organic growth
- Operating leverage
- Capital management

Today's Agenda

- Sustainable Differentiation
- Retail Outcomes & Institutional Solutions
- Driving Market Leadership in Alternative Investments
- iShares: Growth Beyond $1 Trillion
- Retirement: Addressing the Longevity Challenge
- Global Reach
- Technology's Impact on Asset Management
- Delivering Shareholder Value
- Closing Remarks
- Q&A

Important Notes

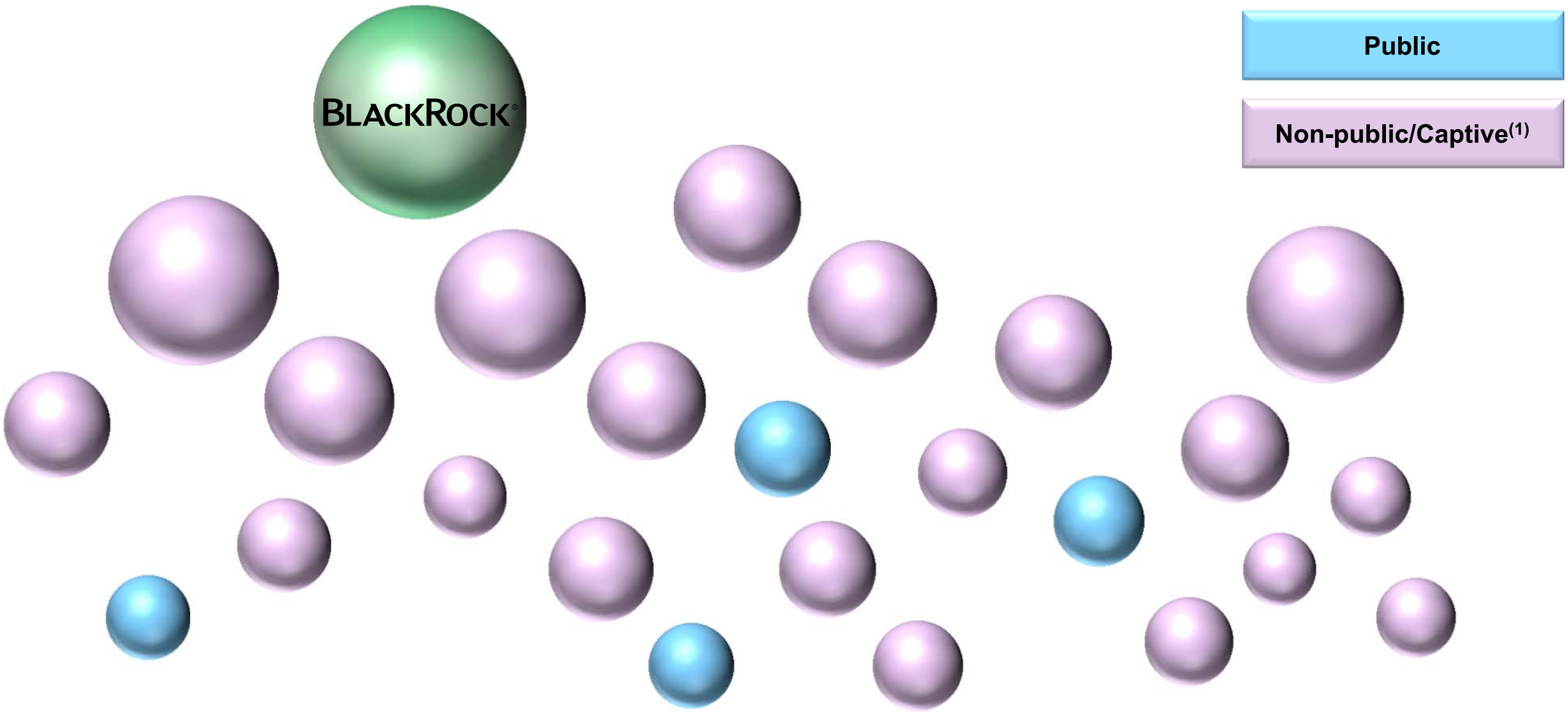
BlackRock®

Sustainable Differentiation

SALIM RAMJI
Global Head of Corporate Strategy

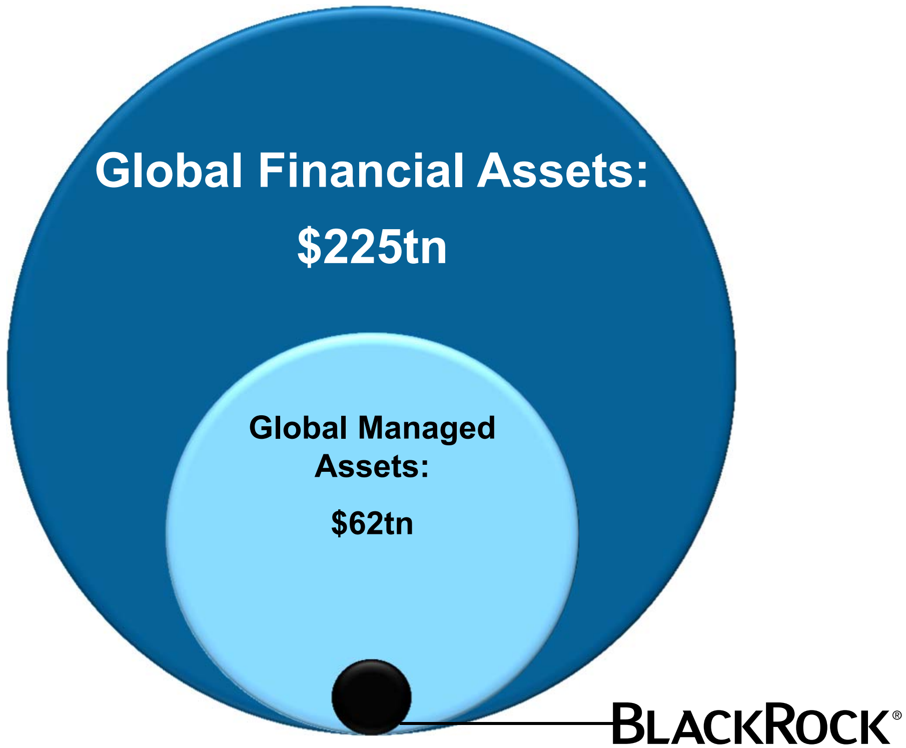
RICH KUSHEL
Chief Product Officer

Trusted to manage more money for investors than any other firm



Source: P&I Research Center; Top 25 asset managers by AUM as of 12/31/13.
(1) Defined as privately held asset managers or asset management subsidiaries of other public or private firms.

Asset management remains highly fragmented and BlackRock has significant room to grow



Key client trends account for more than 100% of all industry flows

- Investor appetite for **index/ETFs**
- Broad adoption of **alternatives**
- **Unconstrained fixed income**
- Shift to **outcomes & solutions**
- Focus on **income**
- Longevity and **retirement**
- Evolution of **emerging markets**

BlackRock's strategy is to lead in each of these growth areas across the industry

Across each trend, we are either the leader today or positioned to grow share

Global Market AUM ($tn)

	Index	Alternatives	Unconstrained Fixed Income	Outcomes & Solutions	Income	Retirement	Emerging Markets
Industry AUM CAGR ’11 – ’13	24%	11%	30%	12%	21%	13%	14%
Leader Share	30%	4%	14%	7%	6%	11%	7%
BLK Share	30%	2%	5%	7%	3%	4%	7%
BLK Position	Leader in growing market	Expanding share as a top 10 provider in a growing market		Leader in growing market	Expanding share as a top 10 provider in a growing market		Leader in growing market

Note: AUM and market share data represent industry estimates, may include AUM classified in more than one trend and may differ from BlackRock reported financials.

BlackRock is a top 10 firm in a winner-take-all flow environment

	Market Share of '11-'13 Flows (Top 10 Players)	BLK Top 10 Flows	BLK Top 10 AUM
Index/ETFs	87%	✓	✓
Alternatives	23%	✓	✓
Unconstrained FI	79%	✓	✓
Outcomes & Solutions	56%	✓	✓
Income	40%	✓	✓
Retirement	47%	✓	✓
Emerging Markets	75%	✓	✓

Executing on our growth strategy requires a truly client-centric approach

BlackRock is differentiated in the asset management industry

WE ARE A FIDUCIARY TO OUR CLIENTS.

WE ARE PASSIONATE ABOUT PERFORMANCE.

Investment performance

Global reach

Active and index across asset classes

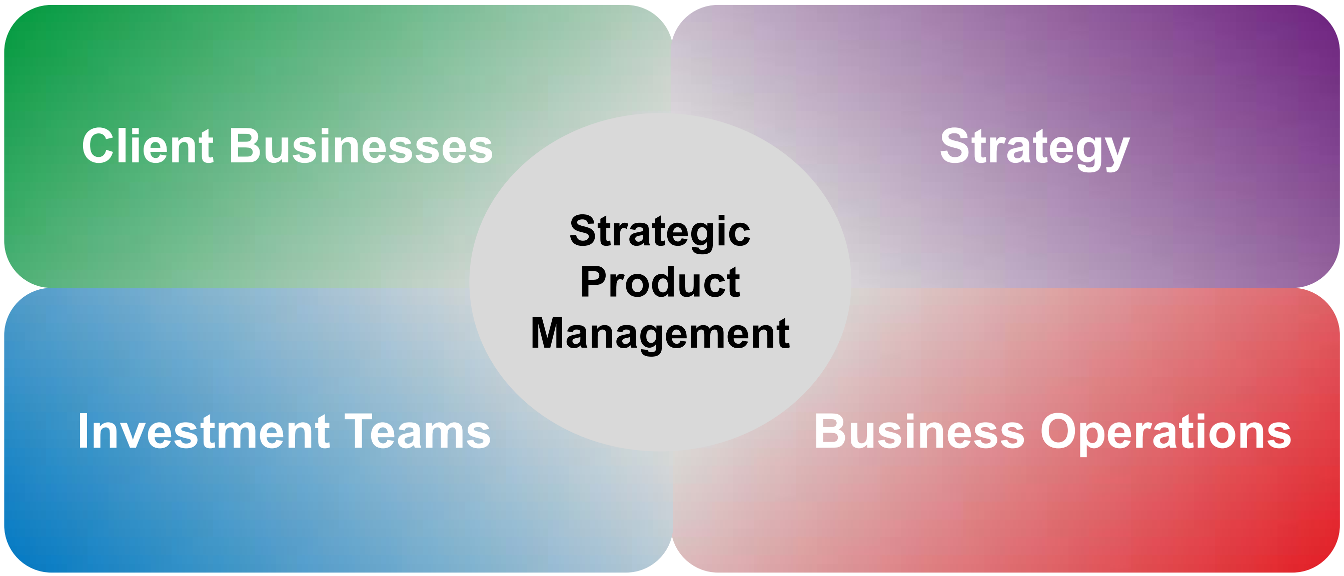
Differentiated client relationships

***Aladdin*: Risk management and technology**

WE ARE ONE BLACKROCK.

WE ARE INNOVATORS.

Strategic Product Management acts as connective tissue for the firm



Strategic Product Management

Rich Kushel

Five elements for product strategy success

Element 1	Forward-looking Strategy
Element 2	Innovation & Incubation
Element 3	Scalability
Element 4	Disciplined New Product Process
Element 5	Alignment

Forward-looking strategic view to develop and support product pipeline

Investment and Market Trends

Client Needs

Organic Growth Drivers

- Index/ETFs
- Alternatives
- Unconstrained Fixed Income
- Outcome Investing
- Income
- Retirement
- Emerging Markets

	New Products		Strategic Initiatives	
Select Examples:	'40 Act Retail Alternatives	Asia and Europe Real Estate	Retirement	Long Horizon
	Credit Products	Emerging Markets Allocation	Asian Products for Domestic Investors	Strategic Beta

Innovating differentiated products drives growth

Key Steps of Innovation	Recent Launches

1. Idea Harvesting
2. Assessment & Prioritization
3. Project Management & Incubation
4. Product Launch & Campaign
5. Product Management & Evolution

BLACKROCK®
GLOBAL MULTI-ASSET INCOME FUND

BLACKROCK®
Fixed Income Balanced Risk

CoRI™ by BLACKROCK®

Innovation & Incubation: *Cost of Retirement Income (CoRI™) Case Study*

What was the situation we faced?

Longevity is an enduring theme…

~$6.6 trillion
Gap in retirement vs. savings

77%
of people would increase savings if they knew how savings translate into income

50%
of people don't know their retirement need

Individuals struggle with the transition period in retirement

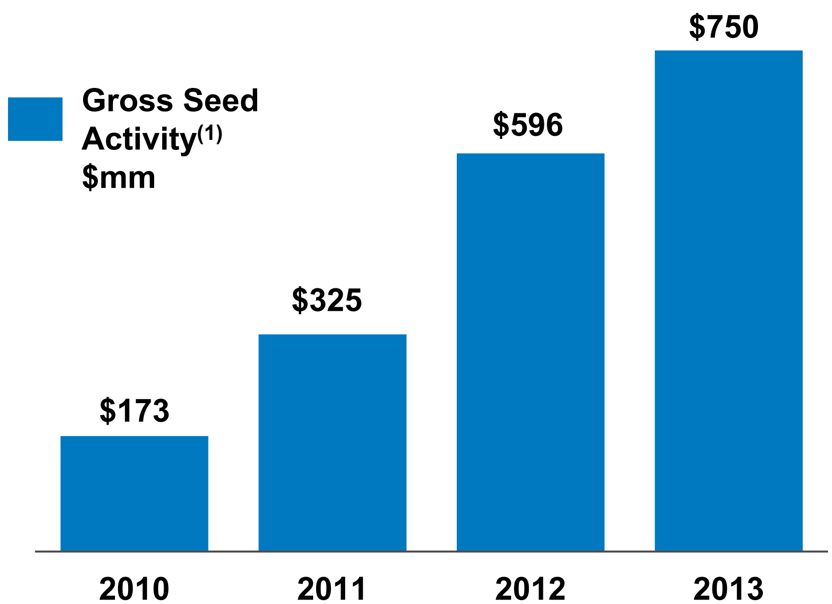
Accumulation				Pre-retirement	Early Retirement / Decumulation	
20s	30s	40s	50s	60s	70s	80s +
Typically equate retirement savings with accumulating wealth				?	Savings viewed in the context of cash flows & longevity	

Sources: Center for Retirement Research, BlackRock Investor Pulse survey, 2013 BlackRock Retirement survey.

Scale and financial stability allows us to invest significantly in our products

Using seed capital to bring products to market more quickly

We are seeding new strategies…



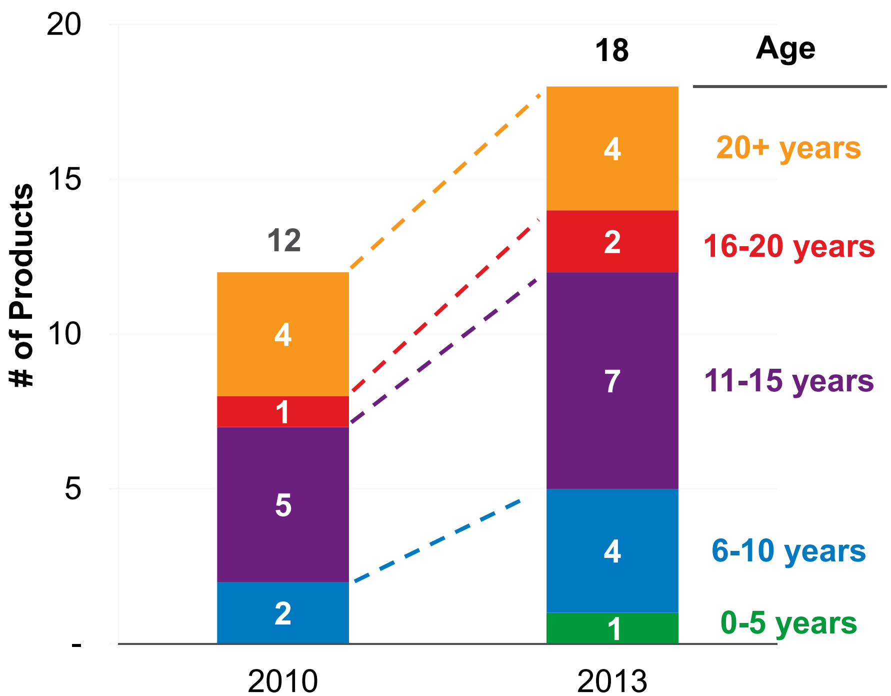
…which is generating strong flows

Fund Seeded (Redeemed)	Seed Investment	Current AUM
Strategic Income Opportunities (SIO) Feb 2010 (Jun 2010)	$35mm	$16bn
Global Long / Short Credit Oct 2011 (Jul 2012)	$40mm	$6bn
Multi Asset Income (MAI) Nov 2011 (Mar 2012)	$30mm	$7bn

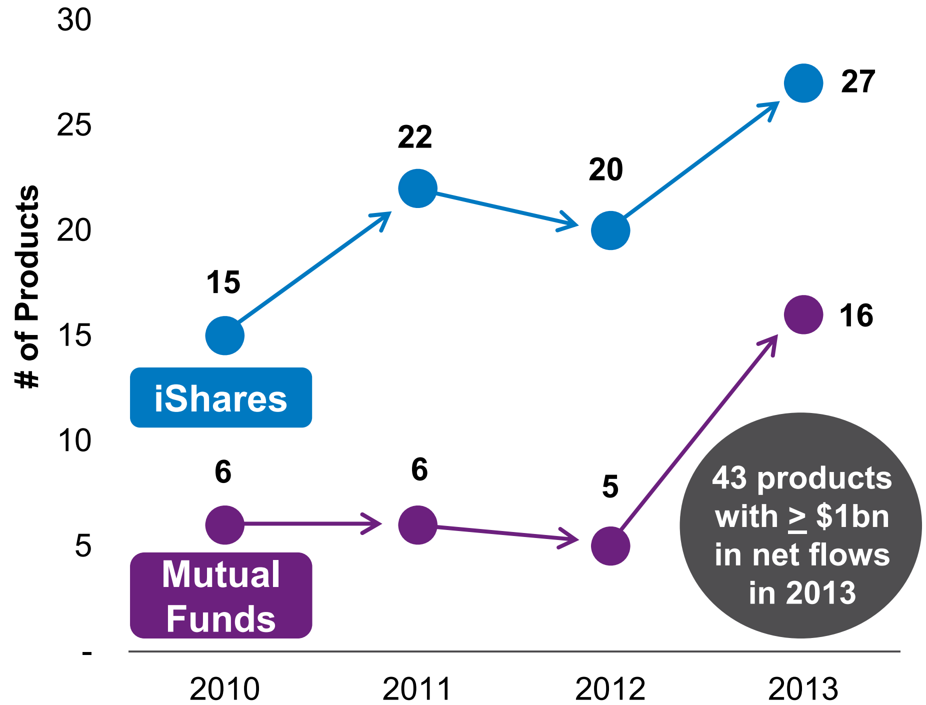
(1) Includes recycled amounts.

Creating and distributing more quality products and achieving scale faster

Blockbuster products ($50mm+ revenue)



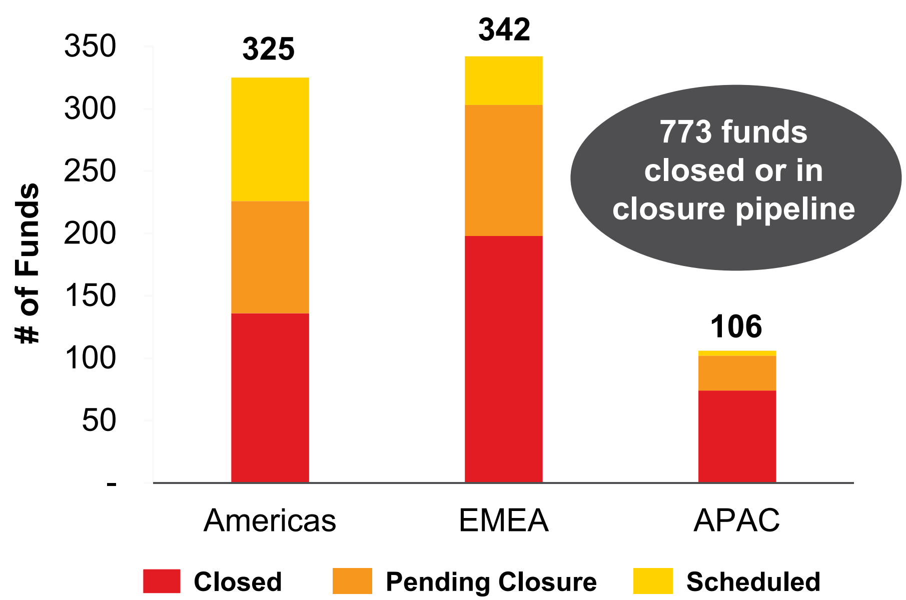
Products with $1bn+ in annual net flows



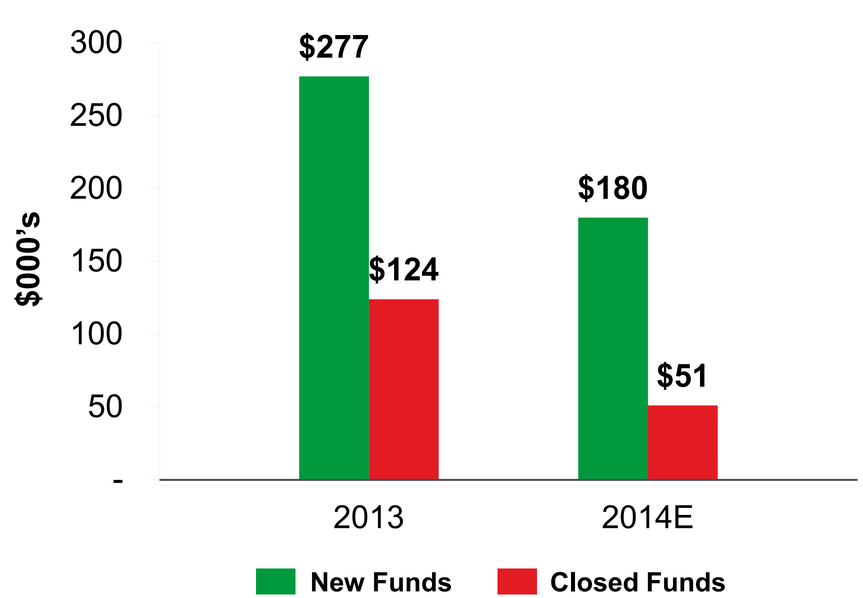
Product rationalization to continuously improve the competitiveness of our product set

Product rationalization simplifies our product offering, creates capacity, and enhances margin

Rationalization Scorecard



Average Revenue per Fund



Note: As of 3/31/13. Closed funds are funds liquidated and legally closed. Mergers not included. Closed fund revenue is fund revenue generated over 12 months. New fund defined as a commingled portfolio with an inception date within the past 12 months. 2014 New fund revenue is annualized.

Gaining recognition as a leader in product development

FundFire:

BlackRock Has Top Product Development Process: Survey

April 11, 2014

"BlackRock's revamped approach to deploying new offerings has resonated with product development executives, according to a peer group survey conducted by FundFire. When asked which firm does the most impressive job of rolling out new products, three-quarters of the survey's dozen respondents chose BlackRock."

Important Notes

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BlackRock®

Retail Outcomes
& Institutional Solutions

ROB FAIRBAIRN

Global Head of Retail & iShares

ROB GOLDSTEIN

Chief Operating Officer

BlackRock's approach to Outcomes & Solutions

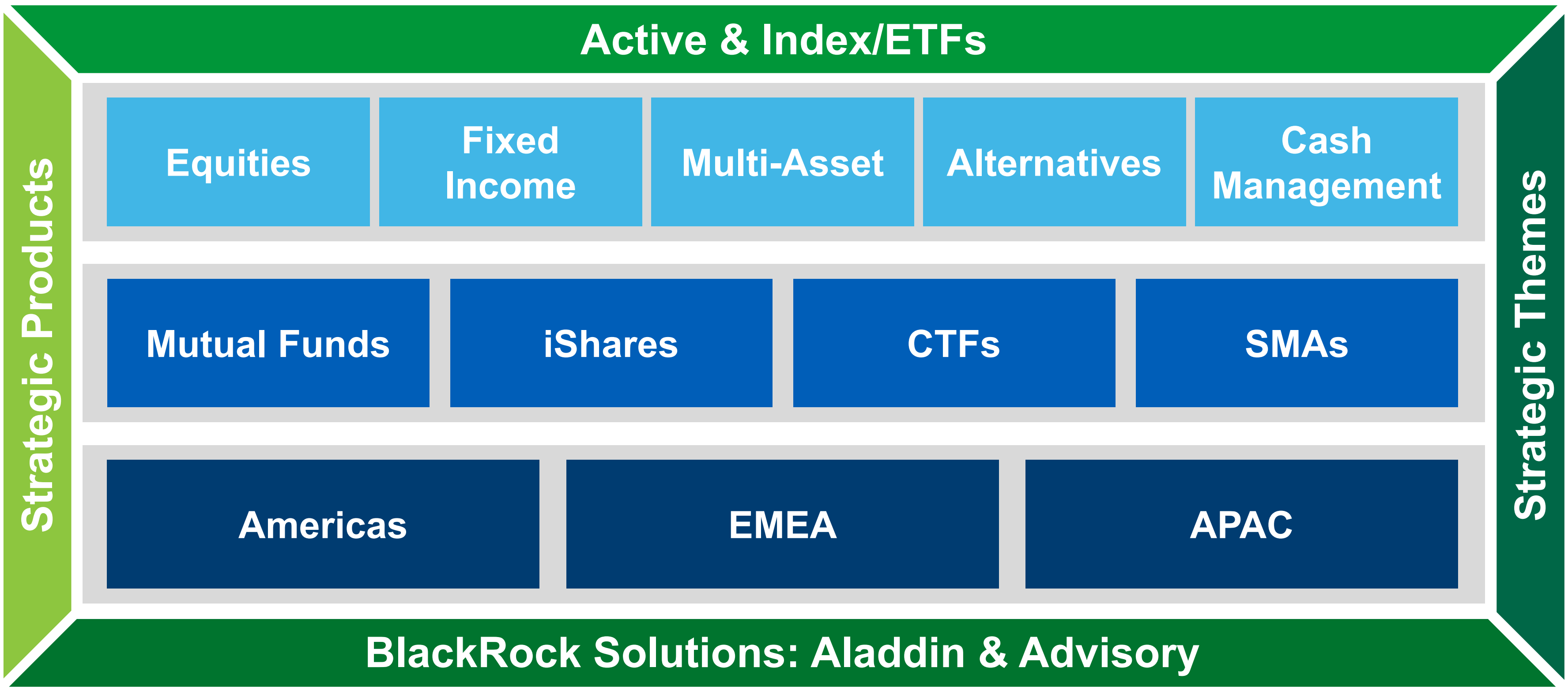
Retail Outcomes

- Target outcome-oriented investment goals, typically delivered through mutual funds, ETFs or models

Institutional Solutions

- Leverage platform breadth, analytical and risk management capabilities to provide customized investment solutions

Platform differentiation drives unique ability to create outcomes and solutions for clients



Framework for Retail Outcomes

Examples:

Component Strategies	iShares Core
Model Portfolios	Target Income Model
Packaged Outcomes	Multi-Asset Income Diversified Income

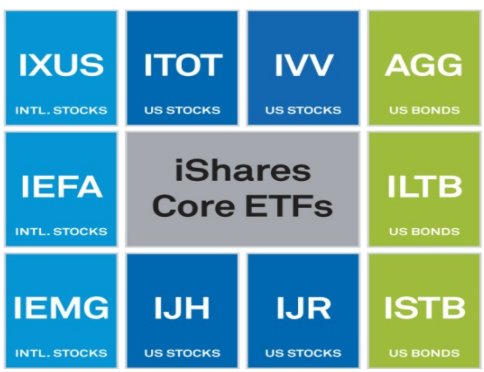
Component Strategies – *Case Study: iShares Core*

Start with the essentials

Access major asset classes and go global with just 3 iShares® ETFs:

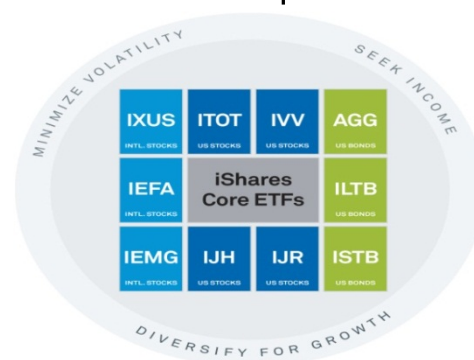
Next customize your core

Tailor your exposure with just 7 more iShares ETFs



Then capture opportunities

iShares offers you **over 275** ETFs to customize and build portfolios to an investor's unique needs



Packaged Outcomes – *Case Study: Multi-Asset Income*

BlackRock Multi-Asset Income

1. Risk **2.** Yield **3.** Total Return

Tactical Strategy for Income Objectives

Leveraging BlackRock's Global Investment Resources

Multi-Asset Capabilities

Best of BlackRock

Risk Management

Dynamic, unique outcome that addresses the need for income while delivering capital stability

Note: Please refer to page 49 for additional disclosures on fund risks.

Packaged Outcomes – *Case Study: BlackRock Diversified Income Portfolio*

BLACKROCK®

BlackRock's ability to blend active and index for better investor outcomes

Example: US Retail Approach to Portfolio Construction Advice

Delivering Solutions to Institutional Investors

Rob Goldstein

What is driving Institutional demand for Solutions?

Multi-Asset Solutions	OCIO
LDI	Risk Advisory and Analytics
Alternative Solutions	Aladdin

BlackRock is uniquely positioned to deliver solutions

Our solutions mindset has been the core foundation for all client relationships

Performance culture

Client-centric approach: Fiduciary

- Investment performance
- Global reach
- Active and index across asset classes
- Differentiated client relationships
- *Aladdin:* Risk management and technology

Deliver the firm: One BlackRock

Focus on innovation

Leveraging analytics to sell investment strategies

"How do we diversify fixed income risk without increasing correlation with equities?"

– Large Endowment

Client Need

- Diversify fixed income risks – Feeling of overweight interest rate risk
- Concern that diversifying strategies would be correlated with equities – Inconsistent with objective of fixed income allocation

Our Approach & Solution

- Modeled entire portfolio through Aladdin
  - Extensive scenario analysis
- Client invested $200mm into SIO
- Discussion underway for ongoing Aladdin risk reporting

Note: Please refer to page 50 for additional disclosures on fund risks.

Ability to couple industry-specific expertise with broad Alts platform

"Help me find incremental spread over my life insurance liabilities"

– Life Insurance Company

Client Need

- Incremental Spread
- Core bond diversification
- Access to alternative deal flow
- Continued awareness of insurance company sensitivities: capital, income, impairments, regulatory

Our Approach & Solution

- Customized multi-alternative solution
- Blend of opportunistic and illiquid assets
  - Real assets
  - Private debt
  - Special situations / co-investments
  - Mezzanine & Direct Lending
- Specialized reporting

Fiduciary and outsourced CIO solution

"We are looking to outsource the decision-making process and for the ability to source inflation-linked income assets"

– UK Pension Manager

Client Need

- Source secure income assets for inflation-linked returns with a premium
- Governance to assess and implement illiquid opportunities
- Fiduciary / outsourced-CIO decision-making solution

Our Approach & Solution

- Strong governance framework to screen and implement investments
- Ability to source variety of investments with inflation-linked characteristics and return premium
- Portfolio construction capabilities and external manager selection

Significant cross-selling opportunities

Client Need	Our Approach & Solution

1 ***"We need everything on one platform"***

– Pension Fund

Client Need	Our Approach & Solution
‣ Enhanced transparency and control over the investment process	‣ Risk and exposure reporting across internally and externally managed portfolios ‣ Full Aladdin platform to support internal investment process across asset classes

2 ***"We'd like to pursue risk transfer opportunities"***

– UK Corporate Pension

Client Need	Our Approach & Solution
‣ Buy-in insurance risk transfer ‣ Requirement for Trustees to maintain control / oversight of collateral assets	‣ Designed monitoring service leveraging assets ‣ Allowed BlackRock to maintain ongoing service relationship

Important Notes

The fund **Multi-Asset Income (MAI)** is actively managed and its characteristics will vary. Holdings shown should not be deemed as a recommendation to buy or sell securities. Fund of funds is subject to the risks associated with the underlying BlackRock funds in which it invests. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. International investing involves special risks including, but not limited to currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Asset allocation strategies do not assure profit and do not protect against loss. Non-diversification of investments means that more assets are potentially invested in fewer securities than if investments were diversified, so risk is increased because each investment has a greater effect on performance. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. Non-investment-grade debt securities (high-yield/junk bonds)may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

Important Notes

The fund **Strategic Income Opportunities (SIO)** is actively managed and its characteristics will vary. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Principal of mortgage- or asset-backed securities normally may be prepaid at any time, reducing the yield and market value of those securities. Obligations of US gov't agencies are supported by varying degrees of credit but generally are not backed by the full faith and credit of the US gov't. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. International investing involves special risks including, but not limited to currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. Non-investment-grade debt securities (high-yield/junk bonds)may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities. Short-selling entails special risks. If the fund makes short sales in securities that increase in value, the fund will lose value. Any loss on short positions may or may not be offset by investing short-sale proceeds in other investments.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the fund and are available, along with information on other BlackRock funds, by calling 800-882-0052 or from your financial professional. The prospectus should be read carefully before investing.

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BLACKROCK®

Driving Market Leadership in Alternative Investments

Matt Botein
CIO and Co-Head of BlackRock Alternative Investors

Andy Stewart
Co-Head of BlackRock Alternative Investors

Alternatives deliver desired outcomes

Outcomes	Asset Characteristic	HFs / Liquid	Private Equity	Illiquid Credit	Real Estate	Infra-structure	Multi-Alt Solutions
Income	Stable cash flows			✓	✓	✓	✓
Growth	High target returns	✓	✓	✓			✓
Inflation Protection	Inflation-linked cash flows		✓		✓	✓	✓
Diversification	Low correlation	✓		✓	✓	✓	✓
Reduce vol / tail risk	Low volatility	✓		✓	✓	✓	✓
BLACKROCK®		✓	✓	✓	✓	✓	✓

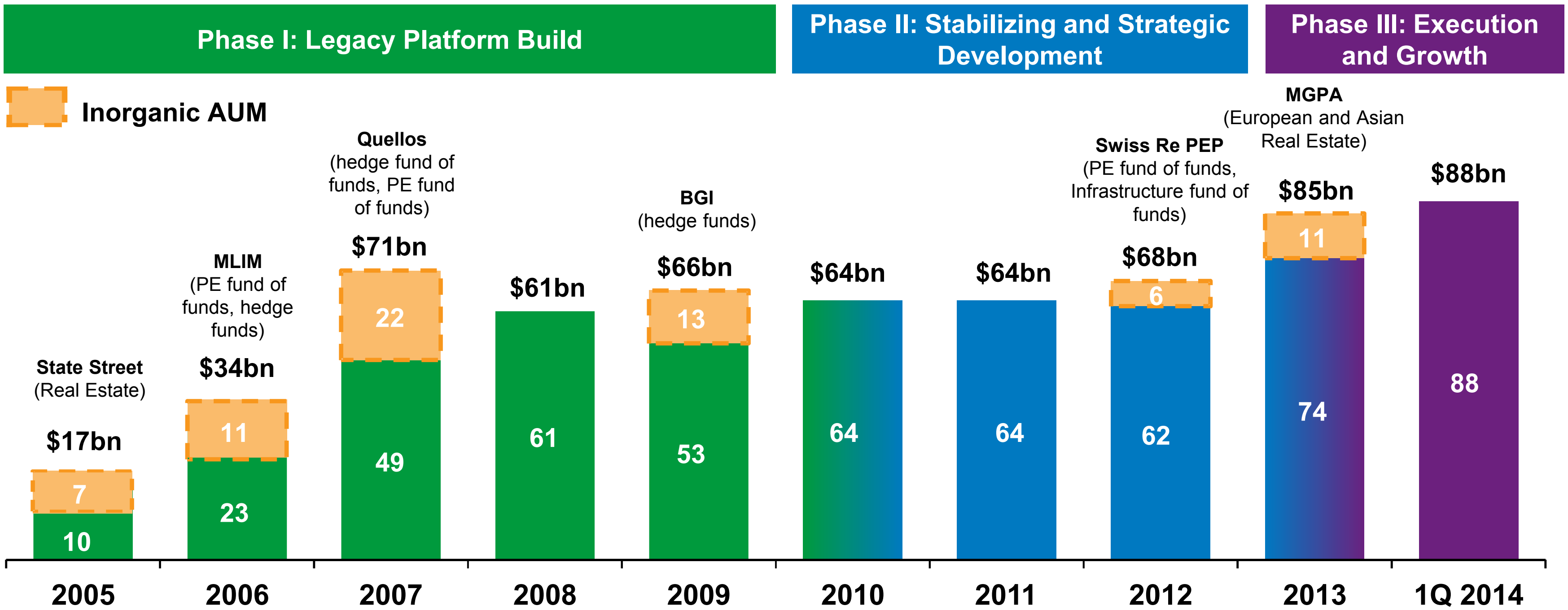
Source: BLK SPM, from Towers Watson survey, client interviews, BLK team materials, Deutsche Bank survey, CitiBank, Pyramis Survey.

BlackRock's platform provides the foundation for excellence

Global reach Extensive infrastructure and resources	→	**Breadth**
Global presence, local expertise BlackRock Investment Institute ("BII")	→	**Expertise**
Aladdin® risk management platform Ability to create client-specific solutions	→	**Innovation**

BlackRock's history in core alternative investments

Since 2005, we built out our platform, both organically and through acquisitions, to ensure the right building blocks are in place for the next phase of growth

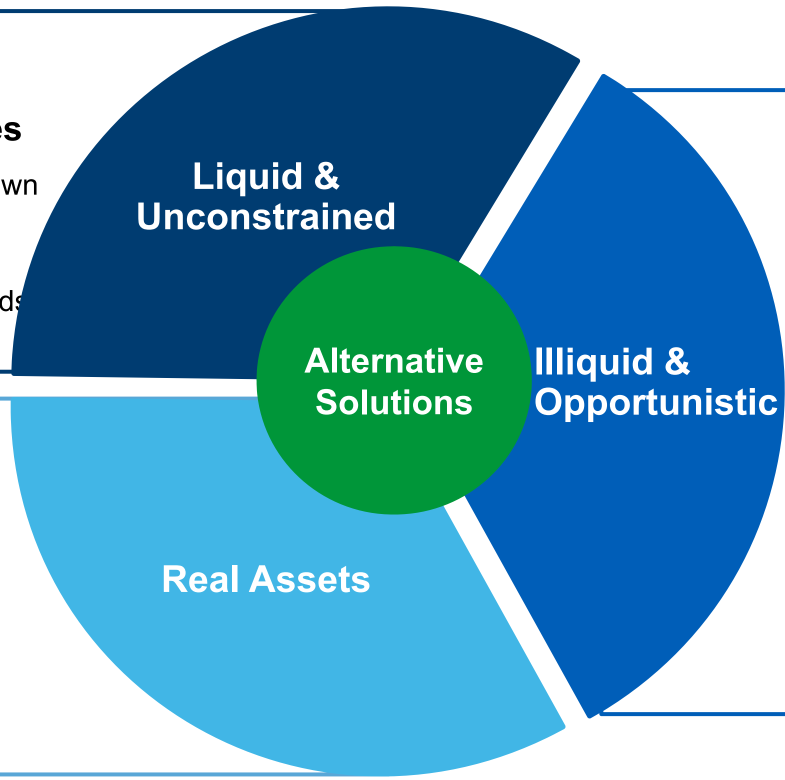


Note: All balances reflect core alternatives AUM, which excludes commodities and currencies. Data as of 3/31/14.

500+ professionals managing $88bn in core alternatives

Hedge Funds, Hedge Fund Solutions, Retail Alternatives

- $51bn in AUM + $0.4bn in undrawn commitments
- Top 10 provider for both direct strategies and hedge fund of funds



Private Equity Solutions, Private Credit,

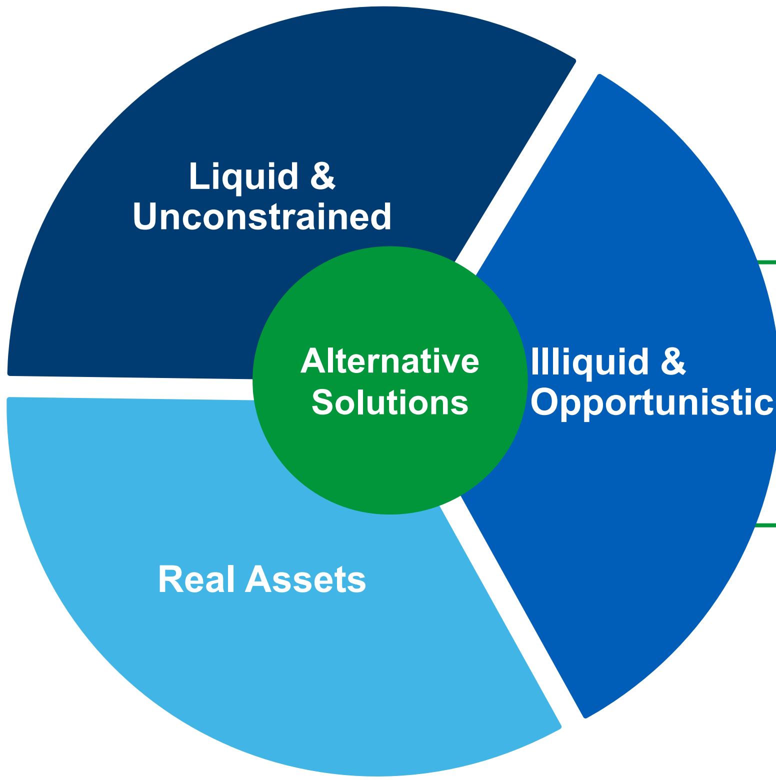
- $13bn in AUM + $4.3bn in undrawn commitments
- Top 20 provider of PE fund of funds
- Historically raised over $13bn in opportunistic credit mandates

Real Estate, Infrastructure, Infra Solutions

- $24bn in AUM + $1.1bn in undrawn commitments
- Top 25 provider of real estate investments
- Significant growth in Infrastructure business

Source: HFRI, HedgeFund Intelligence Billion Dollar Club, Preqin, SimFund. Data as of 3/31/14 and undrawn commitments reflect commitments from 1/1/13 forward and do not include prior commitments.

500+ professionals managing $88bn in core alternatives



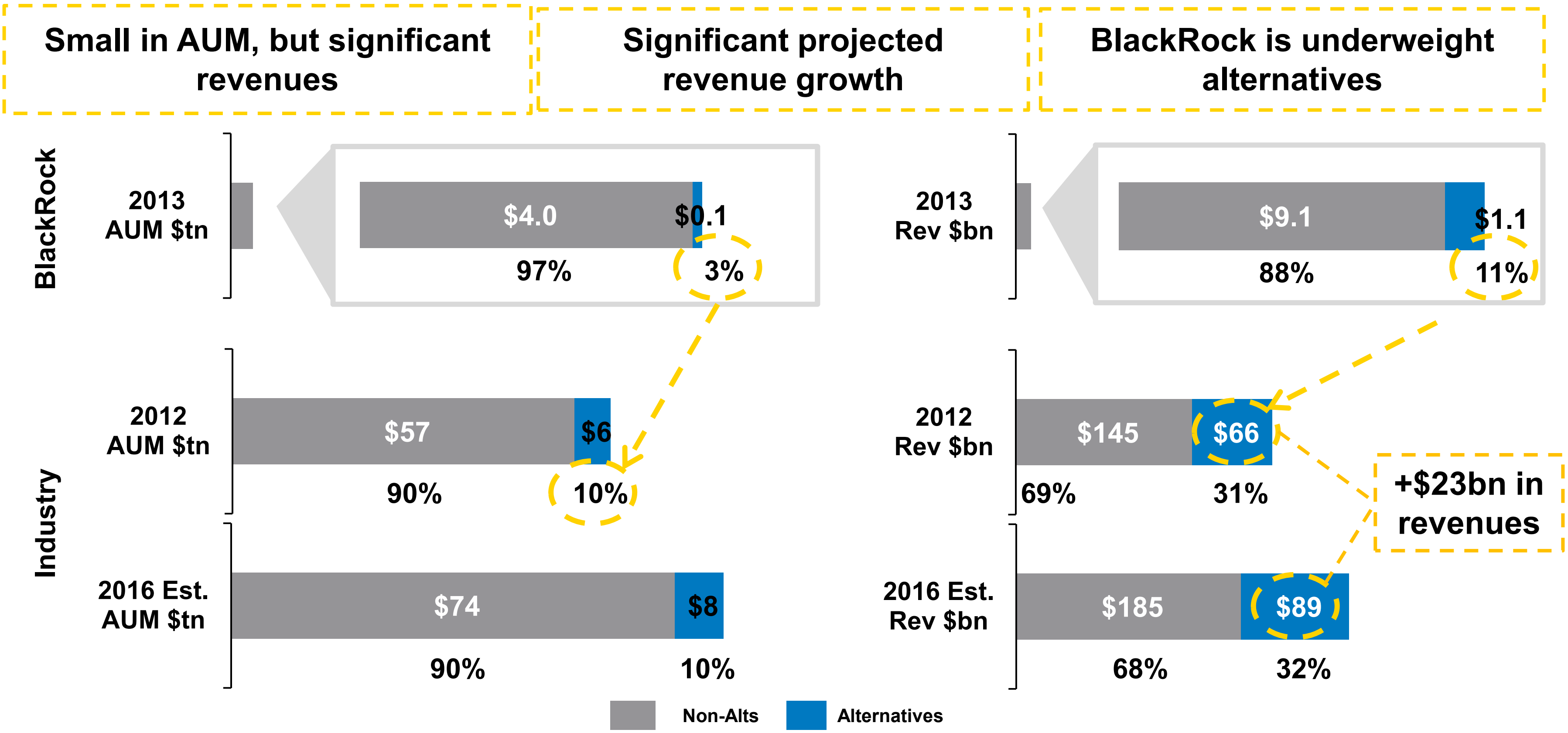
Multi-Alternative products, Bespoke solutions

- $0.2bn in AUM + $0.6bn in undrawn commitments
- Strong client prospects

BlackRock

Source: HFRI, HedgeFund Intelligence Billion Dollar Club, Preqin, SimFund. Data as of 3/31/14 and undrawn commitments reflect commitments from 1/1/13 forward and do not include prior commitments.

Alternatives present a significant opportunity for BlackRock



BLACKROCK®

Source: Estimates of industry assets under management and revenue from BCG's Global Asset Management 2013 report. Long-dated assets shown for BLK and revenues include both performance and management fees. Total alts assets shown above, which includes commodities and currencies.

Alternatives vision and philosophy

We aspire to build the market leader in alternatives

FOCUSED | **DIVERSIFIED** | **INTENTIONAL**

Grow by leveraging the platform

- Drive execution with what we have and organically extending the existing platform
- Disciplined pursuit of interesting inorganic opportunities that compliment our broader platform

Execute on Current BAI Platform → Organic Extension → Inorganic Opportunities

Five focus areas

Targeting fast growing segments where we have distinctive competitive advantages

1. Own Retail Alternatives space
2. Drive market leadership in Alternative Solutions
3. Establish and aggressively extend holistic Credit platform
4. Accelerate Infrastructure capabilities
5. Optimize and grow Hedge Fund platform

Driving market leadership in alternatives at BlackRock

Large, rapidly growing market that is evolving in our favor

- 30% of industry revenue today – with a $23bn revenue opportunity by 2016
- Investors favoring diversified, institutionalized platforms like BlackRock's

Strong foundation across a broad set of capabilities from which to build

- Top 10 platform with $87.9bn in core alternatives, broadly diversified across liquid, illiquid and real assets

Positioned to accelerate growth of the Alternatives business at BlackRock

- Renewed firm focus on building an Alternatives platform to meet client needs
- Targeting fast growing segments where we have distinctive competitive advantages

We are already beginning to see the early results of our strategy

- 2013 was the first year of positive net new business in core Alternatives since before the BGI acquisition
- Continued momentum in 2014, $1.9bn in new assets within core alternatives + an additional $1.3bn in commitments

Source: Towers Watson, Financial Times Global Alternatives Survey 2013 and firm specific 10-Ks.
Notes: Where available, fee paying assets are shown to ensure consistency with BlackRock reporting.

Important Notes

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The foregoing is for informational purposes only and is not an offer to buy or sell, or a solicitation of an offer to buy or sell an interest in any alternative products or any other security or instrument or to participate in any trading strategy. Any offering of interests in an alternative product may only be made through a confidential private placement memorandum, which will more fully describe the alternative product, including investment strategies and risk factors. Prospective investors should not rely on this material in making any investment decisions.

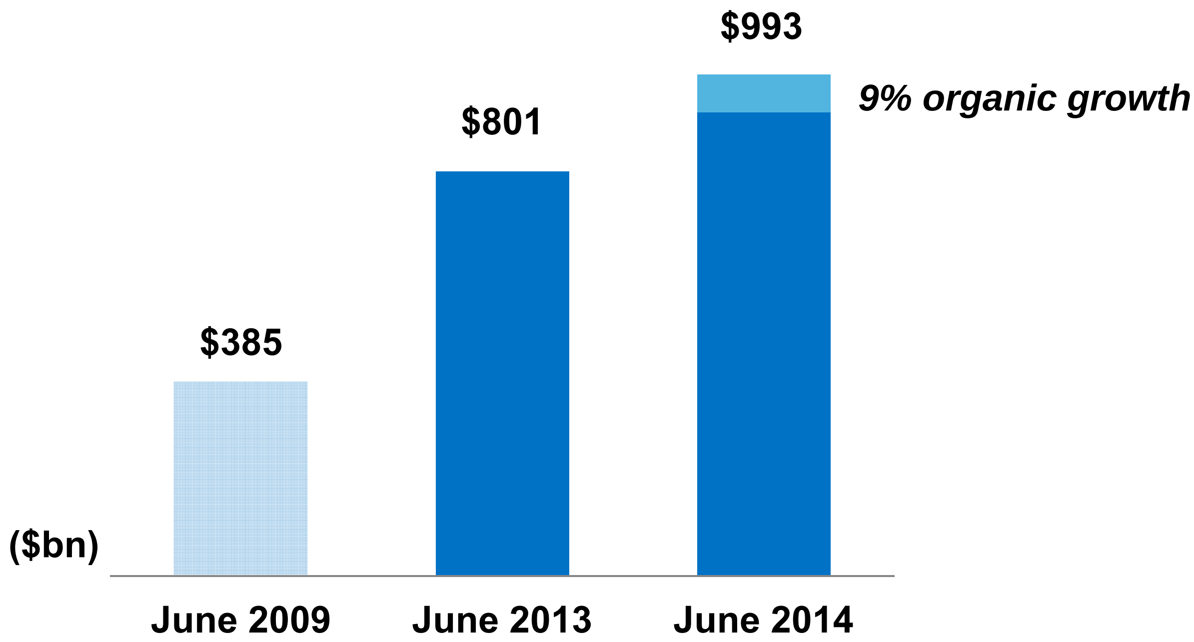
BlackRock®

iShares: Beyond $1 trillion

MARK WIEDMAN
Global Head of iShares

Since we last met…

Grew AUM 24%, maintained our market share, and are now approaching $1 trillion



Source: BlackRock. June 2013 data as of 6/11/13. June 2014 data as of 6/11/14.

How will we grow beyond $1 trillion?

Industry growth ✖ **Market leadership through segments** ✖ **Global competitive advantages and scale**

- Products
- Clients

How will we grow beyond $1 trillion?

1

Industry growth × **Market leadership through segments** × **Global competitive advantages and scale**

What is an ETF?

A technology that puts capital market exposures up on an exchange

Individual Corporate Bonds

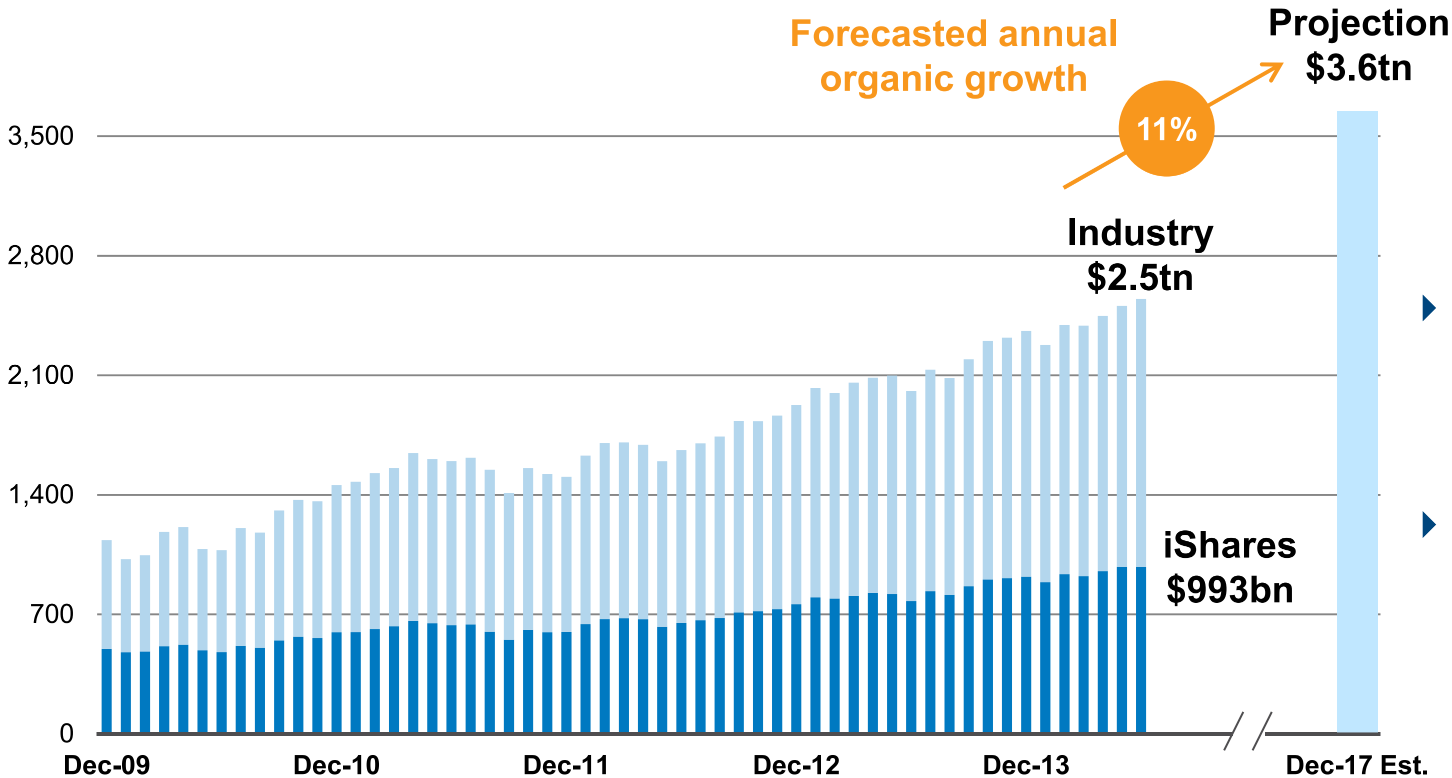
HYG

iShares iBoxx $ High Yield Corporate Bond ETF

What happens?

- **Price transparency – real-time, public**
- **Secondary liquidity**
- **Simplicity**

We believe the global industry will grow to $3.6tn organically by 2017



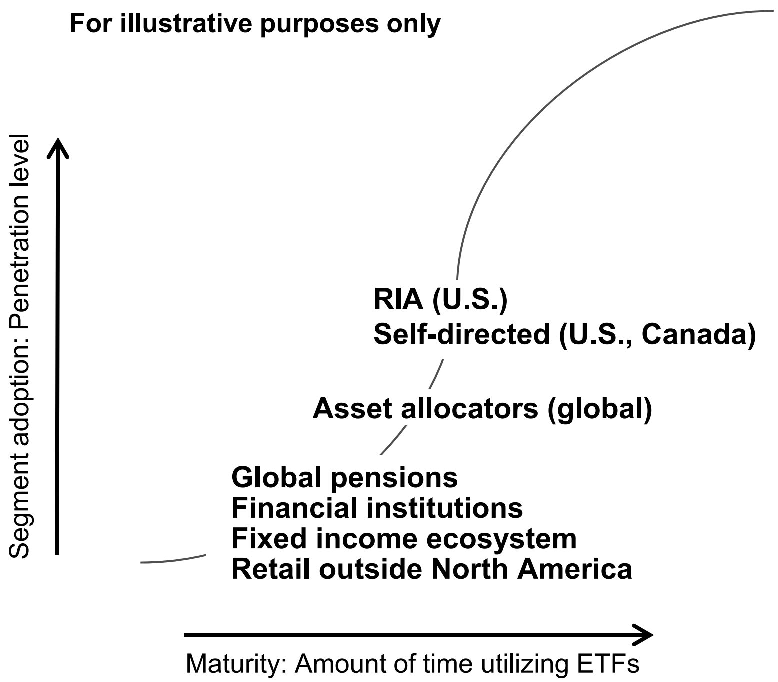
- Consistent with projections released June 2013
- Excludes beta growth

Source: BlackRock and Bloomberg. Data as of 6/11/14.

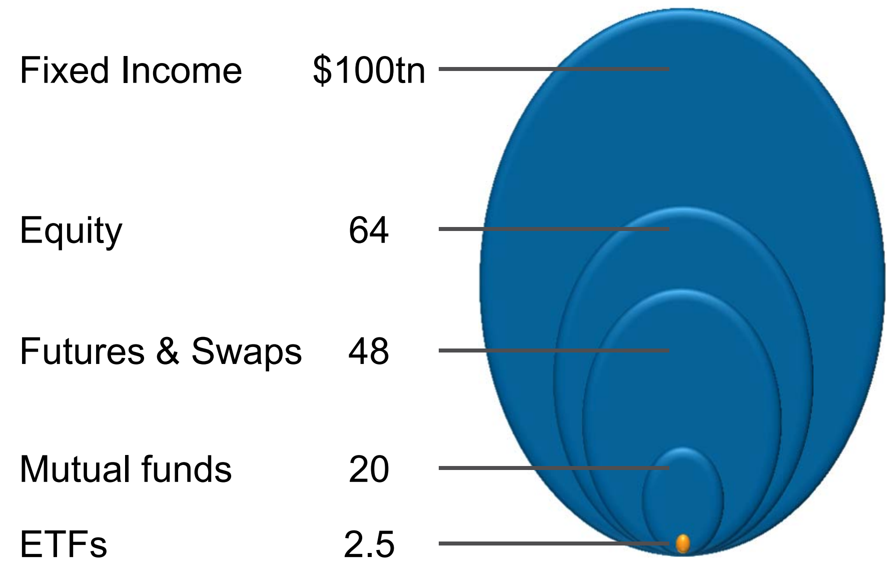
Old segments deepen, new segments adopt

Stages of global ETF adoption

For illustrative purposes only



Penetration of competitive global products



Source: BlackRock.

How will we grow beyond $1 trillion?

Industry growth

×

2

Market leadership through segments

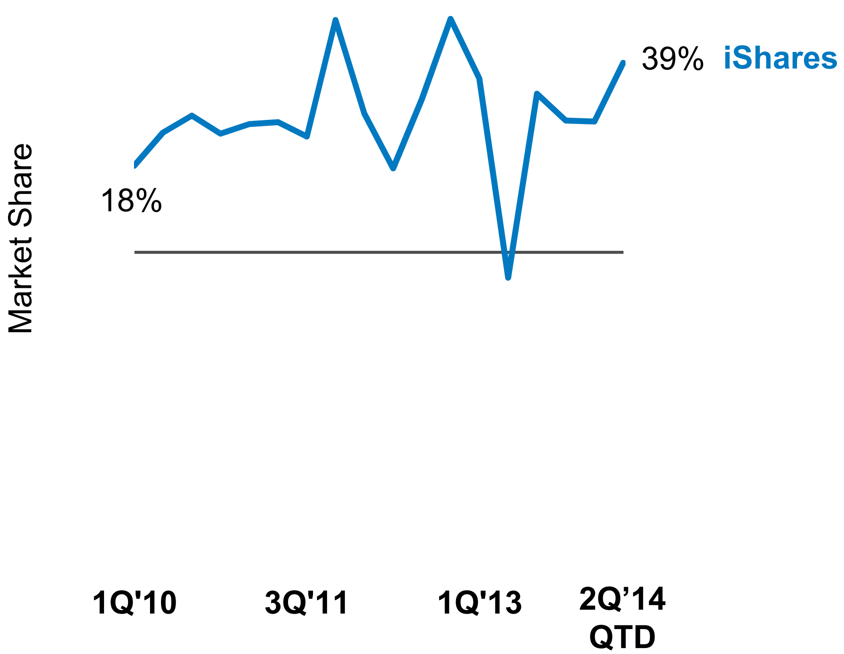
- Products
- Clients

×

Global competitive advantages and scale

Our flows oscillate over short periods…

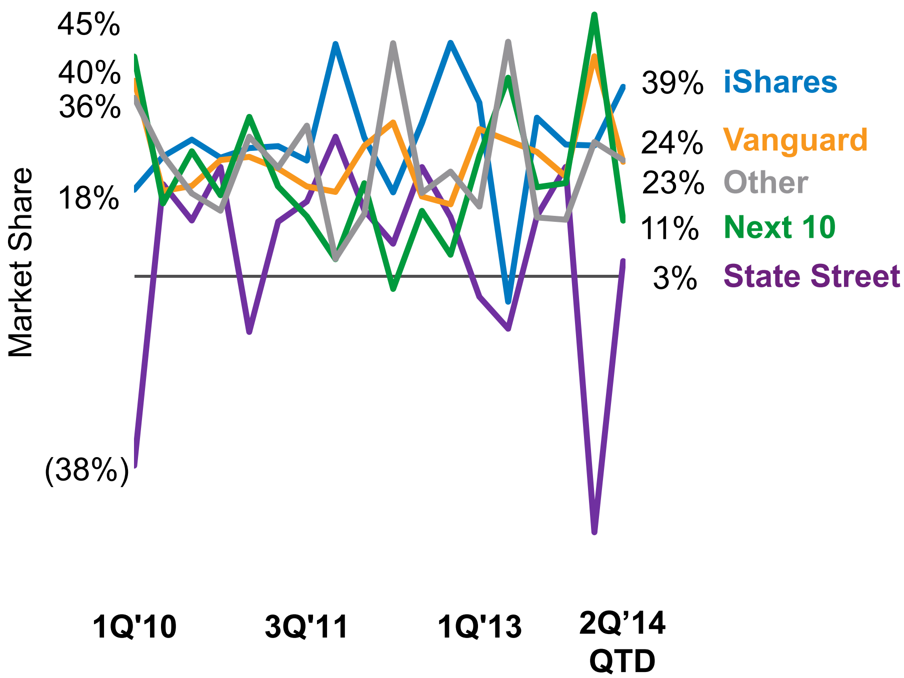
Flows – market share



Source: BlackRock and Bloomberg. Data as of 6/11/14.

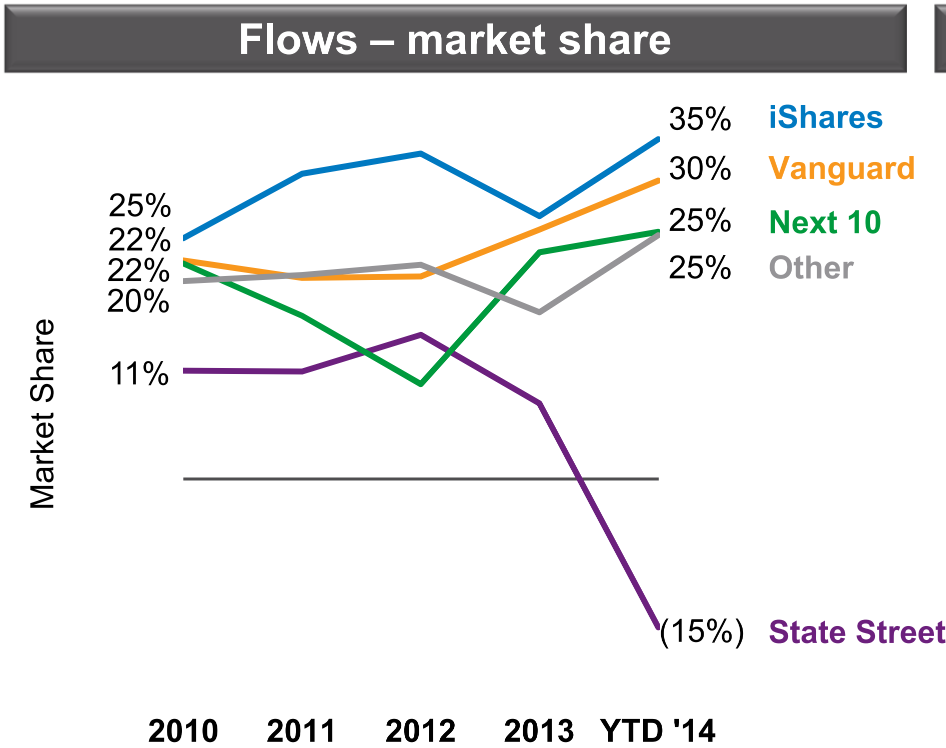
Our flows oscillate over short periods…

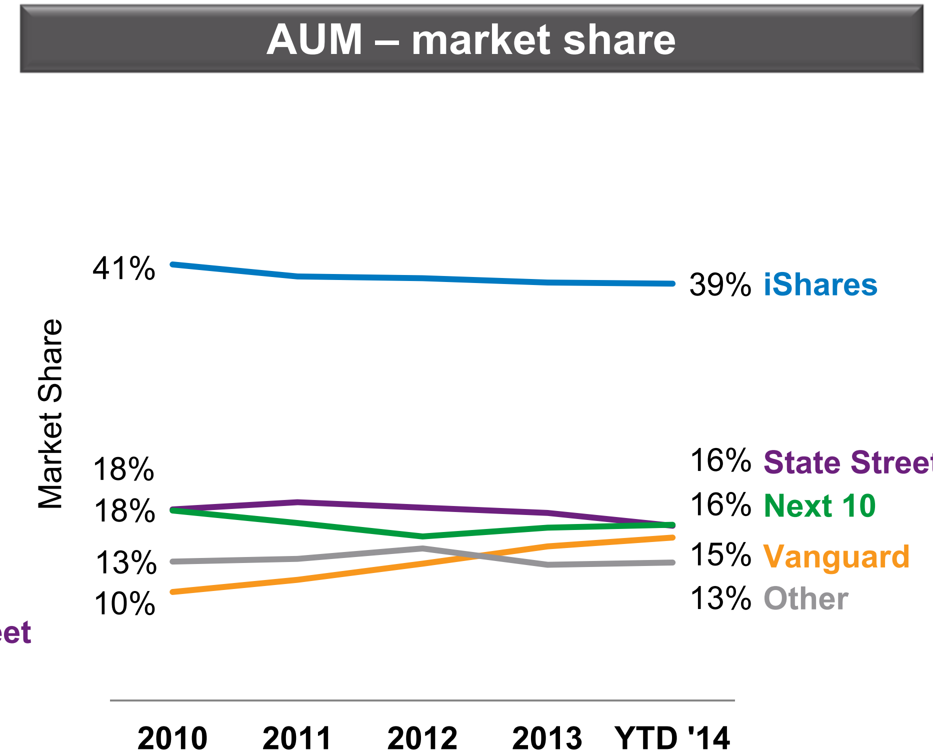
Flows – market share



Source: BlackRock and Bloomberg. Data as of 6/11/14.

… but our business is much more stable





Source: BlackRock and Bloomberg. Data as of 6/11/14.

What got us here, won't get us there

"ETFs"

"The ETF buyer"

"The ETF industry"

"ETFs vs. mutual funds"

"Active vs. passive"

What got us here, won't get us there

The one-size-fits-all era is over…

~~"ETFs"~~

~~"The ETF buyer"~~

~~"The ETF industry"~~

~~"ETFs vs. mutual funds"~~

~~"Active vs. passive"~~

To power the next era,

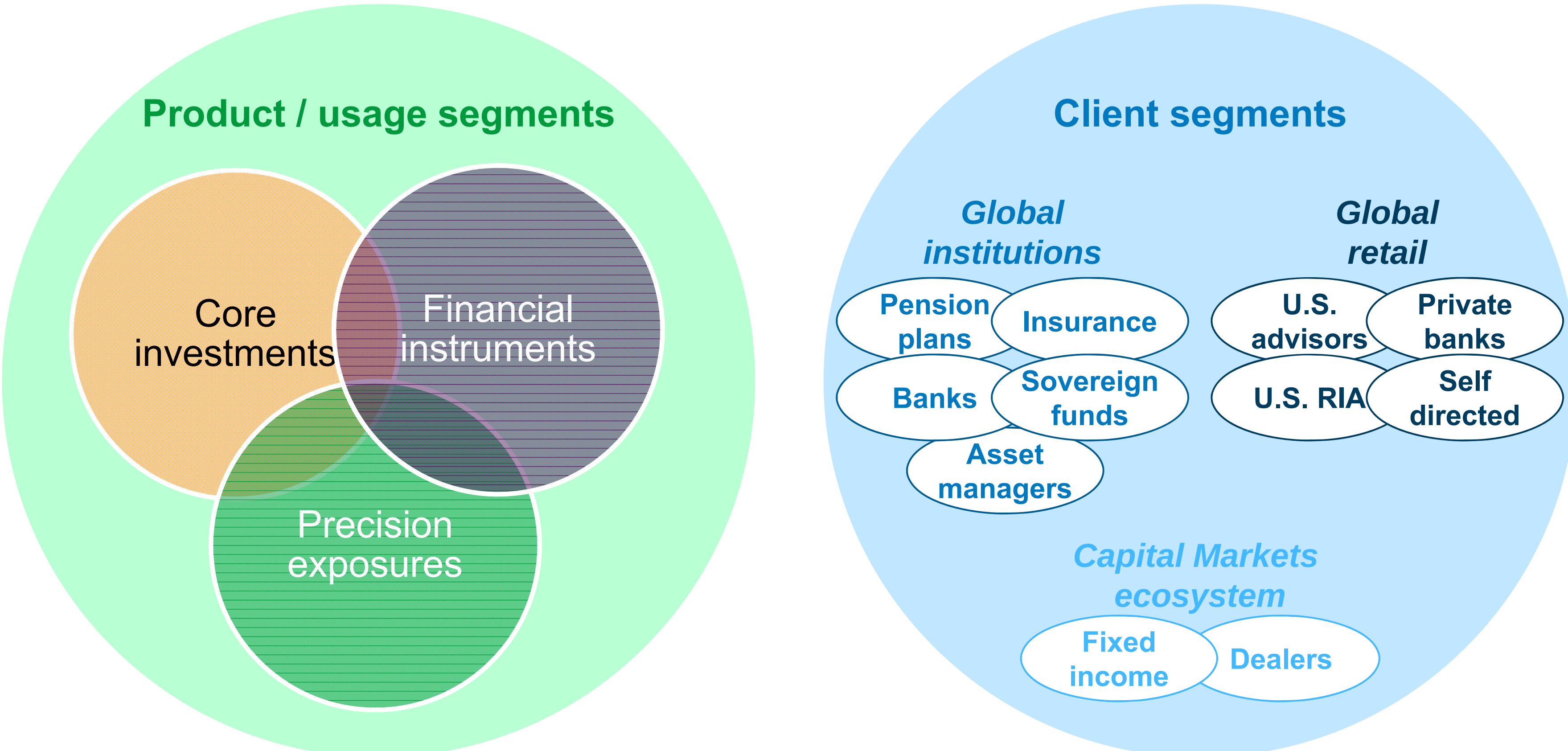
we need to think segments

Two lenses on the business

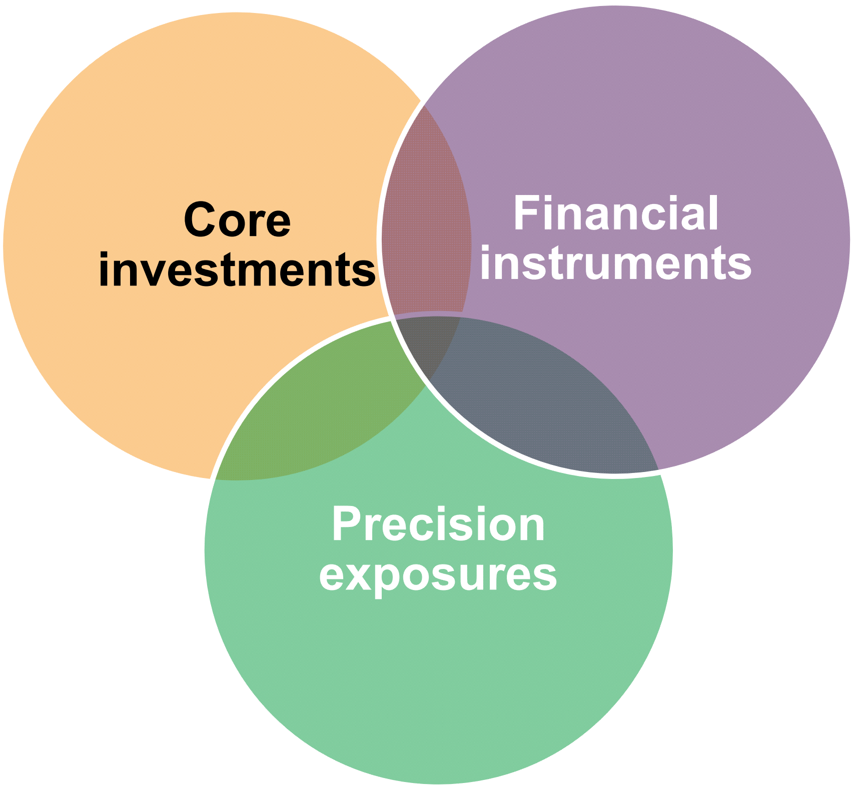
Product / usage segments

Client segments

Two lenses on the business

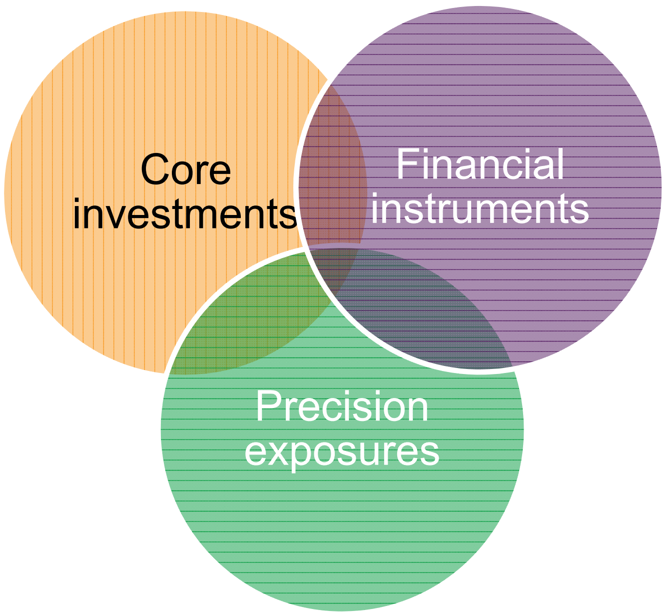


Three ways our clients use iShares today

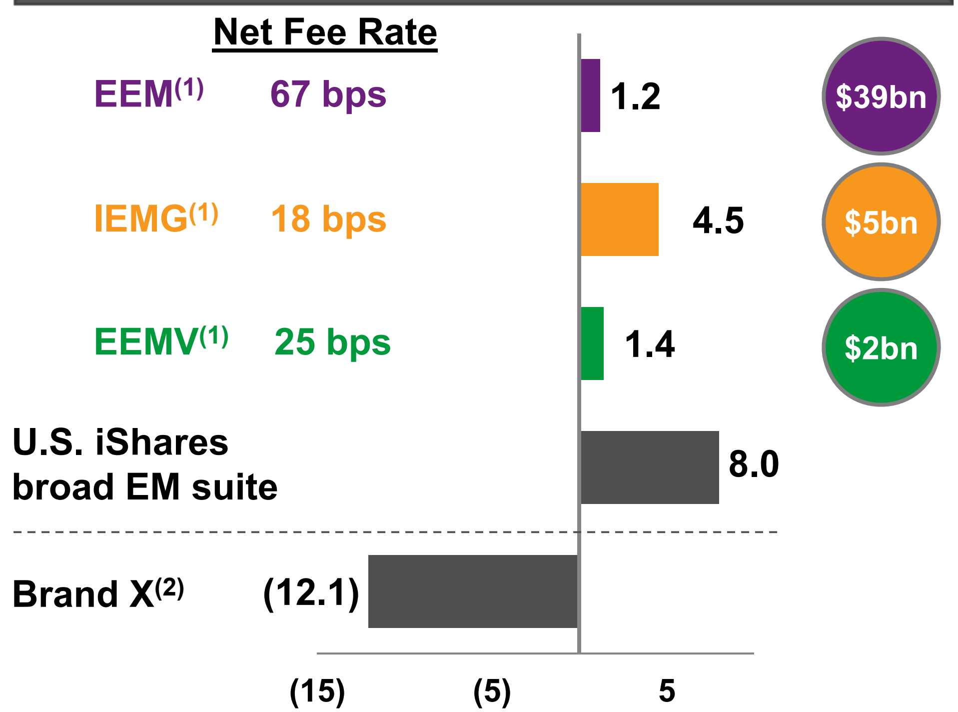


Our EM suite demonstrates our three product franchises

Product / usage segments



Flows October 2012 – June 2014 ($bn)

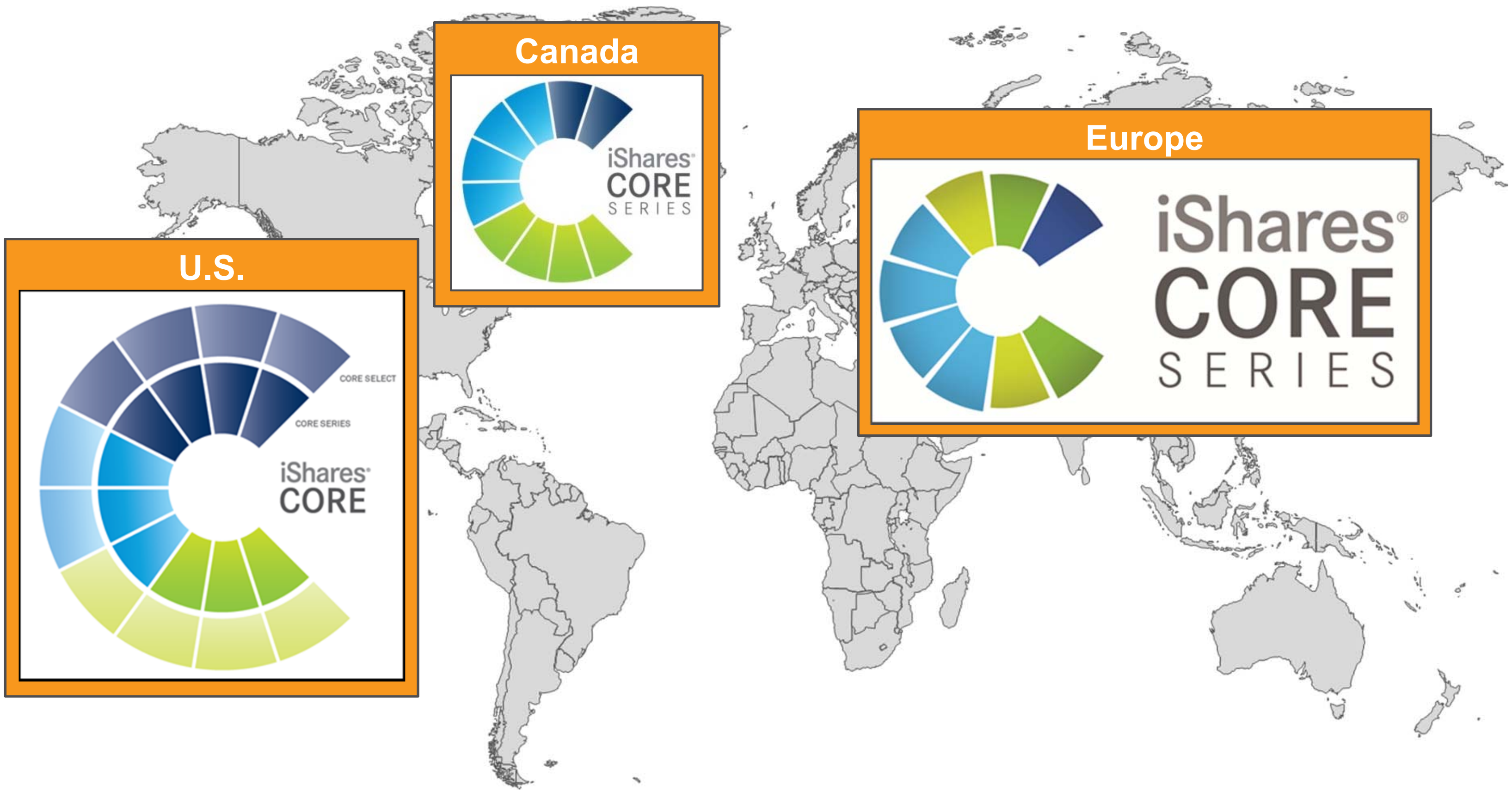


Source: BlackRock and Bloomberg. Flows and AUM data as of 6/11/14. US iShares Broad EM suite contains 11 additional funds.

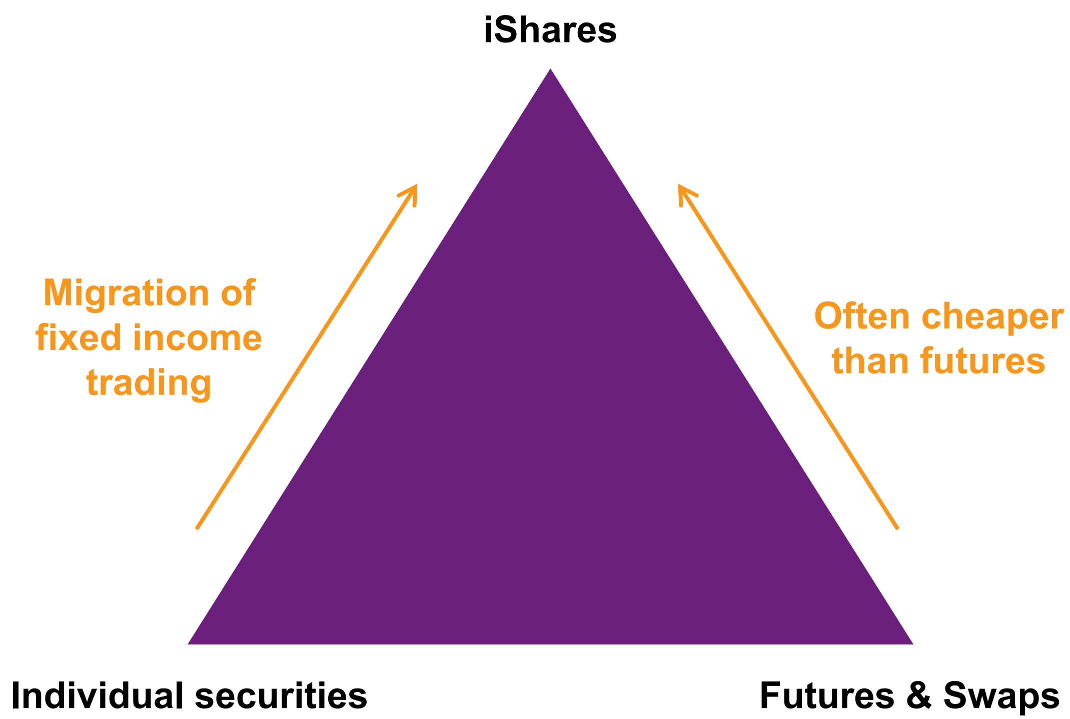
(1) EEM: iShares MSCI Emerging Markets ETF. IEMG: iShares Core MSCI Emerging Markets ETF. EEMV: iShares MSCI Emerging Markets Minimum Volatility ETF.

(2) Brand X represents a competing EM ETF.

Core investments: iShares Core goes global



ETFs as financial instruments: a third tool on the investor's desktop



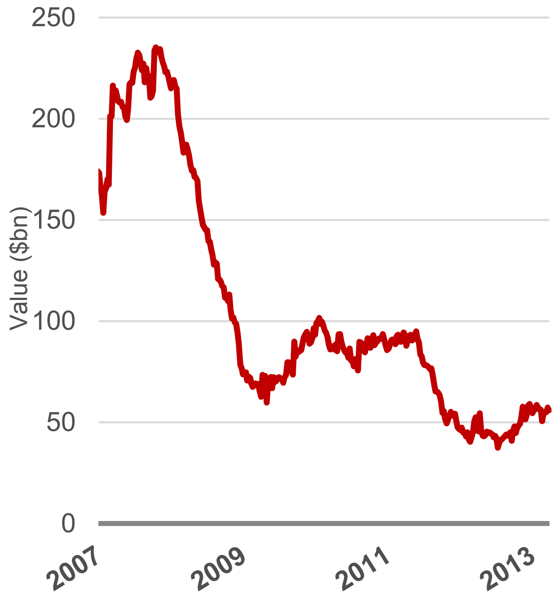
Underlying forces

- Spread of the technology, day-by-day
- Retreat of bank balance sheets

Source: BlackRock and Bloomberg.

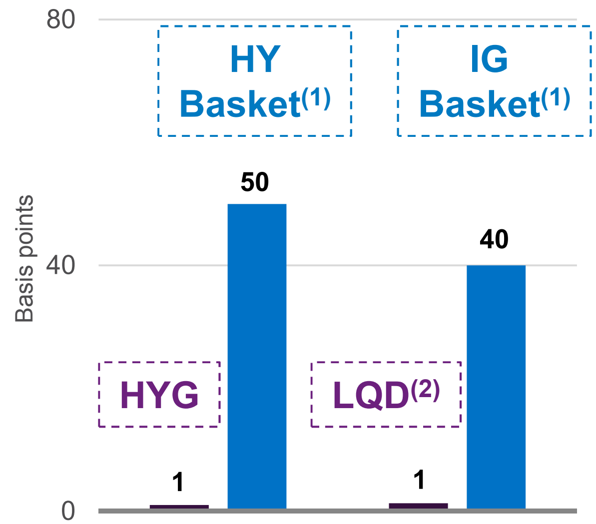
Case study: HYG, our flagship high yield U.S. iShare

Global investment banks' holdings of corporate bonds



Source: BlackRock, Bloomberg as of 3/27/13. Primary Dealer Positions Outright Level of Corporate Securities Due Greater Than 1-yr.

Bid-ask spreads vs. underlying bond trading

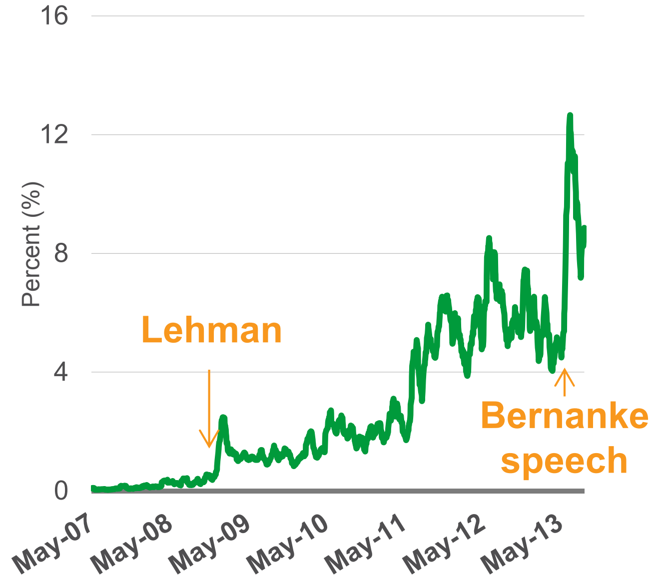


Source: BlackRock and Bloomberg. Monthly average as of May 2013.

(1) HY and IG baskets represent underlying basket of securities included in HYG and LQD ETFs

(2) LQD: iShares iBoxx $ Investment Grade Corporate Bond ETF

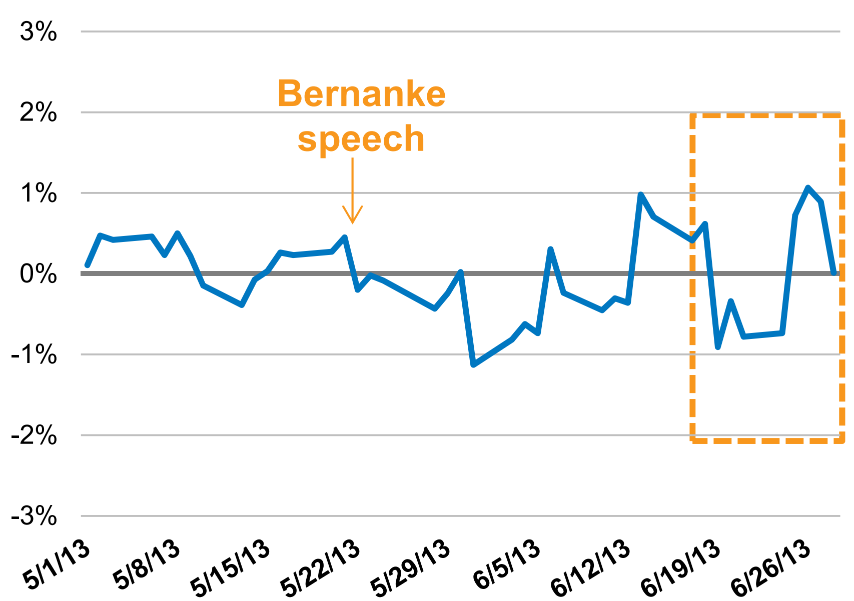
HYG trading volume (as % of high yield bond trading)



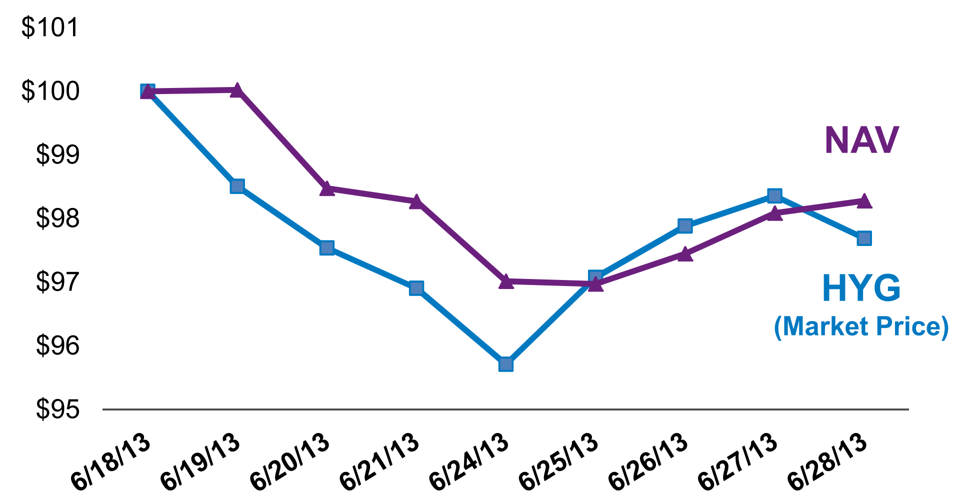
Source: BLK, Bloomberg as of 8/31/13. % Cash bonds = rolling 20-day average. Cash bonds are measured by FINRA TRACE Market Breadth High Yield and High Grade Bond Dollar Indexes and ETF volume is ADV.

How did HYG perform under stress in 2Q 2013?

HYG Premium/Discount to NAV



HYG: NAV vs. Market Price of an ETF

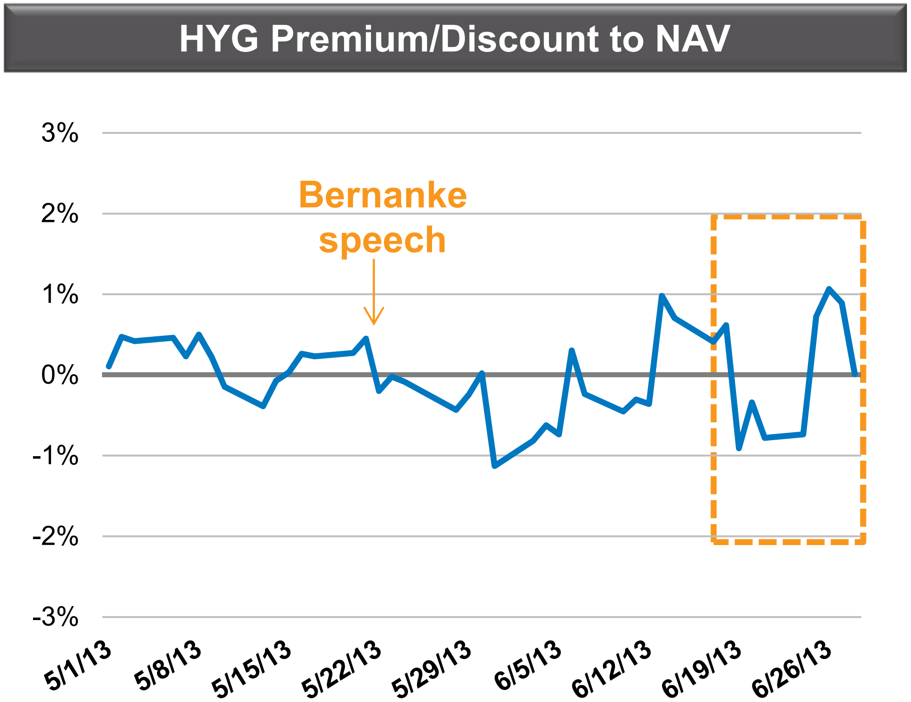


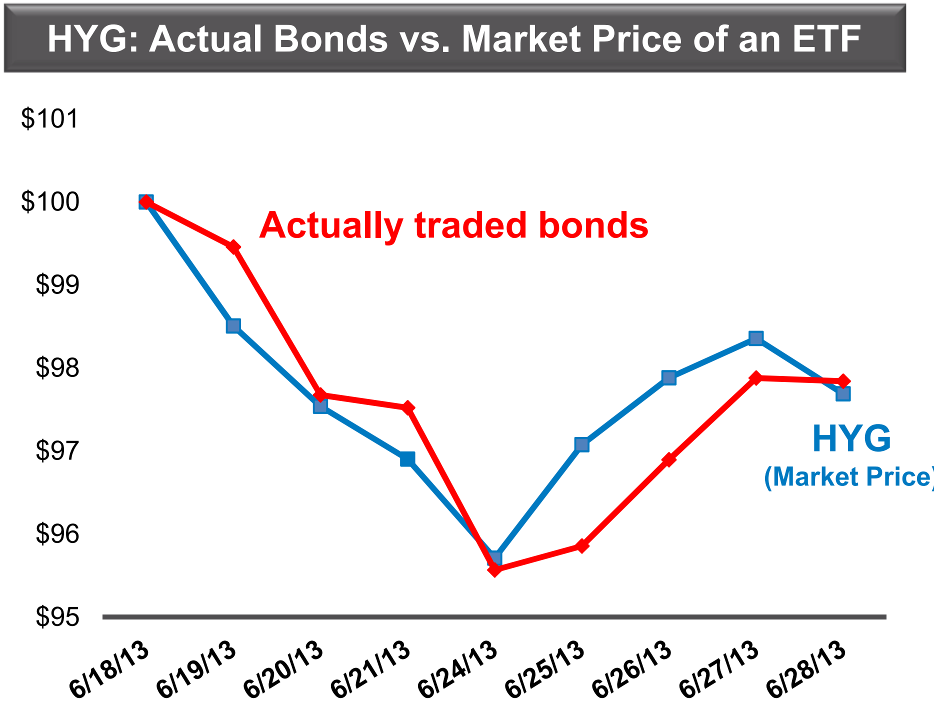
Premiums and discounts arise because many bonds do not trade on a daily basis – HYG trades each day and "prices in" new information

Source: BlackRock and Bloomberg. Dollar value scaled to $100.

Note: The NAV of an ETF or mutual fund is the sum of net assets held in the fund, less any liabilities, divided by shares outstanding. The market price of an ETF is the price at which investors can buy or sell the fund on an exchange and varies based on supply and demand.

How did HYG perform under stress in 2Q 2013?





Source: BlackRock and Bloomberg. Dollar value scaled to $100.

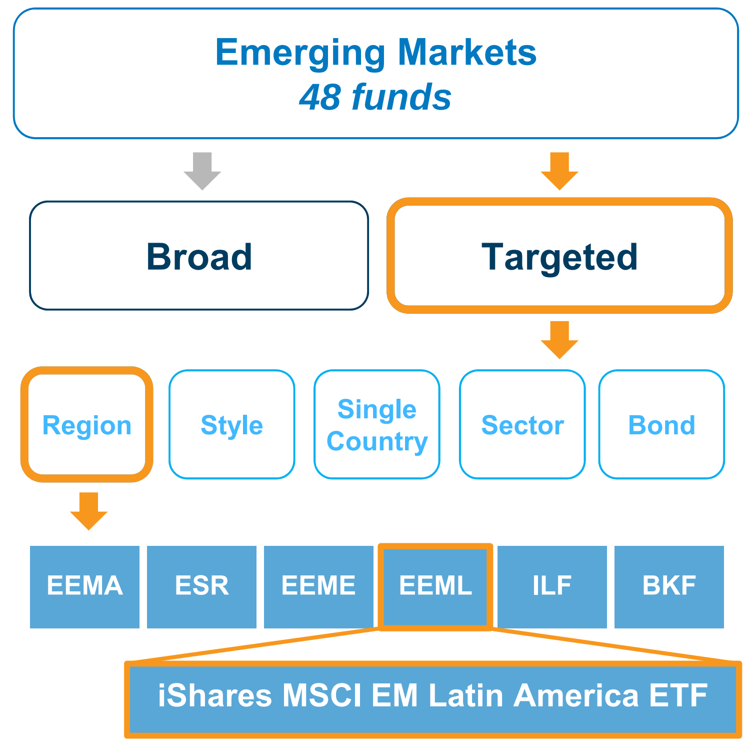
Note: The NAV of an ETF or mutual fund is the sum of net assets held in the fund, less any liabilities, divided by shares outstanding. The market price of an ETF is the price at which investors can buy or sell the fund on an exchange and varies based on supply and demand.

Precision exposures

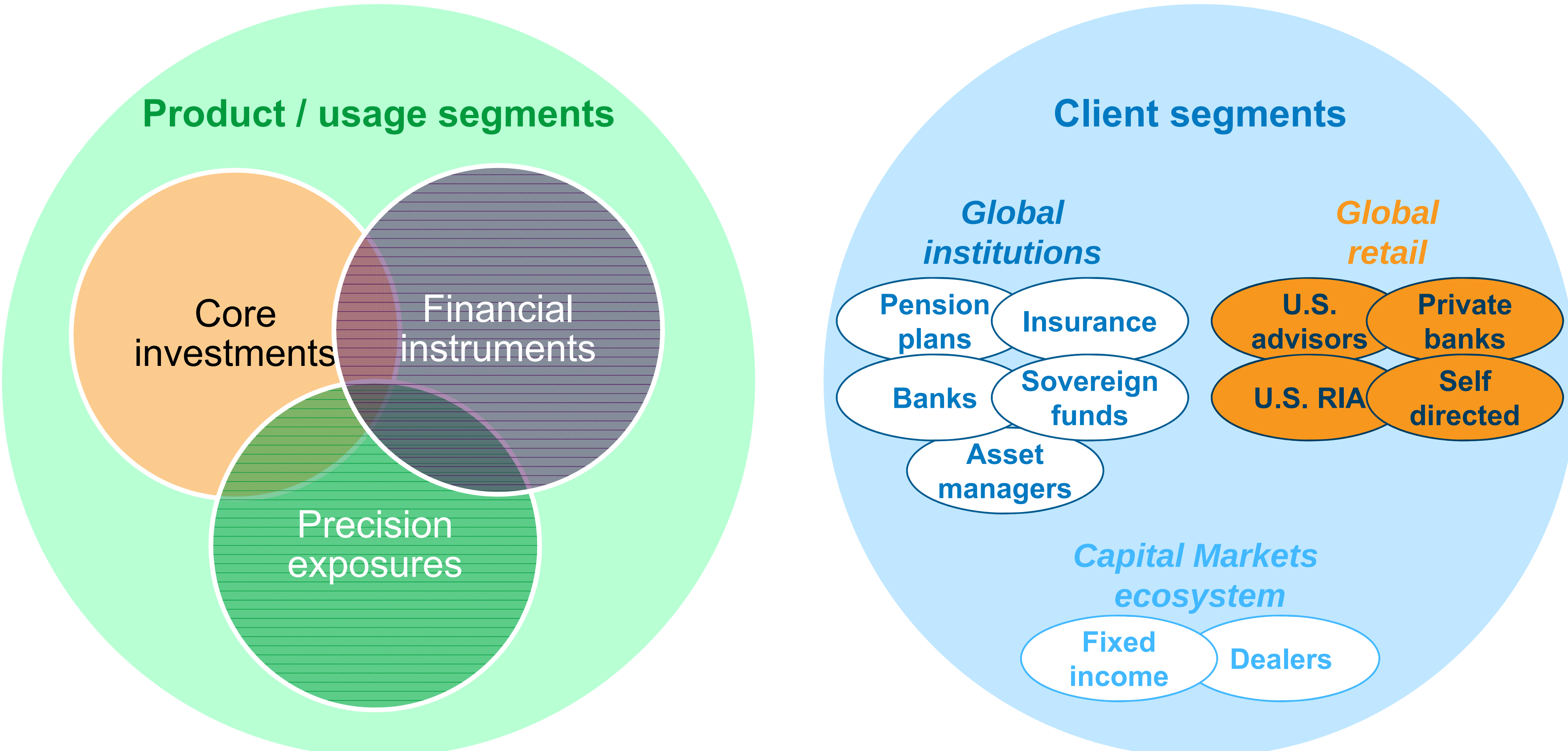
Who uses?

- **Chilean pension plan favoring Brazilian small cap**
- **Japanese insurer buys Latin American exposure for its balance sheet**
- **U.S. ETF investment strategist exits long-duration Treasuries and enters U.S. value**
- **Swiss private bank buying gold**
- **U.S. personal investor who likes REITs**

How?

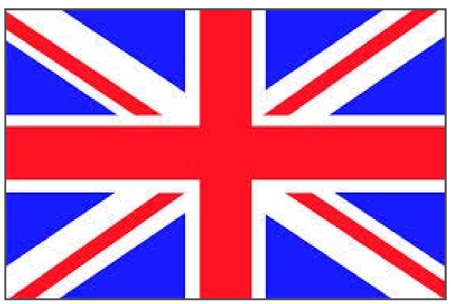


Two lenses on the business



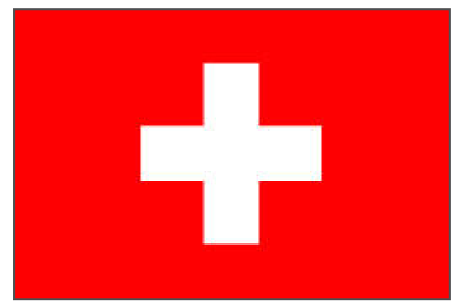
Retail in Europe: Unexplored territory for ETFs

- **Most of the world pay distribution via retrocessions and commissions – ETFs don't fit**
- **In North America, fee-based advisory pricing drove ETF adoption for retail**
- **Now Europe is changing… more to come**



U.K.

Netherlands

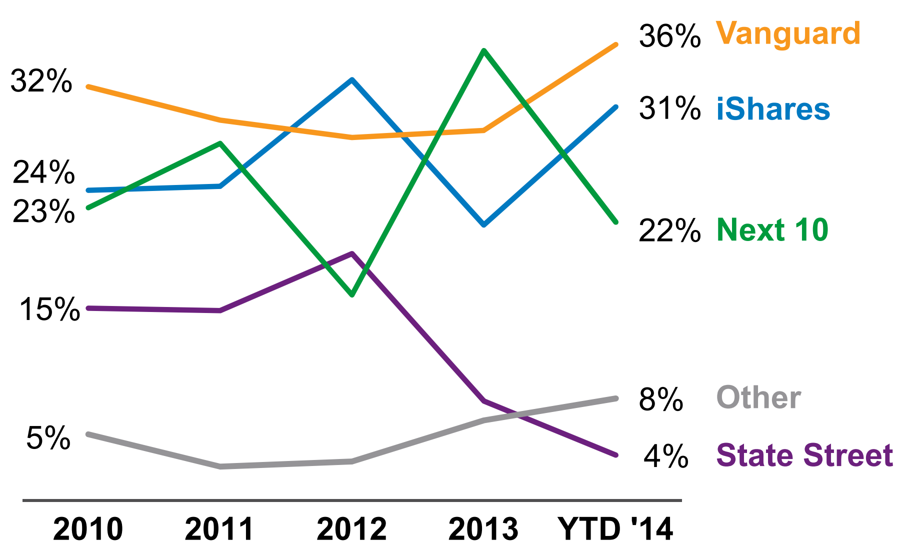


Switzerland

U.S. market share: we aim to lead, against stiff domestic competition

Strong in institutional, greater challenge in retail

Flows – U.S. market share



U.S. Retail: Making progress against goals we stated last year

- **Deliver BlackRock to U.S. Financial Advisor**
- **Speak to the personal investor**
  - **Brand**
  - **Partnerships**
  - **Voice**
  - **Marketing $**
- **Product differentiation (e.g., Core)**

Source: BlackRock and Bloomberg. YTD '14 flows exclude SPY. Data as of 6/11/14.

How will we grow beyond $1 trillion?

Industry growth

✖

Market leadership through segments

✖

3

Global competitive advantages and scale

The only truly global ETF player

1. **Global brand** iShares by BLACKROCK

2. **Two global product lines** – breadth, quality, liquidity
   - U.S.
   - Europe (over $200bn)

3. **Global footprint** of people and connectivity across BlackRock

4. **Global operating scale**
   - Excellence in portfolio management
   - A scale business

1. Our global brand

iShares Funds can help you keep more of what you earn.

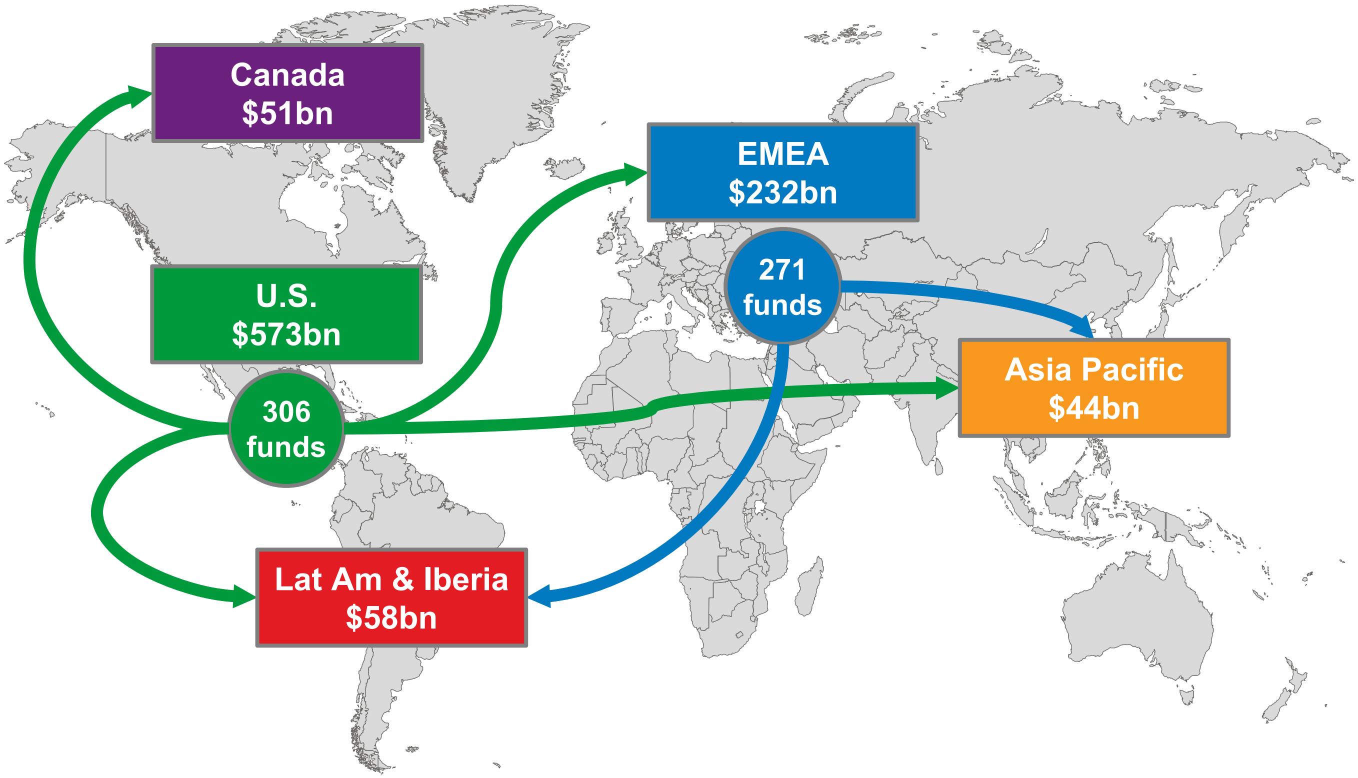
iShares Funds are diversified, low cost and tax efficient.
They cost 1/3 as much as the typical mutual fund.[1]

To find out more, ask your financial advisor or visit iShares.com

iShares by BlackRock, the world's largest investment manager. Trusted to manage more money for investors than any other firm in the world.[2]

1. Source: Morningstar, as of 3/31/14. Comparison is between the Prospectus Net Expense Ratio for the average iShares ETF (0.40%) and the average Open-End Mutual Fund (1.27%) available in the U.S. 2. Based on $4.3T in AUM as of 12/31/13

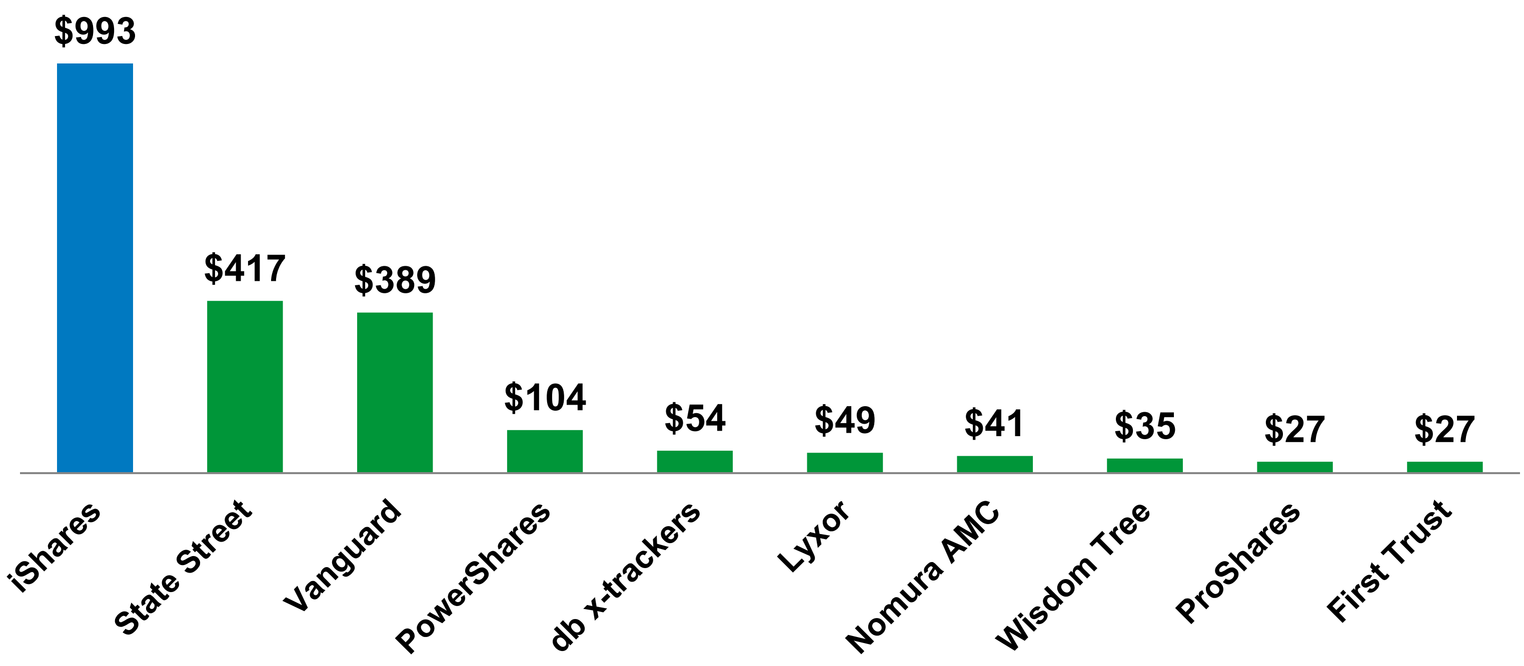
2 / 3. Two global product lines & global footprint



Source: BlackRock. $ figures represent client AUM as of 4/30/14. Fund counts as of 5/31/14.

4. Operating scale

Top 10 ETF providers by AUM globally ($bn)



BLACKROCK®

Source: BlackRock and Bloomberg. As of 6/11/14.

How will we grow beyond $1 trillion?

Industry growth ✖ **Market leadership through segments** ✖ **Global competitive advantages and scale**

Appendix

Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting www.iShares.com or www.blackrock.com. Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/ developing markets or in concentrations of single countries. Diversification may not protect against market risk or loss of principal.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

Shares of the iShares Funds may be sold throughout the day on the exchange through any brokerage account. However, shares may only be redeemed directly from a Fund by Authorized Participants, in very large creation/redemption units.

Transactions in shares of ETFs will result in brokerage commissions and will generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders.

Appendix

This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any security in particular.

The Funds are distributed by BlackRock Investments, LLC (together with its affiliates, “BlackRock”).

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by MSCI Inc. or Markit Indices Limited. Neither of these companies make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the companies listed above.

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BlackRock®

Retirement: Addressing the Longevity Challenge

Chip Castille
Head of U.S. Retirement Group

Longevity is the defining investment challenge of our time

Four major drivers of the retirement crisis being faced by millions of savers world-wide

1. ***Demographics*** - expect a retirement "career" lasting half as long as their entire working career

2. ***Fiscal*** - individual savings levels for retirement are inadequate

3. ***Structural*** - baby boomers reaching retirement, shift from DB to DC, need for scalable solutions

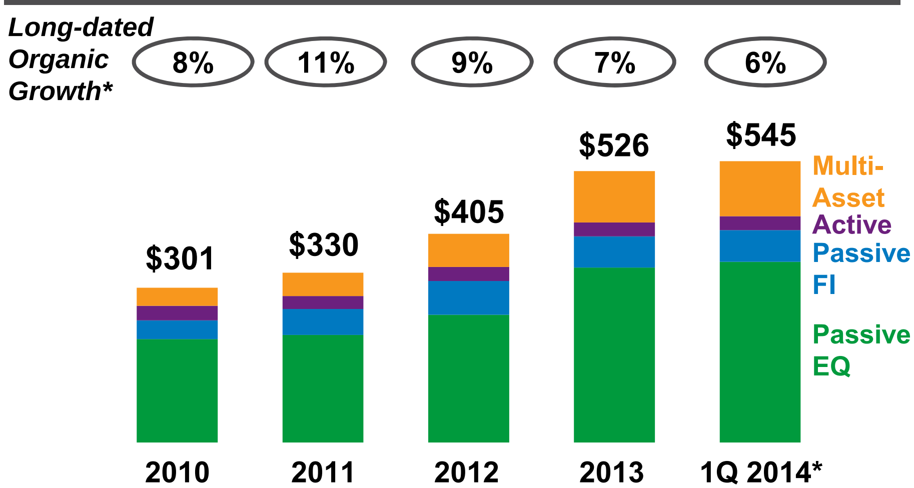
4. ***Behavioral*** - natural tendency to prefer current consumption over long-term savings

BlackRock is the largest US DCIO provider

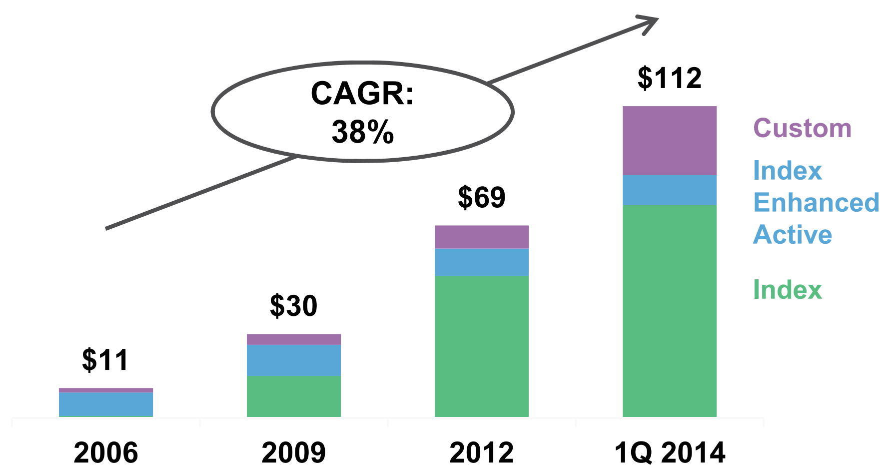
BlackRock has a sole fiduciary focus – investing on behalf of clients

- Investment-only (DCIO) is the fastest growing segment within Defined Contribution
- BlackRock is a leading global provider of index strategies
- *LifePath* target-date franchise is the third largest in the US
- UK regulatory change driving global Defined Contribution opportunity

Defined Contribution LD AUM at BlackRock ($bn)



***LifePath*: Continuous growth and adoption ($bn)**



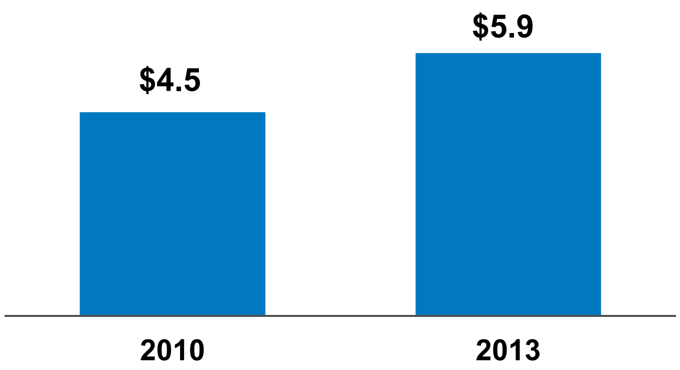
Note: Long-dated AUM as of 3/31/14. *Organic growth calculated on an annualized basis.

More to Retirement than DC: IRA presents significant runway for growth

Sharpened our focus on retirement solutions for individual investors by forming a dedicated Retirement Group in the United States to address DC and IRA markets

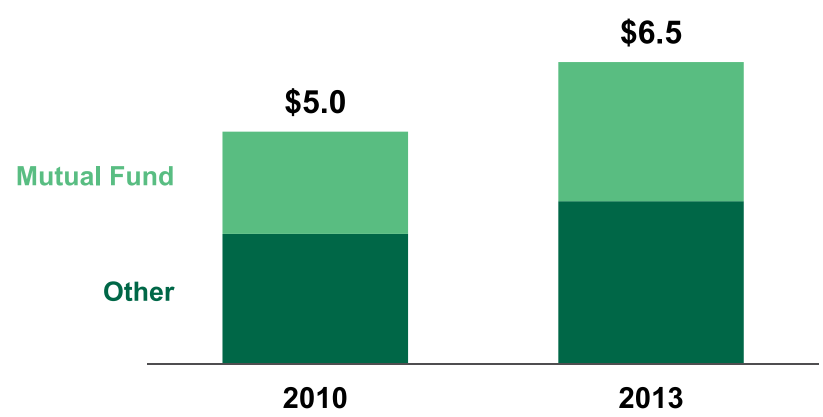
US Defined Contribution Assets ($tn)

BLK USDC Market Share: 5.8% (2010) 7.7% (2013)



US IRA Assets ($tn)

BLK Mutual Fund Market Share: 2 - 3% (2010) 2 - 3% (2013)



Source: ICI Retirement reports, Simfund MF, EBRI IRA Database, 2010 Survey of Consumer Finance, BLK internal estimates.

BlackRock is positioned to be the market leader in Retirement

Platform & Distribution

- Tools & thought leadership
- DC, LifePath & other MFs
- IRA, Brokerage & Model Portfolios

<u><55y</u>	<u>55-65y</u>	<u>65-75y</u>	<u>75y+</u>
Working Age	Pre-Retirement	Transition/ Early Retirement	Late Retirement

Innovation

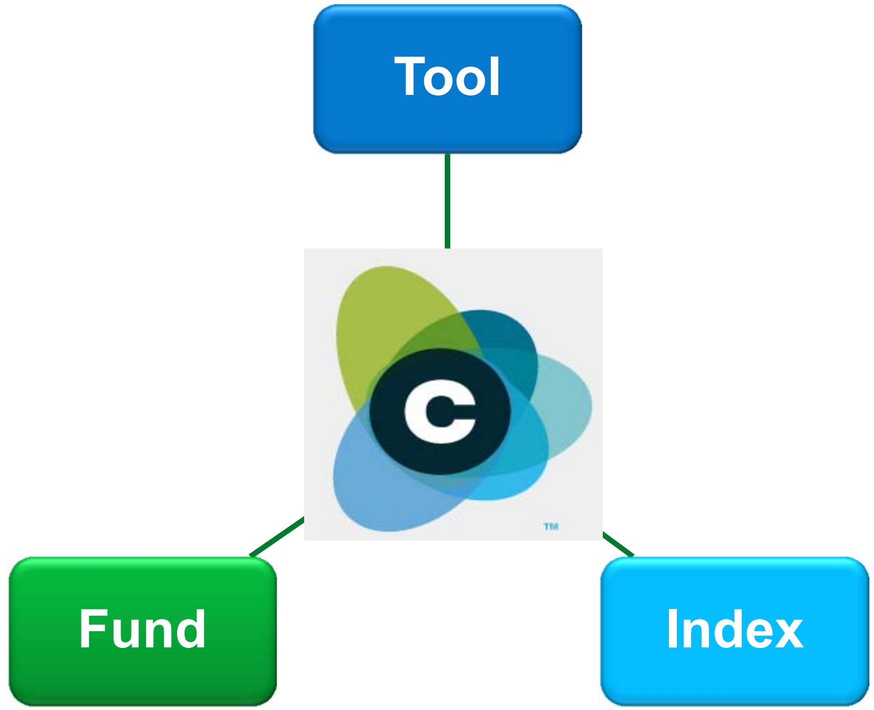
- LifePath
- Liability Driven Investing (LDI)
- CoRI™: tool, index and fund suite
- Retirement Journey Management

Differentiation

- *Active & index across asset classes*
- *Differentiated client relationships*
- *Aladdin risk management & technology*
- *Investment Performance*
- *#1 DCIO franchise*
- *Retirement Advocate*

CoRI™ Suite: Designed to help solve for the 5 risks in retirement

- Funding Risk
- Shortfall Risk
- Longevity Risk
- Self-Insurance Risk
- Inflation Risk



CoRI™ by BLACKROCK®

To access the CoRI tool, you may visit: www.blackrock.com/cori

Longevity is the defining investment challenge of our time

1. DCIO is the fastest growing segment within Defined Contribution — **#1 DCIO Provider**
2. IRA presents significant runway for growth in the Retirement space — **IRA Opportunity**
3. BlackRock is applying innovation to help solve for client needs — **CoRI**

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BlackRock®

Global Reach

DAVID BLUMER

Head of EMEA

MARK McCOMBE

Head of Institutional Client Business and
Chairman of BlackRock Alternative Investors

BlackRock: The world's most global asset manager

Leveraging BlackRock's fully integrated global platform

$1.7tn
AUM

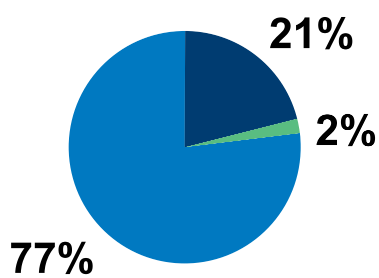
$3.5bn
Revenue

5,350
Headcount

International AUM

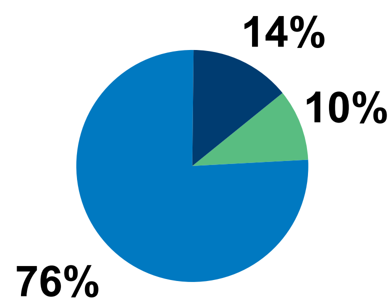
Geography

- EMEA
- APAC
- LatAm



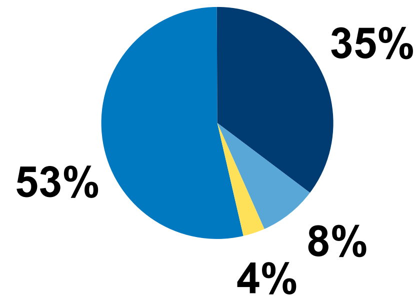
Clients

- Retail
- Institutional
- iShares



Asset Classes

- Equity
- Fixed Income
- Multi-Asset
- Alternatives



Note: International long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.

International business comprises 38% of revenue

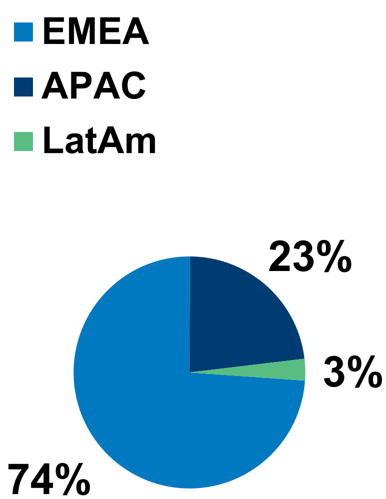
$1.7tn
AUM

$3.5bn
Revenue

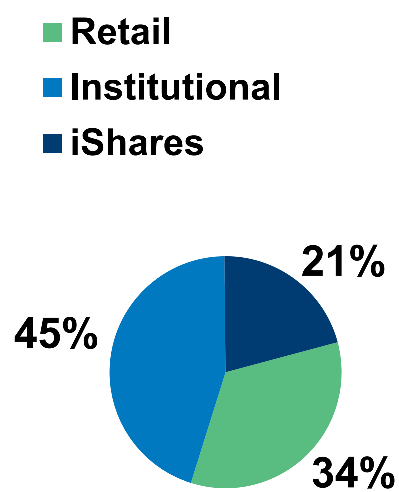
5,350
Headcount

International Revenue

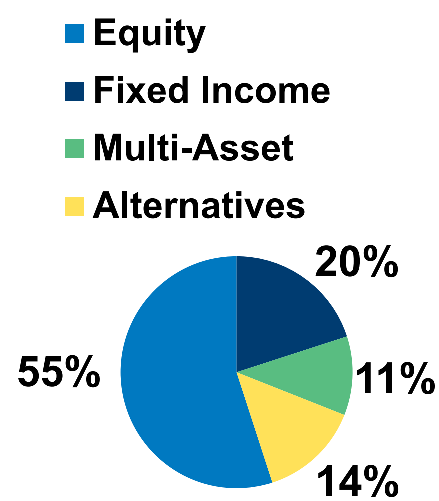
Geography



Clients



Asset Classes



Note: International long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.

LatAm & Iberia Overview

Reported	Client View
$29bn* AUM	$78bn AUM
$118mm Revenue	$273mm Revenue
98 Headcount	

Note: International long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.
*Does not include $49bn in US and EMEA domiciled iShares held by clients in Latin America & Iberia as of 3/31/14.

EMEA

Delivering BlackRock's global capabilities to local clients

$1.3tn

AUM

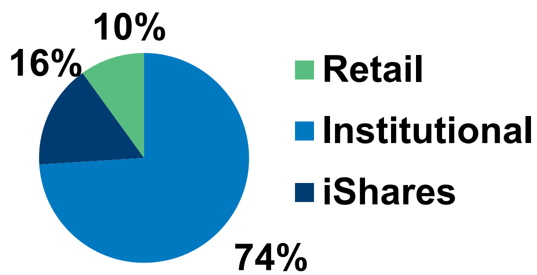
$2.6bn

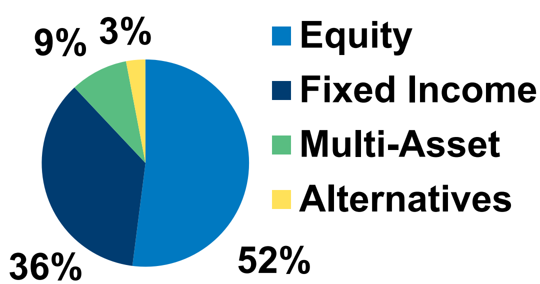
Revenue

3,145

Headcount

EMEA AUM





Note: EMEA long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.

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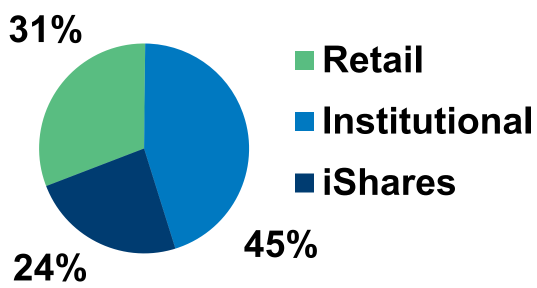
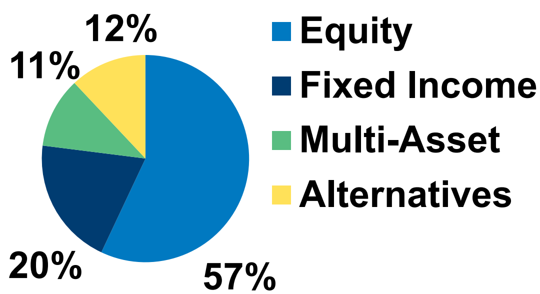
EMEA Revenue





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Delivering BlackRock's global capabilities to local clients

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AUM

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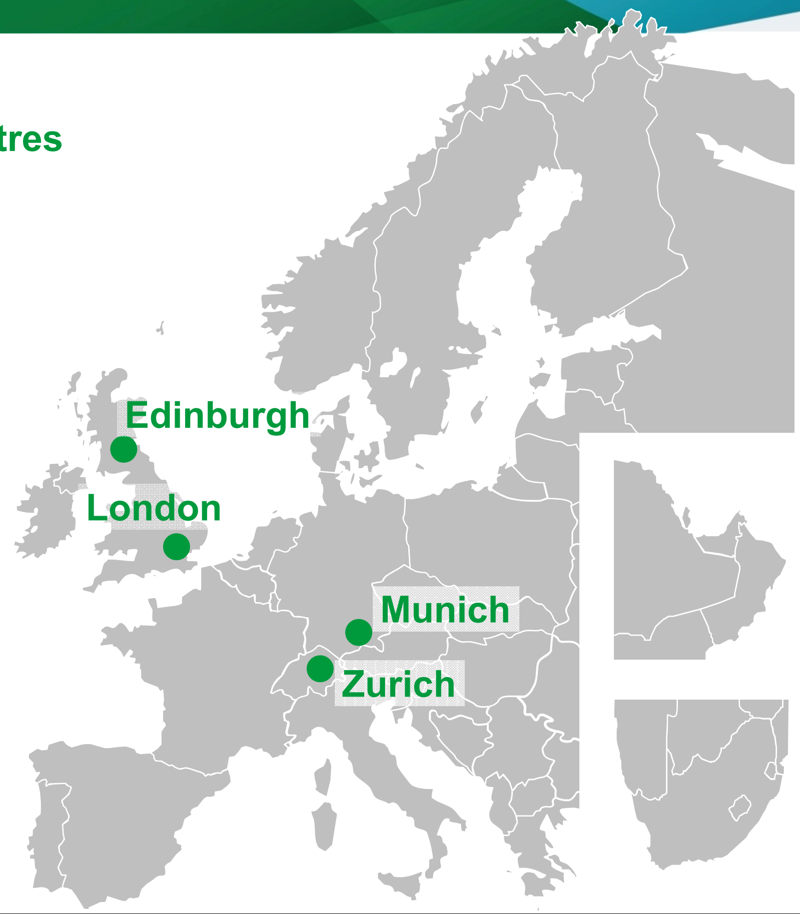
Revenue

3,145

Headcount

● Investment Management centres



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Note: EMEA long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.

Delivering BlackRock's global capabilities to local clients

$1.3tn

AUM

$2.6bn

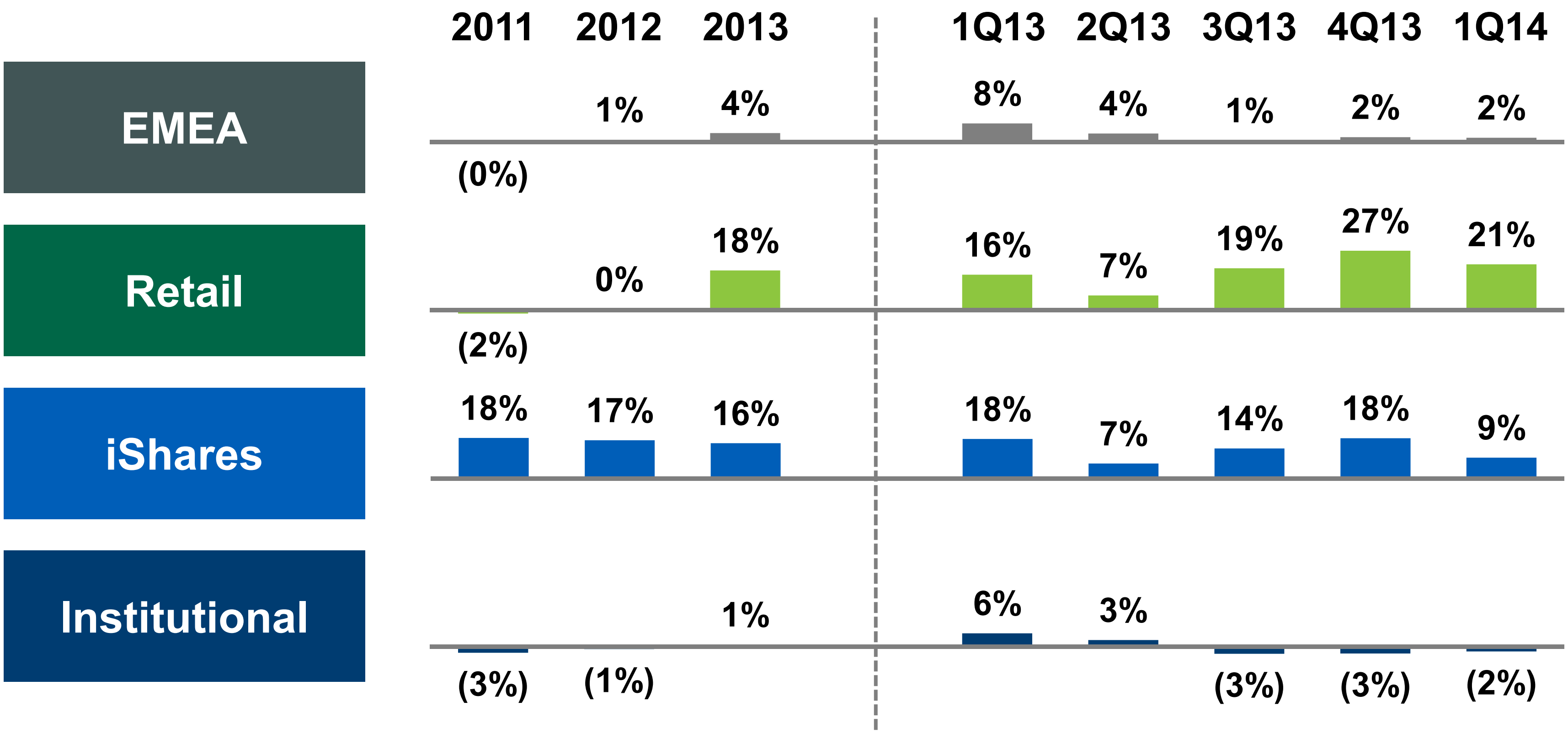
Revenue

3,145

Headcount

Note: EMEA long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.

Retail and iShares are powering growth in EMEA



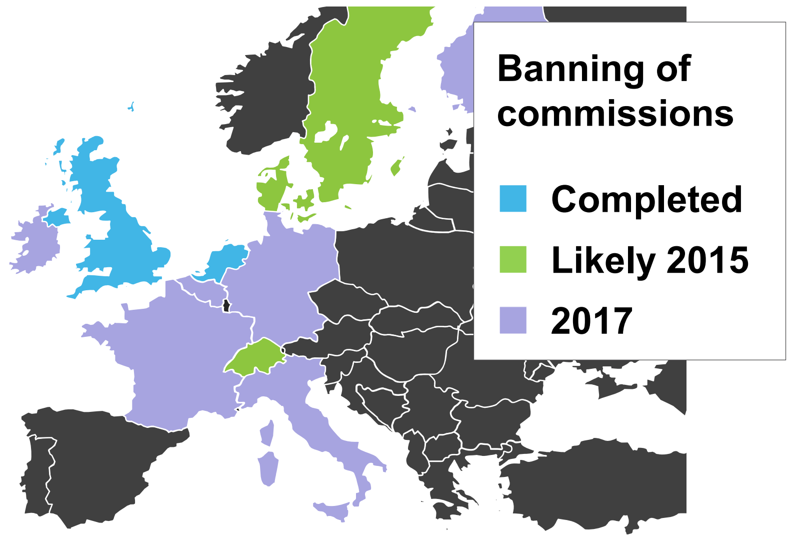
Note: Long-term organic growth calculated on an annualized basis.

Key trends are driving opportunities…

1. Regulatory changes

- Increased call for transparency
- MIFID2 / Banning of commissions
- Capital pressure on banks and insurers: Solvency II / Basel III / AQR

MIFID2/RDR implementation



European distribution is changing

…and are playing to our strengths

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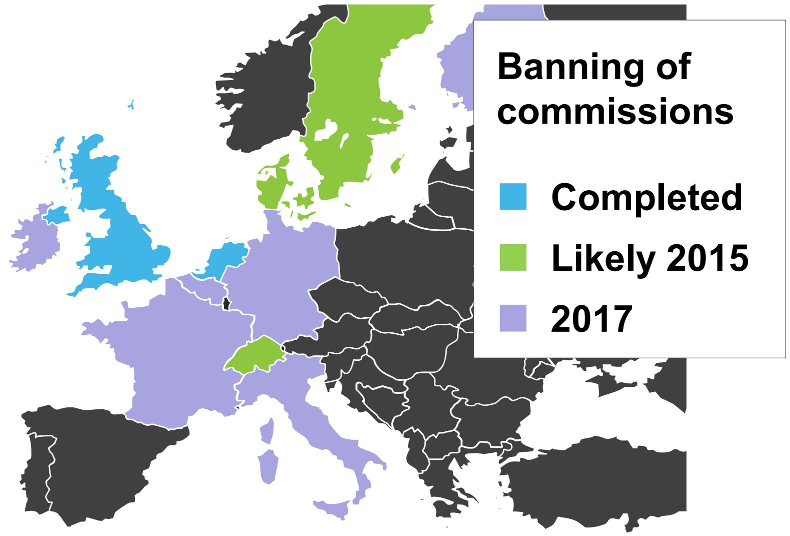
- Capital pressure on banks and insurers: Solvency II / Basel III / AQR

MIFID2/RDR implementation



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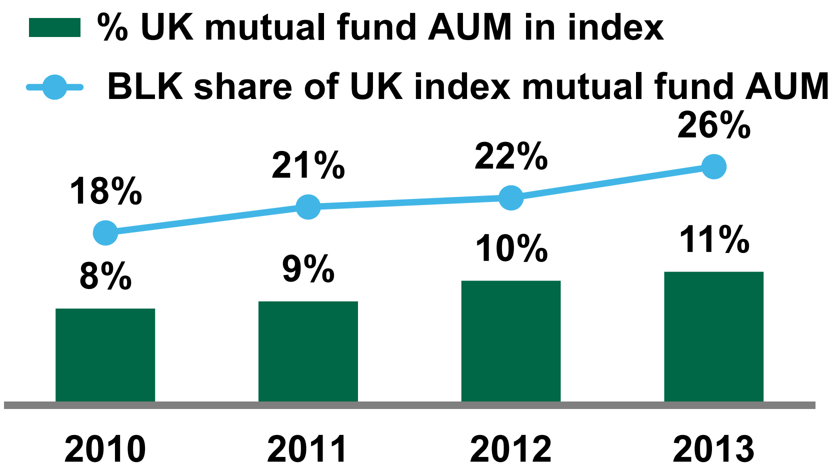
Independent pure play manager
#1 manager of European non-captive assets ✓

Key trends are driving opportunities…

2. Increased focus on costs

- Low yield environment
- Transparent pricing

Index share of UK fund AUM $bn



Source: Lipper Feri - UK domestic mutual fund AUM in index as a share of total UK domestic market. BLK market share of UK domestic index mutual fund AUM

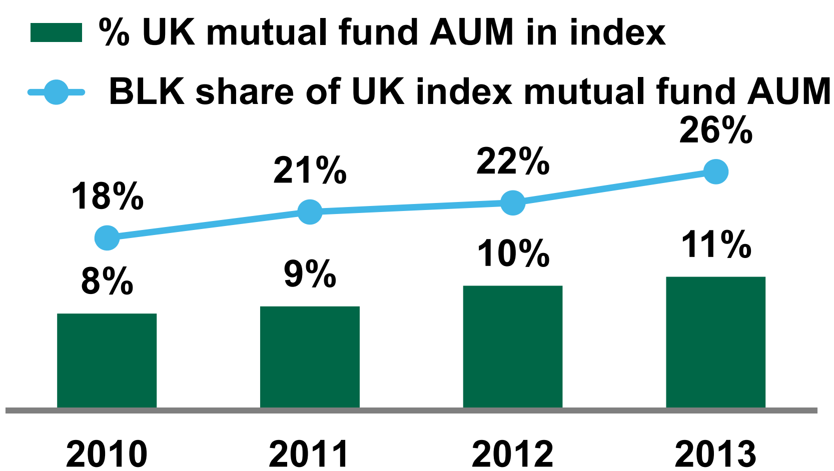
Growing demand for beta products

…and are playing to our strengths

2. Increased focus on costs

- Low yield environment
- Transparent pricing

Index share of UK fund AUM $bn



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BLACKROCK®

Broadest and deepest Index & ETF capabilities

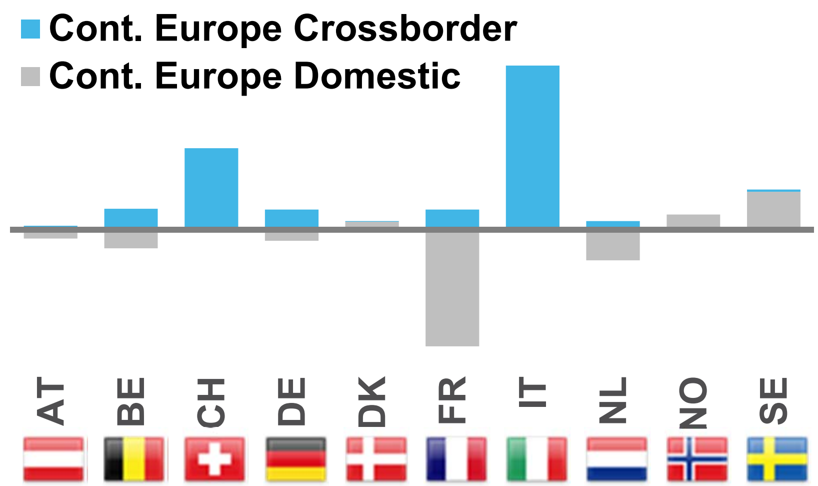
#1 ETF & Index provider in Europe ✔

Key trends are driving opportunities…

3. Changing investor preferences

- Declining domestic bias and shift to global investing
- Shift away from traditional/core to specialty strategies
- Shift away from products to outcome and solution

Long-dated industry fund flows $bn



Source: Lipper Feri / SalesWatch – 3YR long dated mutual fund flows to Dec. 2013

Shift to global investing, specialties & solutions

…and are playing to our strengths

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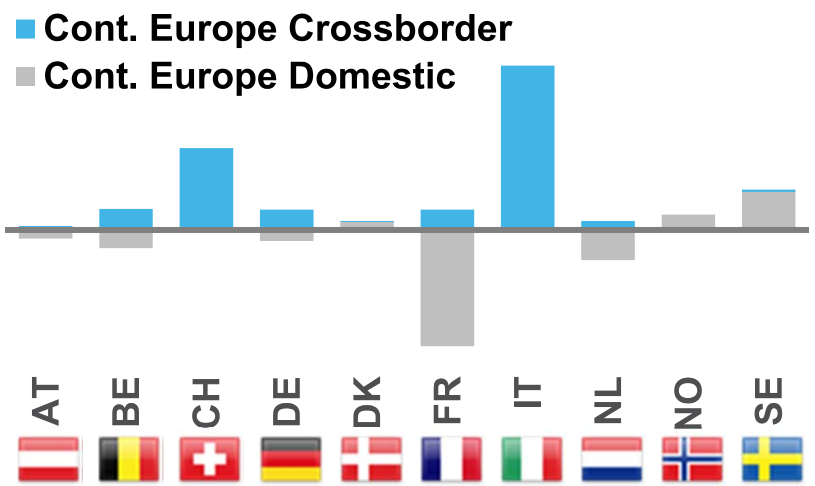
Long-dated industry fund flows $bn



Source: Lipper Feri / SalesWatch – 3YR long dated mutual fund flows to Dec. 2013

BLACKROCK®

Leading outcomes & solutions provider
Active and index packaged solutions ✓

Key trends are driving opportunities…

4. Heightened risk aversion

- **Continued focus on investment and operational risk**
- **Desire to improve governance and risk reporting**
- **Desire to hedge liabilities, search for diversification and downside protection**

More time being spent on risk

Next 5 years…

73% of institutions expect to spend more time on **investment risk**

68% of institutions expect to spend more time on **operational risk**

Source: BNY Mellon New Frontiers of Risk Feb 2014 survey of over 100 institutional investors globally with c. $1tn combined AUM

Focus on risk management

…and are playing to our strengths

4. Heightened risk aversion

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BLACKROCK® **Leading risk management platform**
Aladdin & BRS capabilities ✓

Dynamics in EMEA are playing to our strengths

Key EMEA opportunities	BLK differentiated capabilities
Opening up of European distribution channels	Independent pure play manager #1 mngr. of European non-captive assets
Growing demand for beta products	Deepest Index & ETF capabilities #1 ETF & Index provider in Europe
Shift to global investing, specialties & solutions	Leading outcome & solution provider Active and index packaged solutions
Focus on risk management	Leading risk management platform Aladdin & BRS capabilities

Asia-Pacific

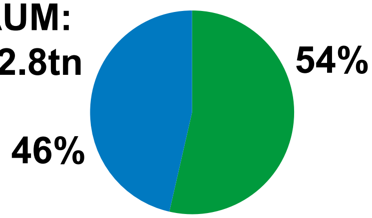
Mark McCombe

Asia-Pacific region is a diverse collection of dynamic markets

Market Size | **2013-17E Market CAGR** | **Market Dynamics**

Asia ex-Japan

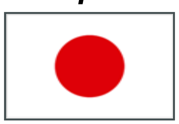
AUM: $2.8tn



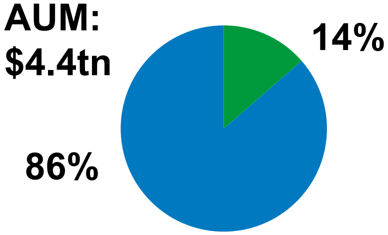
2013-17E Market CAGR: *13%*

Market Dynamics:
- High turnover
- Tied distribution
- Increasing regulation

Japan



AUM: $4.4tn

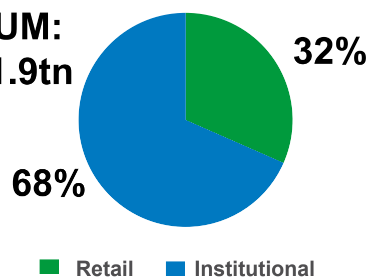


2013-17E Market CAGR: *3%*

Market Dynamics:
- "Abenomics"
- Pension reform
- Ageing population

Australia

AUM: $1.9tn



2013-17E Market CAGR: *9%*

Market Dynamics:
- Increasing compulsory contributions
- Vertically integrated wealth management at banks

Source: Cerulli. CAGR forecasts are for overall growth – including market movement.

BlackRock's breadth of offering is a competitive advantage

β → α

Global Fund Managers in APAC (AUM $bn)		Index	ETF	Active EQ/FI	Alts
BlackRock	**$346**	✓	✓	✓	✓
Nomura Asset Mgmt.	312	✓	✓	✓	
SSgA	307	✓	✓		
Prudential	197			✓	✓
PIMCO	192			✓	✓
UBS Asset Mgmt.	136	✓	✓	✓	✓
JP Morgan	134	✓	✓	✓	✓
AMP Capital	125			✓	✓

Source: Asian Investor 2013.
Note: Includes all Asian-sourced AUM only for global managers as of 9/30/13 (excludes APAC only based managers).

Delivering BlackRock's global capabilities to local clients

$346bn

AUM

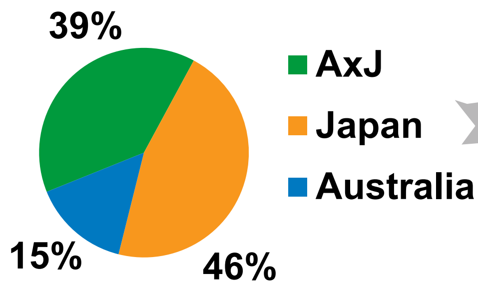
$792mm

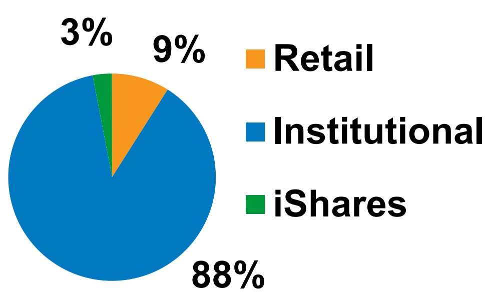
Revenue

2,180[(1)]

Headcount

APAC AUM





Note: APAC long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.
(1) Includes 900 employees in Guragon, India.

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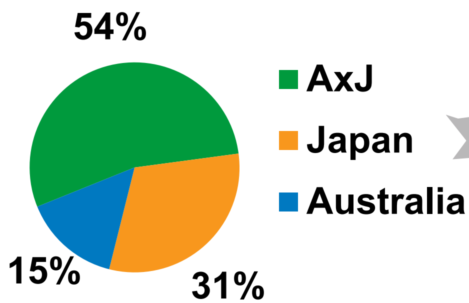
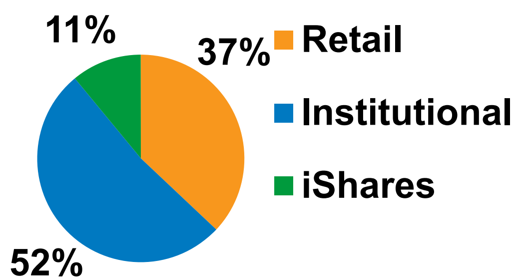
APAC Revenue





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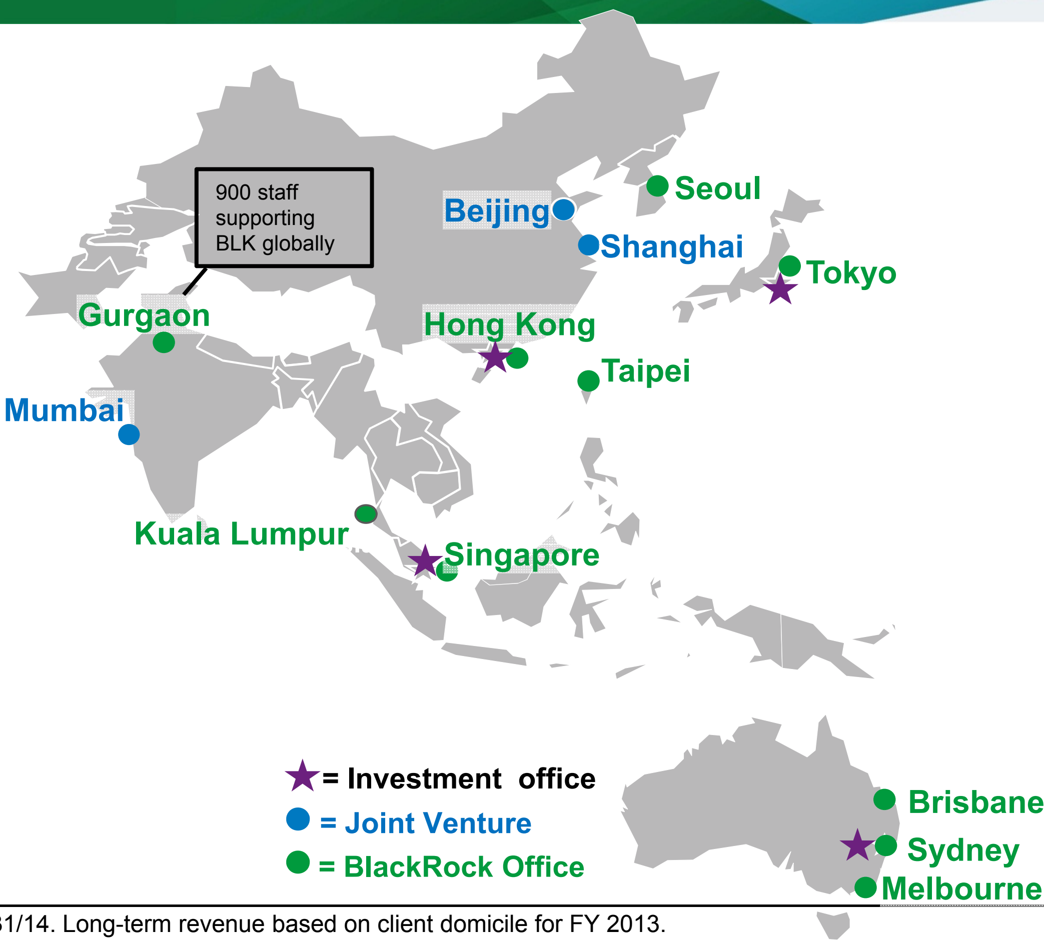
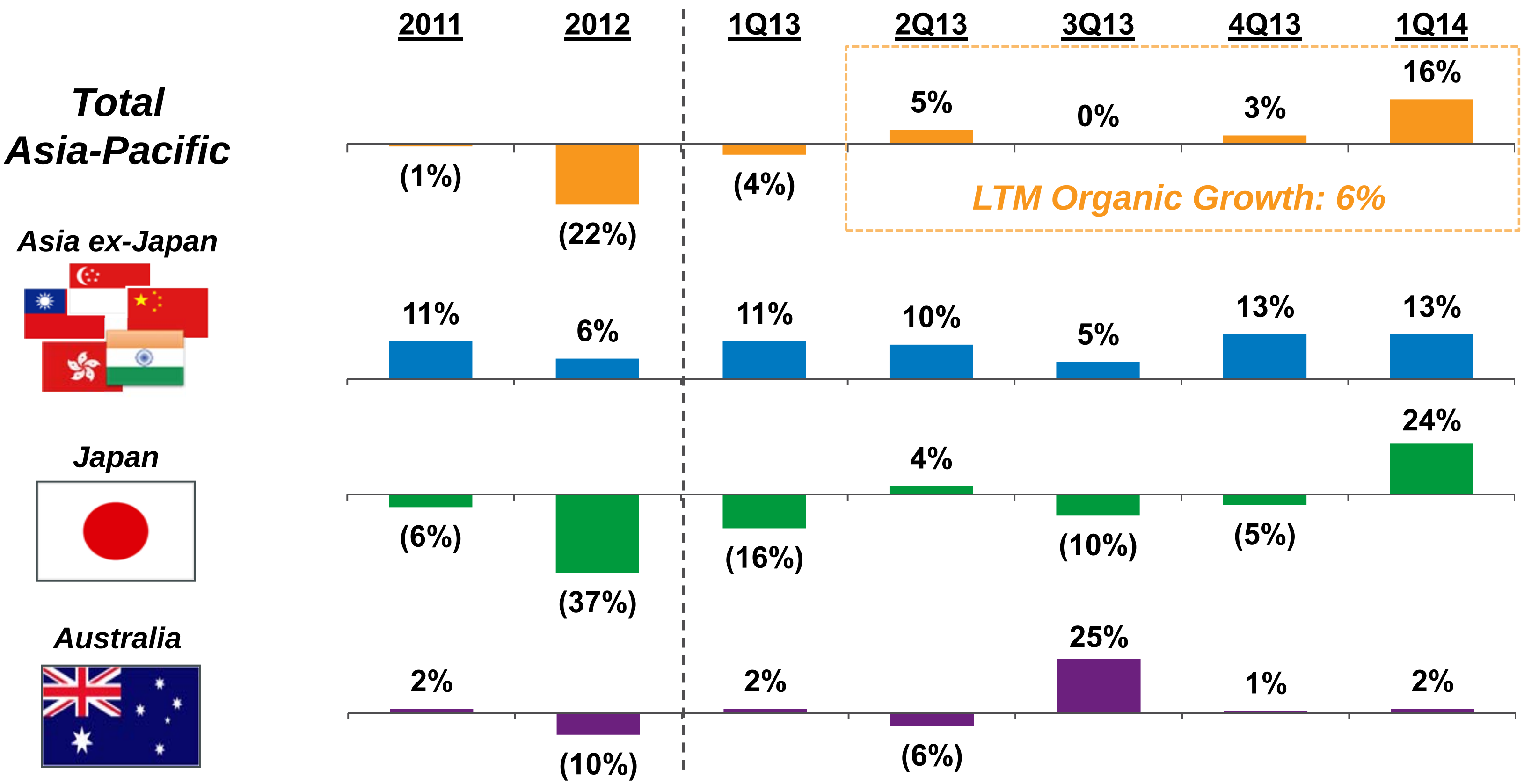


Note: APAC long-term AUM and headcount as of 3/31/14. Long-term revenue based on client domicile for FY 2013.
(1) Includes 900 employees in Guragon, India.

Well positioned to capitalize on changing market dynamics

Asia-Pacific Strategy	BlackRock Platform Drivers
***BUILD** a sustainable franchise*	Client-centric approach
***INNOVATE** in a changing market*	Investment performance
***ACCELERATE** opportunistically*	Active and index across asset classes
	Aladdin: Risk management & Technology
	Combination of global and local capabilities

Recent flow dynamics have turned a corner



BlackRock well positioned for longer term opportunities

China	
	Access products
	Offshore management
	Domestic opportunity

India	
	Long term optionality
	Trusted regional partner

Local leadership reflected in new mandates

1 ***Aladdin & risk management***

- Provided risk management services to large Japanese institution's entire fund management business
- Significant focus and resources dedicated to the client
- Strong track record – governments, regulators etc.

2 ***Outcome-oriented solutions***

- Built first ILP platform in Taiwan to provide straightforward and accessible investment products
- Innovative and flexible approach
- Unparalleled product range and investment credibility

3 ***Client centric approach & risk management***

- Developed partnership with large Australian financial institution as sole provider of financial products/services
- Strategic LT approach to understanding client's needs
- Global platform/expertise scaled to local requirements

Important Notes

This document contains general information only and does not take into account an individual's financial circumstances. An assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a professional adviser before making an investment decision. The opinions expressed are as of June 2014 and may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by BlackRock, Inc. and/or its subsidiaries (together, "BlackRock") to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

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BLACKROCK®

Technology's Impact on Asset Management

Charlie Hallac
Co-President

Agenda

I. **Technology themes impacting our industry**

II. **Practical Applications at BlackRock**

- Investing
- Clients
- Operations

III. **Conclusion**

Technology drives an accelerating pace of change

Changing businesses the way earthquakes reshape landscapes

Bank Teller → ATM

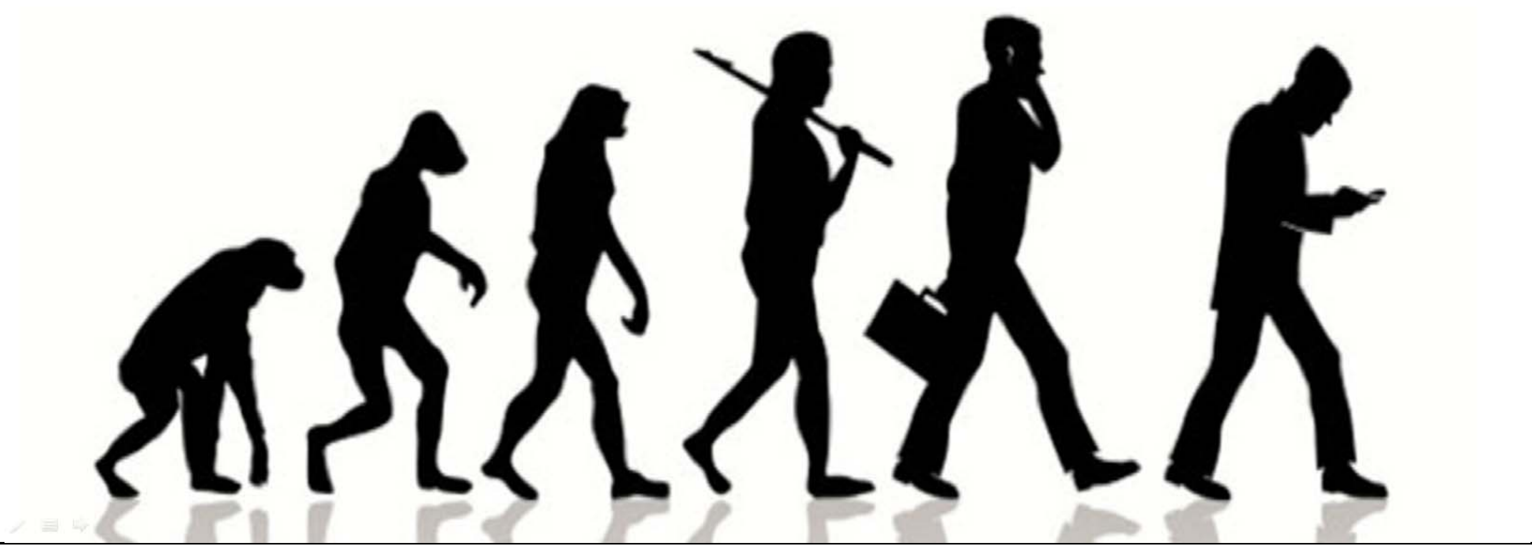
Cameras → Cellphones

Soldiers → Robots

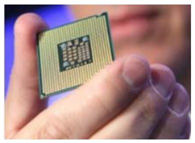
Toll collectors → E-ZPass

Music Stores → iTunes → Spotify

Travel Agent → Kayak



Technology themes emerging



Compute capacity powers innovation

Available data is exploding

Often takes years before realizing impact of innovation

Cloud is the most important technological change impacting us

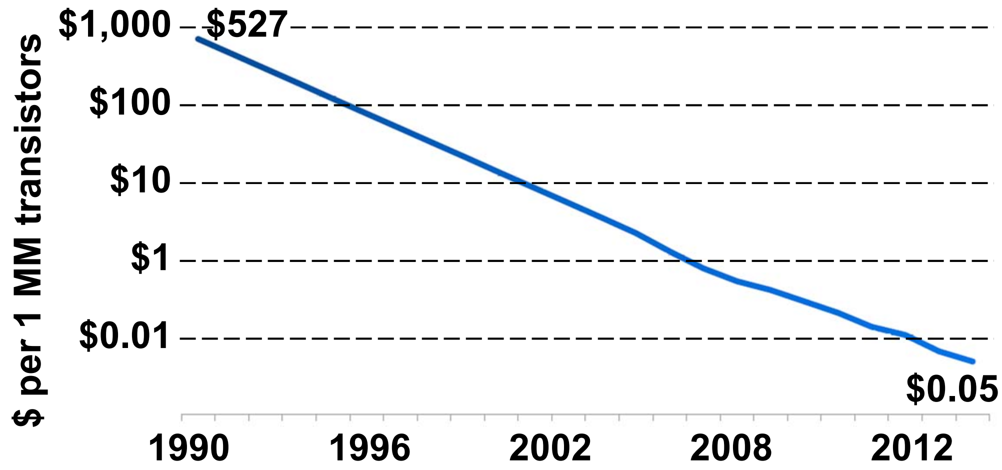
Tech literacy is essential to surviving in this environment

It starts with Moore's Law

The scale gets smaller and transistor count increases at a regular pace, improving functionality and performance while decreasing costs

- Microprocessors are **4,000x faster** and use **5,000x less energy**
- **Price per transistor dropping by 50,000x**
- Transistors can **switch on & off over 100bn times in 1sec**
- A 22nm tri-gate transistor's gates are **so small you can fit more that 4,000 across the width of human hair**

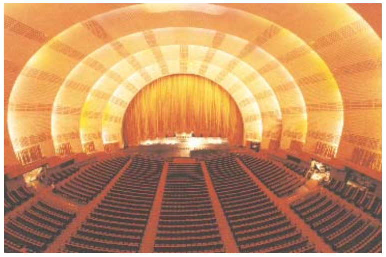
Compute costs declining 33% annually



Source: KPCB Meeker Internet Trends 2014

Compute capacity powers innovation

If the number of transistors on a chip were people…



2,300
Radio City Music Hall

32 million
Population of Texas

1970 1980 1990 2000 2010 2013

134,000
Large stadium

1.3 billion
Population of China

Source: Intel

Available data is exploding

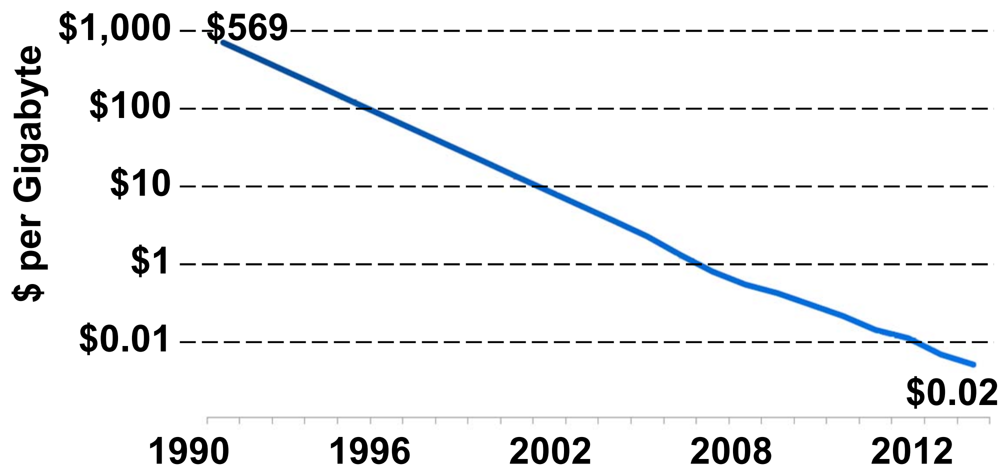
Data is being captured everywhere

- As of 2012, 2.5 exabytes of data are created every 40 months
- More data cross the internet every second than were stored 20 years ago

So, now what? Making sense of all that data is the challenge to many companies

If done correctly, it is thought that data-driven decisions are better decisions

Storage costs declining 38% annually



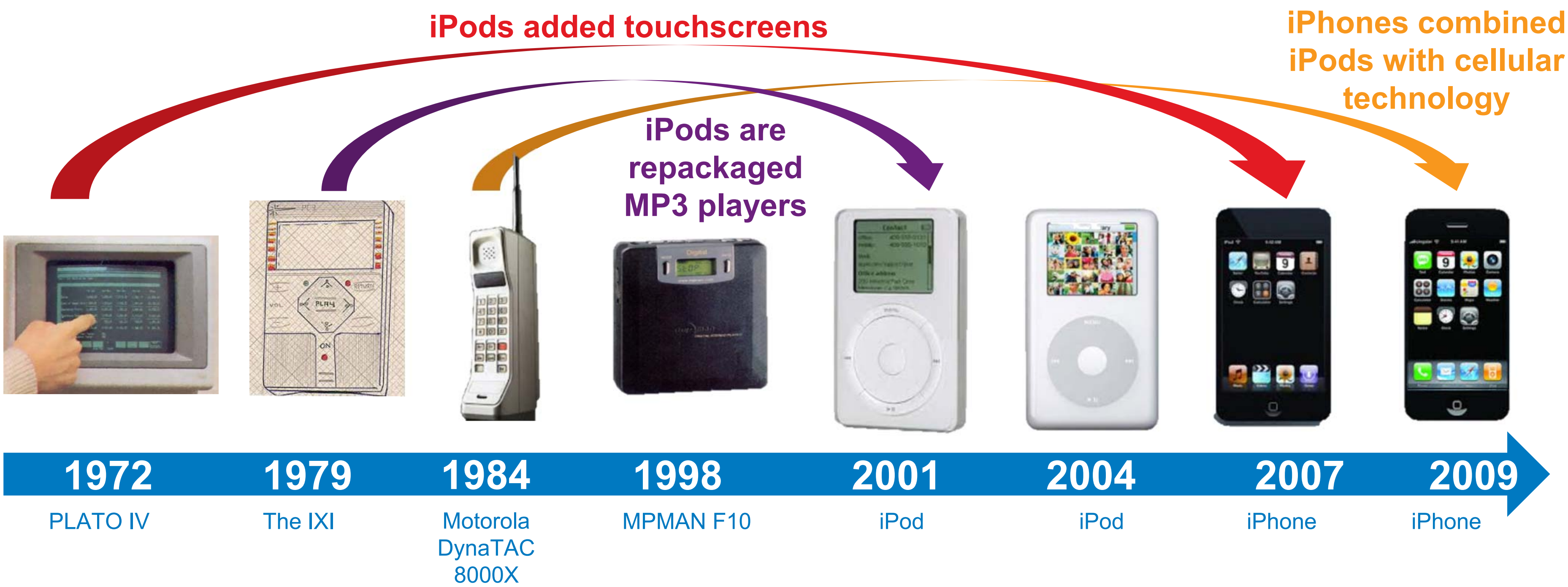
To put it into perspective…

- Complete works of Shakespeare = 5 MB
- 1 DVD = 17 GB
- US Library of Congress = 10 TB

…a TB hard drive costs ~$50

Source: KPCB Meeker Internet Trends 2014

Often takes years before realizing the impact of innovation

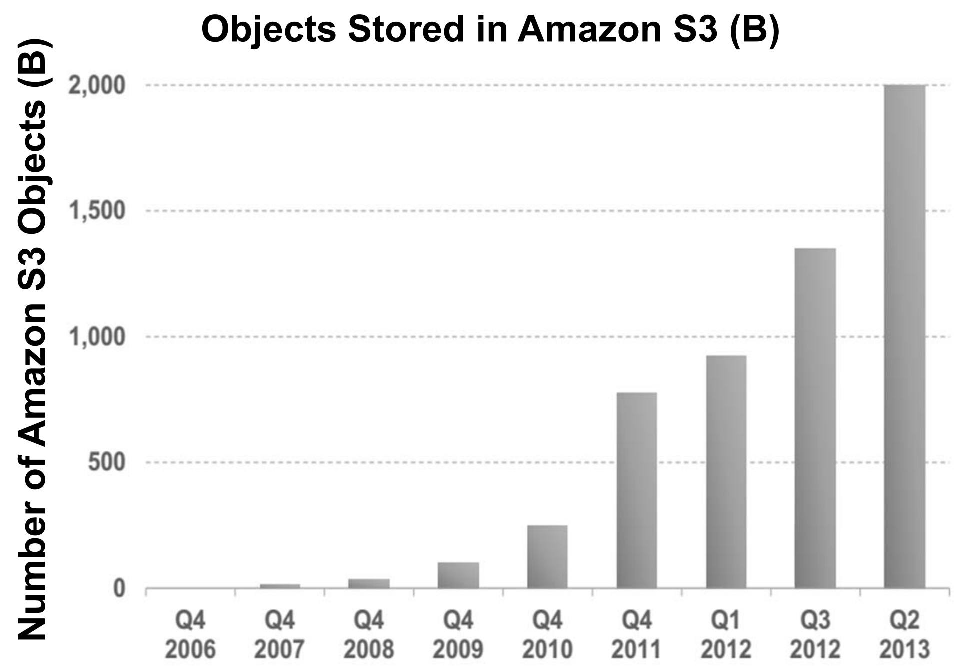


Cloud is the most important technological change impacting us

An industry that hardly existed 5 years ago is completely changing IT infrastructure

- No longer a new concept with many organizations consuming cloud services for the past several years
- Enterprises are prioritizing integration of cloud services with legacy systems
- Cloud computing provides flexibility, enabling companies to more easily manage their IT infrastructure

Amazon Web Services (AWS) leads the charge



Source: KPCB Meeker Internet Trends 2014

Tech literacy is essential to surviving in this environment

A strong technological talent base is imperative to the success of every firm which is why it has been and remains a top priority at BlackRock

- The Aladdin Business is one of our firm's medium to foster these skills
- We view this as a core competitive advantage of the firm

Technology is impacting Asset Managers in 3 core areas

Technology impacting Asset Managers in 3 core areas

1 Investing

2 Clients

3 Operations

Technology impacting Asset Managers in 3 core areas

1 Investing

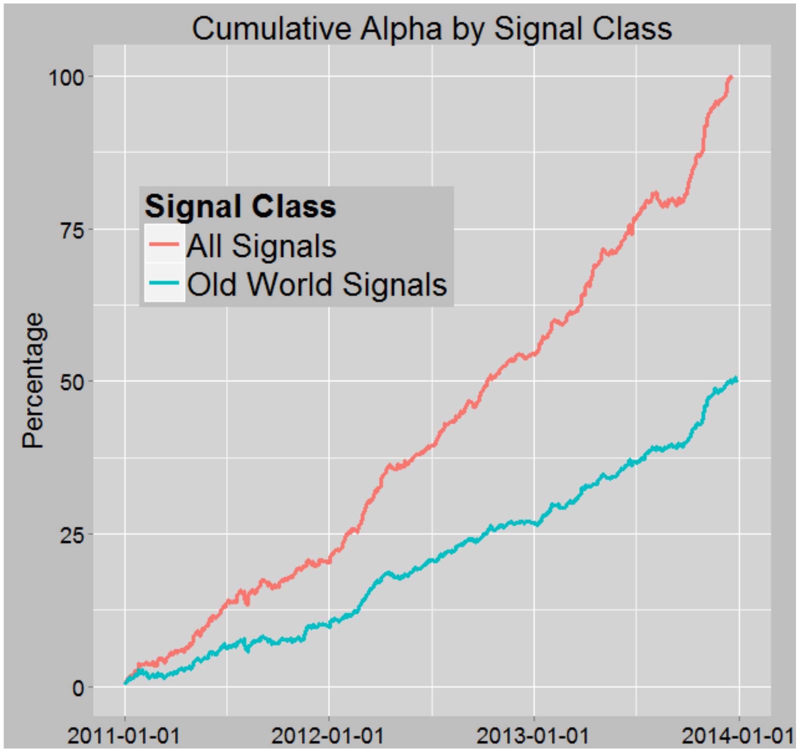
- Many new sources of alpha are being created due to technology
- Electronic trading across asset classes with new venues for liquidity
- Skill in using tools will determine who gets there first

2 Clients

3 Operations

1 Investing – 'New World' Signals

Creation of 'new world' signals resulting from the influx of new data sources



'New world' signals drive 50% of the alpha with only 30% of the risk

1 Investing – Trading

Evolution and optimization of trading tools with a focus on aggregating fragmented liquidity

The Aladdin Trading Network (ATN)

ATN
Price Discovery
Inventory
Live Inquiries
Click-to-Trade
Execution Tools

MarketAxess
US Credit
All-to-All
1000+ firms

Tradeweb
Rates, Derivatives
C2D
55+ liquidity providers

Direct to Dealers
Multi-Asset
Axes, IOIs
Runs

Client Benefits

Bringing Liquidity into Aladdin

Live pricing, inventory, inquiries matching against standing orders and positions

Enhanced Execution Tools

Rich integration with the marketplace allowing execution from Aladdin tools

Economic Benefits

Economic benefits for Aladdin clients, a unique benefit for firms within the community

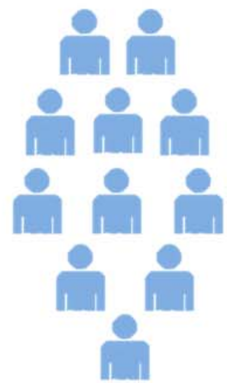
With the goal of aggregating external fragmented liquidity

1 Investing – New Technologies

Expertise in data collection, synthesis and reporting made possible through quick integration of advanced technology e.g. Hadoop & Cassandra

Client Case Study

BlackRock accomplished this with 11 employees (9 of which had never before used the technology)



- 20MM+ unique instruments across 250+ lean files
- Diverse set of loan products/ collaterals with ~60 unique dimensions, across two analysis dates
- Hadoop, ApachePig, Apache DataFu with 10k lines of Apache

Seeking opportunities to integrate advanced technologies in our processes

Technology impacting Asset Managers in 3 core areas

1 Investing

- Many new sources of alpha are being created due to technology
- Electronic trading across asset classes with new venues for liquidity
- Skill in using tools will determine who gets there first

2 Clients

- **Investor self-service is on the rise with portfolio construction growing as a dominant theme**
- **Data is being used to manage and inform sales force behaviors**

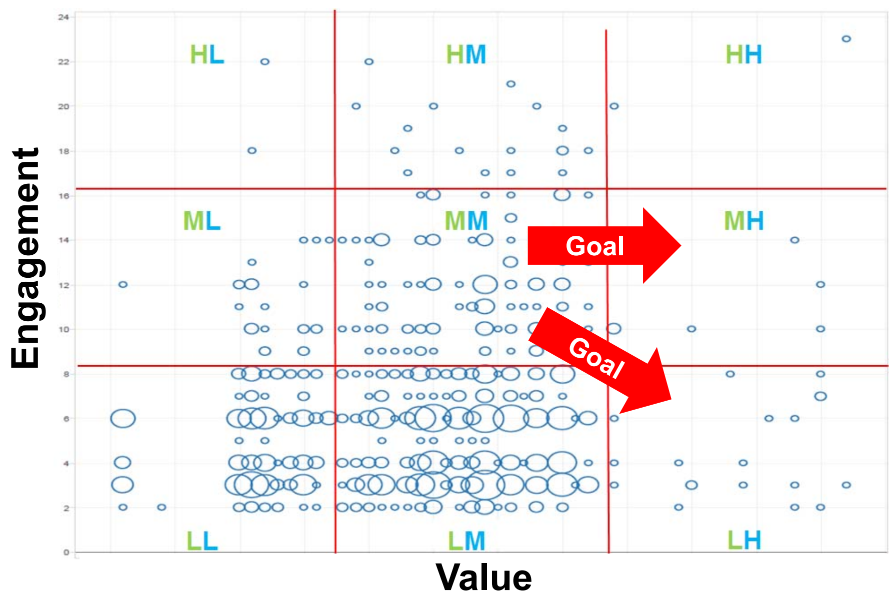
3 Operations

2 Clients – Sales Data Analytics

Data is being used to drive more effective sales force behaviors

- Comparing a client's engagement with us (# opened emails / clicked links) against a value score (numbers of sales / gross sales) provides insight on how to most effectively organize our sales force

Measure of client engagement vs. value



Transparency into our sales force effectiveness

Technology impacting Asset Managers in 3 core areas

1 Investing

- Electronic trading across asset classes with new venues for liquidity
- Technology is exposing many new sources of alpha
- Skill in using tools will determine who gets there first

2 Clients

- Investor self-service is on the rise with portfolio construction growing as a dominant theme
- Data is being used to manage and inform sales force behaviors

3 Operations

- **Potential for legacy systems to bog down time to market**
- **Increasingly complex and intertwined regulation that requires technology to effectively comply**
- **The cloud is reducing operating costs**

3 Operations – Infrastructure

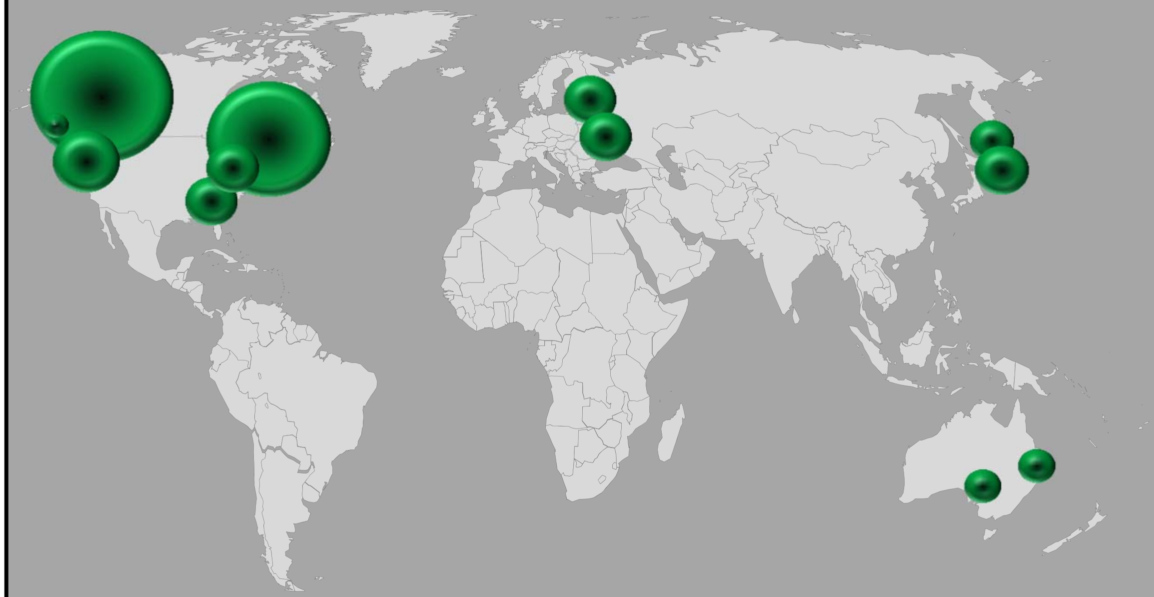
Resources | Data Centers | Cloud

Optimizing the location of our employees

All directly impacting our bottom line

3 Operations – Infrastructure

Resources | Data Centers | Cloud



An efficient data center architecture that supports the global footprint

All directly impacting our bottom line

3 Operations – Infrastructure

Resources | Data Centers | **Cloud**

25 million
lines of code

1.5 billion
BMS messages/day

100,000,000
Monte Carlo simulations/day

Aladdin Cloud

17,000
running jobs at any given moment

1,000,000
batch jobs/month

Benefiting from the cost efficiencies of cloud computing

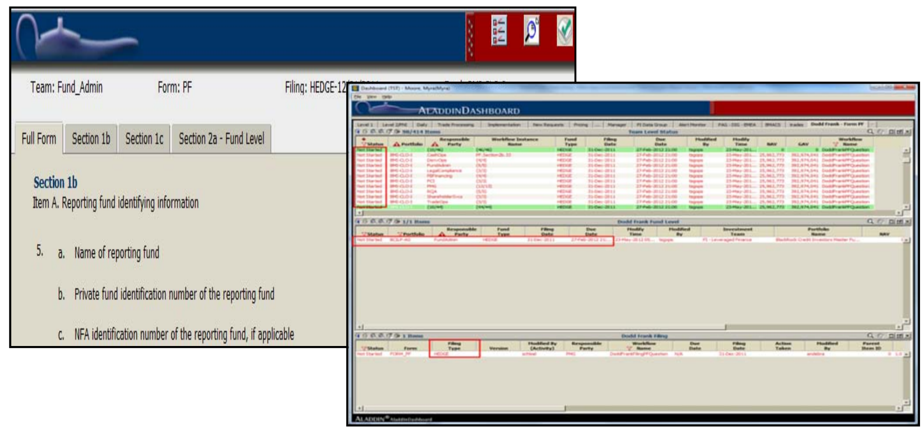
All directly impacting our bottom line

3 Operations – Regulation

The regulatory environment is increasingly complex and intertwined, requiring substantial coordination across the firm

One example: Form PF

- **1,500 data elements** that must be certified by one of the **11 distinct teams** for each of the 300+ accounts



Aladdin Reporting Manager (ARM)

All directly impacting our bottom line

Technology impacting Asset Managers in 3 core areas

1. Investing
2. Clients
3. Operations

BlackRock is leveraging these major technology changes to our advantage

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Aladdin is a product of our *collective intelligence*

Important Notes

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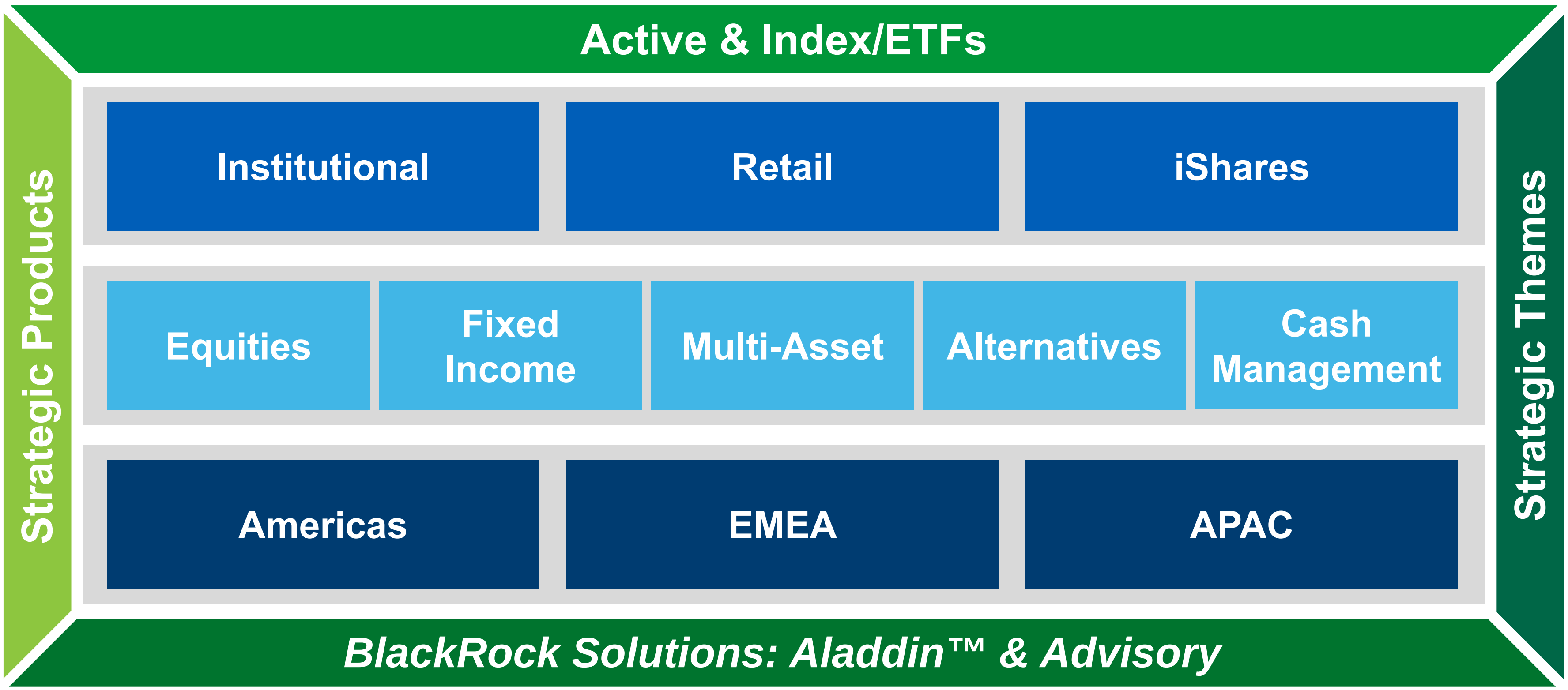
BlackRock®

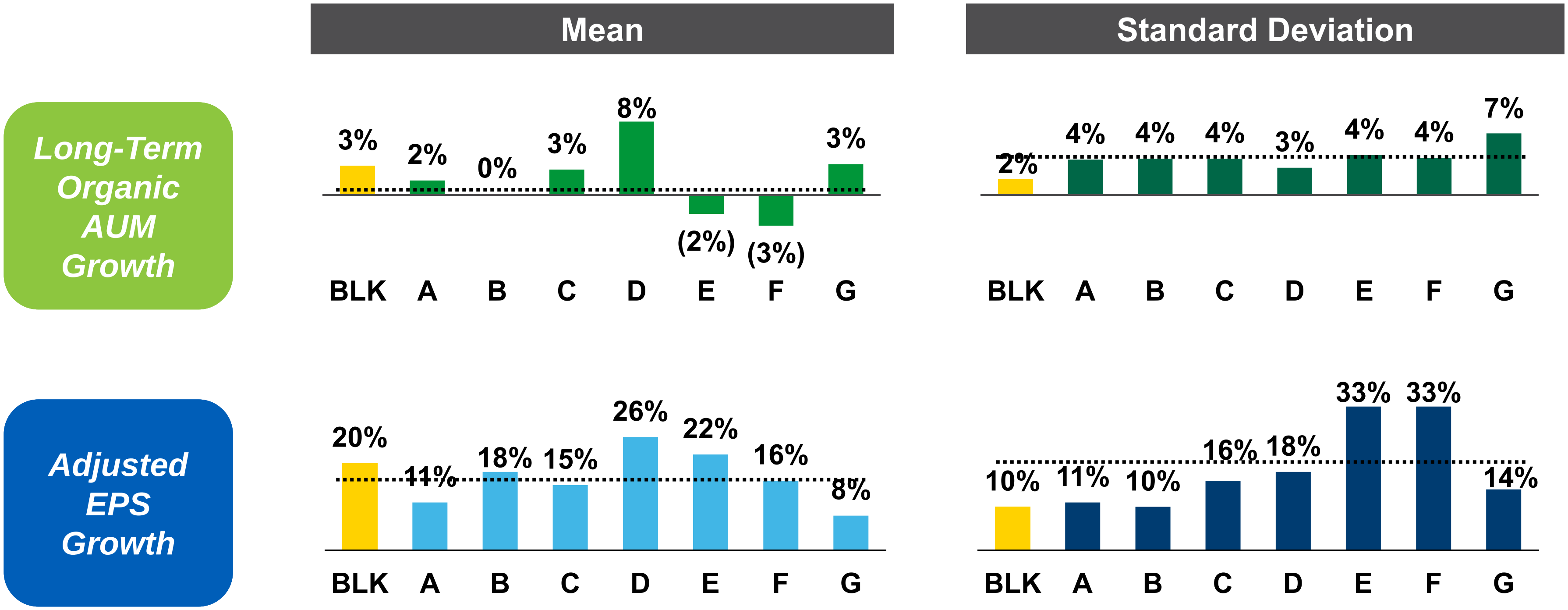
Delivering Shareholder Value

GARY SHEDLIN
Chief Financial Officer

Highly diversified global platform…



…driving strong and consistent results

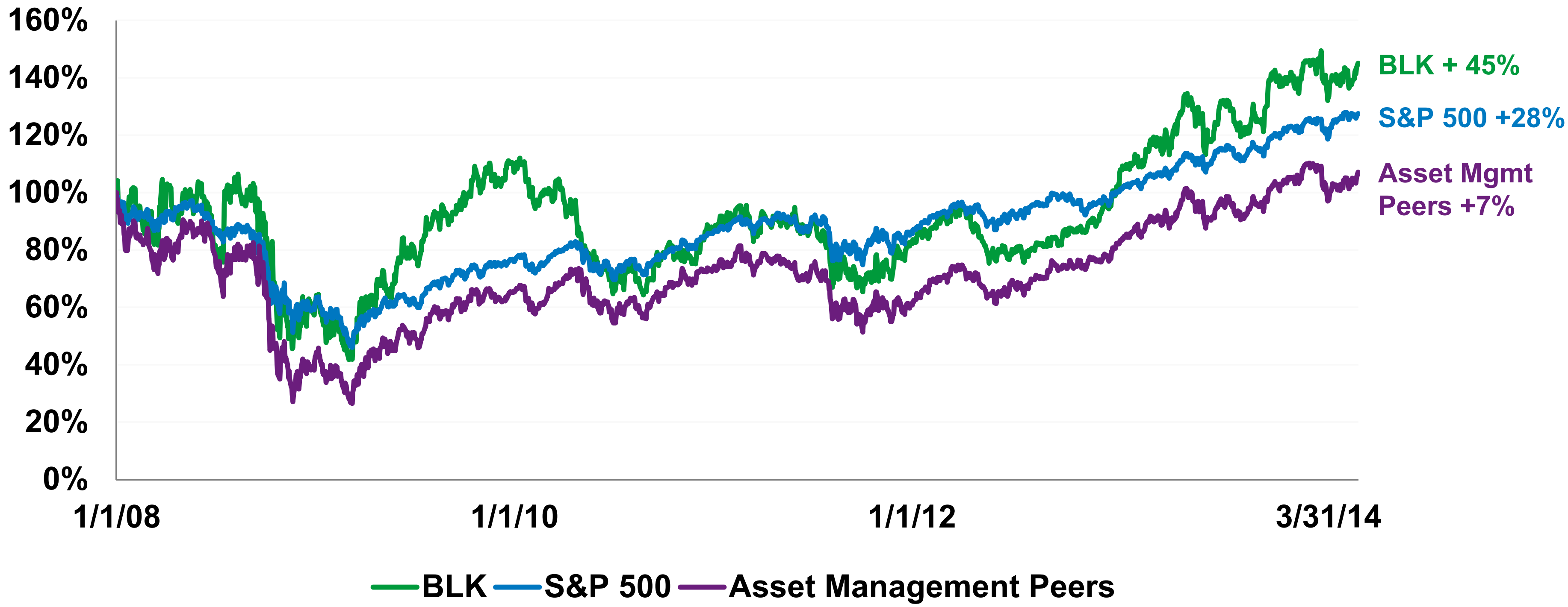


Represents the average of BLK's 7 largest US publicly traded traditional peers.

Note: Average results for the last 8 quarters for BLK and its 7 largest US publicly traded traditional peers. For further information and reconciliation between GAAP and as adjusted, see notes (1) through (5) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

BLK's share price has outperformed

Share price performance since the onset of the Financial Crisis



Note: Share price performance from 1/1/08 to 3/31/14.

Drivers of shareholder value

Organic Growth

+ Operating Leverage + Capital Management

= Double Digit EPS Growth

Linking today's themes to organic growth

LTM organic growth %	Retail	*iShares*	Institutional
Growth targets	**High single-digit**	**Low double-digit**	**Low single-digit**
Outcomes & Solutions	**MAI: 168%** **Global All: 12%**	**Core Series: 19%**	**LDI: 8%**
Alternatives	**Retail '40 Act Suite: 368%**		**$6bn of new Illiquid alts commitments in LTM**
iShares		**iShares: 9%**	
Retirement			**DC: 7%** **LifePath: 34%**
Global Reach	**Int'l Retail: 20%**	**Int'l iShares: 15%**	**Int'l Institutional: 1%**

BlackRock Solutions: Aladdin™ & Advisory – 22% Revenue Growth

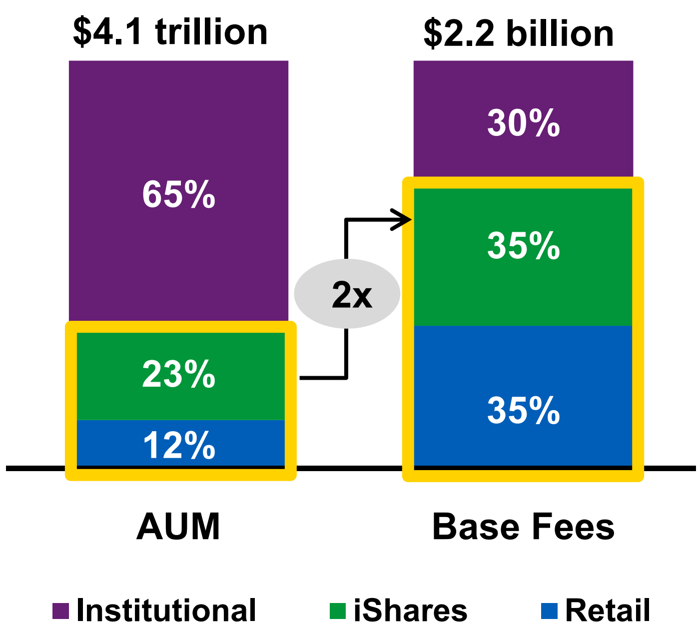
Note: LTM as of 1Q14. iShares LTM as of 6/11/14.

Linking today's themes to organic growth

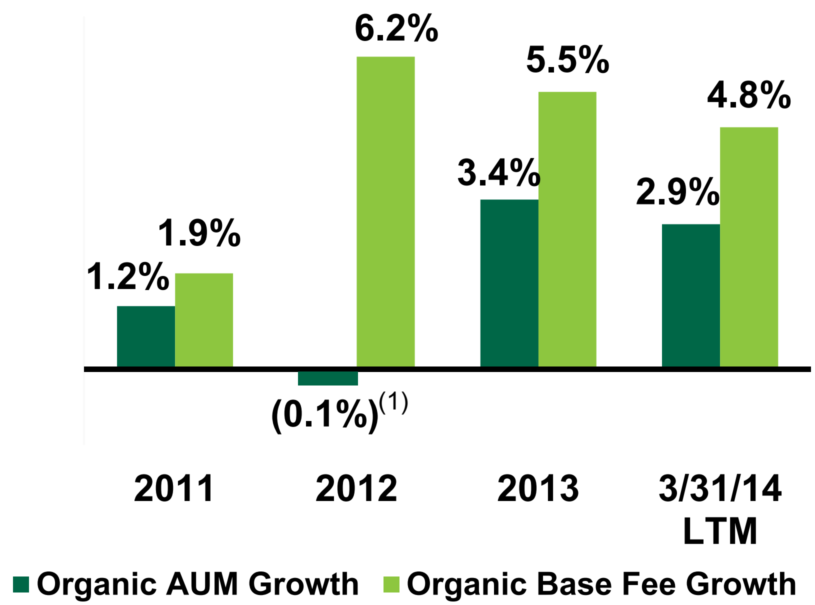
	Retail	*iShares*	Institutional
Growth targets	High single-digit	Low double-digit	Low single-digit
Outcomes & Solutions	✓	✓	✓
Alternatives	✓	✓	✓
iShares	✓	✓	✓
Retirement	✓	✓	✓
Global Reach	✓	✓	✓

Focus on organic base fee growth

1Q14 Financials by Client Type



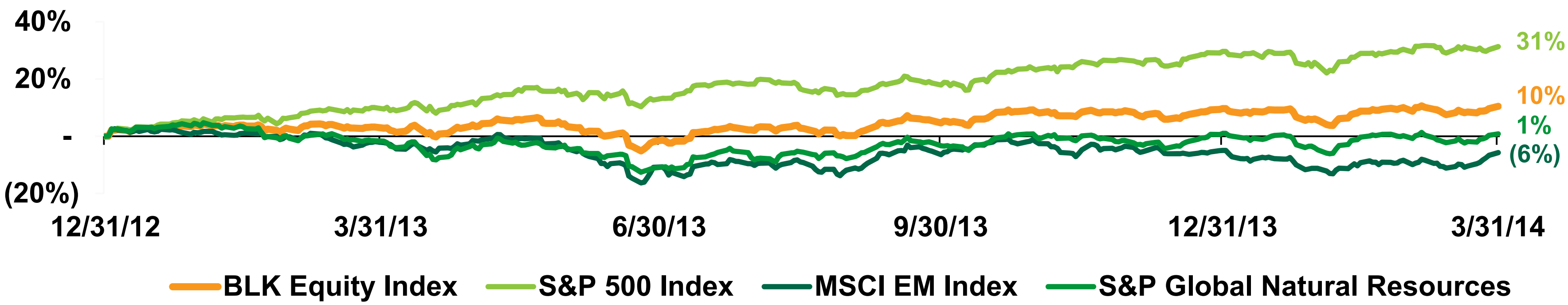
Organic AUM & Base Fee Growth



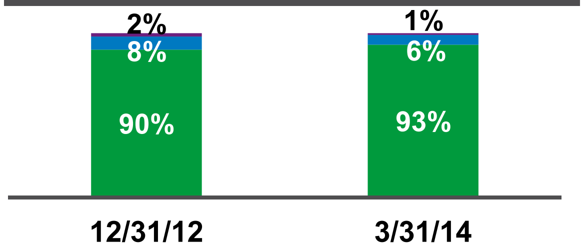
Note: AUM and base fees for long-term assets only which do not include cash management and advisory AUM.
(1) Includes the impact of two single client low-fee institutional index fixed income outflows in 2012.

Divergent beta impacting equity fee rate

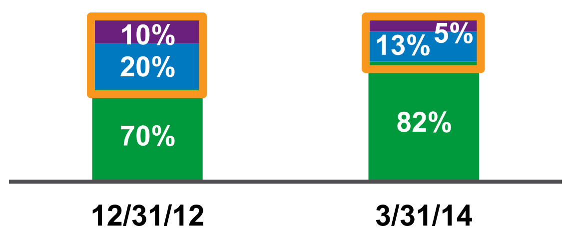
All beta is not created equal



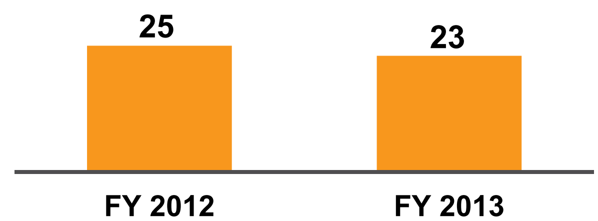
Equity AUM Weighting



Equity Base Fee Weighting



Equity Fee Rate (bps)



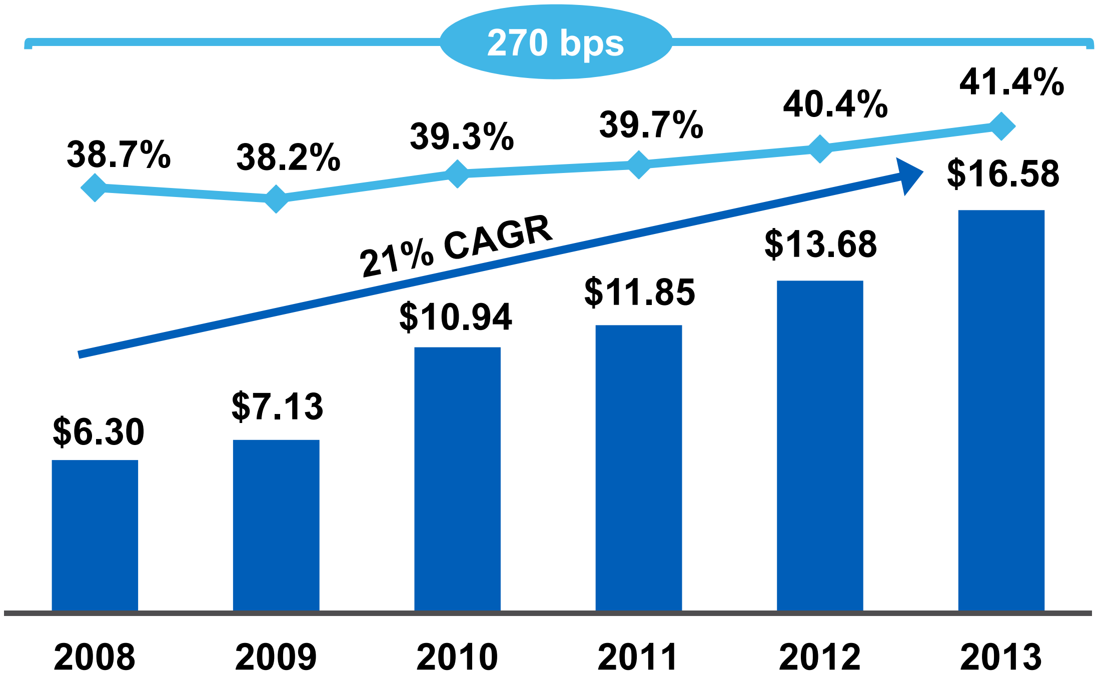
■ Developed Markets ■ Emerging Markets ■ Commodities & Natural Resources ■ Total

BLACKROCK®

Note: Equity base fee weighting based on run-rates as of the respective dates. Equity fee rates based on revenue and average AUM in calendar year.

Proven ability to leverage scale

Adjusted EPS and Operating Margin



Scale Drivers

- Index
- Technology
- Brand
- Infrastructure

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.

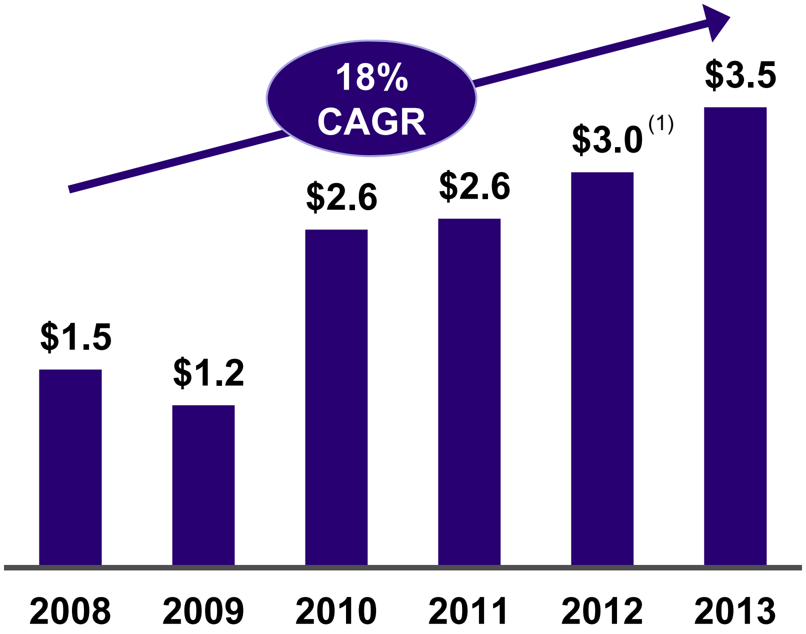
BlackRock's balance sheet is asset-lite

Balance Sheet as of 3/31/14 ($bn)	GAAP	Economic / Tangible
Cash and Accts Receivable	$7.3	$7.2
Investments	2.1	2.0
Separate Acct Assets and Collateral	172.9	–
Assets of Consolidated VIEs	2.4	–
Goodwill & Intangibles	30.4	–
Other	1.3	1.3
Total Assets	**$216.3**	**$10.4**
Accts Payable and Accrued Liabilities	$2.3	$2.3
Long-term Borrowings	5.9	5.9
Separate Acct Liabilities and Collateral	172.9	–
Liabilities of Consolidated VIEs	2.4	–
Deferred Income Tax Liabilities	5.2	(0.5)
Other	0.9	0.9
Total Liabilities	**$189.6**	**$8.7**
Total Equity	**$26.7**	**$1.7**

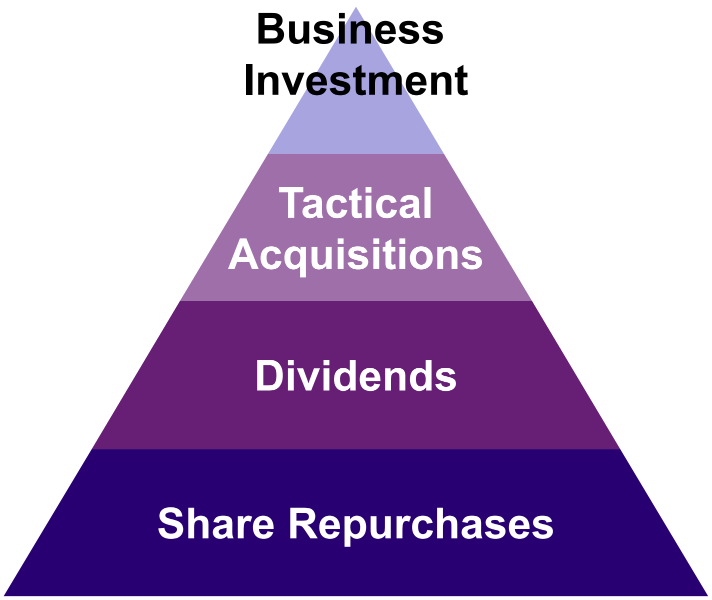
Note: LT Borrowings include $1bn of notes issued in March 2014, in advance of the scheduled repayment of $1bn notes maturing in December 2014.
For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, Form 10-Qs, 8-Ks and the appendix to this presentation.

Strong cash generating business

Operating Cash Flow, as adjusted ($bn)



Prioritization of Cash Use



(1) 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.

Delivering double digit EPS growth

Organic Growth

- *5% annualized long-term organic AUM growth target*
- *Organic revenue growth exceeding organic AUM growth*

\+

Operating Leverage

- *Investing back into the business*
- *Scale driving margin expansion*

\+

Capital Management

- *$2.2bn returned to shareholders in 2013*

=

Double-Digit EPS Growth

- *21% in 2013*
- *21% 5-Year CAGR*

Appendix

Reconciliation between GAAP and as adjusted

($mm, except per share data)

	2008	2009	2010	2011	2012	2013
Operating income						
GAAP	$1,593	$1,278	$2,998	$3,249	$3,524	$3,857
Non-GAAP expense adjustments (1)	69	292	169	143	50	167
As Adjusted	1,662	1,570	3,167	3,392	3,574	4,024
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	4,042
Revenue						
GAAP	5,064	4,700	8,612	9,081	9,337	10,180
Non-GAAP adjustments(2)	(742)	(577)	(510)	(467)	(419)	(405)
Revenue used for operating margin measurement	4,322	4,123	8,102	8,614	8,918	9,775
Operating margin, GAAP basis	31.5%	27.2%	34.8%	35.8%	37.7%	37.9%
Operating margin, as adjusted	38.7%	38.2%	39.3%	39.7%	40.4%	41.4%
Net Income						
Net income attributable to BlackRock, Inc., GAAP basis	784	875	2,063	2,337	2,458	2,932
Non-GAAP adjustments, net of tax (3)	72	146	76	(98)	(20)	(50)
Net income attributable to BlackRock, Inc., as adjusted	856	1,021	2,139	2,239	2,438	2,882
Allocation of net income, as adjusted, to common shares	$828	$995	$2,109	$2,218	$2,435	$2,882
Diluted weighted-average common shares outstanding	131,376,517	139,481,449	192,692,047	187,116,410	178,017,679	173,828,902
Diluted earnings per common share, GAAP basis	$5.78	$6.11	$10.55	$12.37	$13.79	$16.87
Diluted earnings per common share, as adjusted	6.30	7.13	10.94	11.85	13.68	16.58

(1) Non-GAAP expense adjustments include the PennyMac Charitable Contribution, 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 the PennyMac Charitable Contribution, 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.
For further information and reconciliation between GAAP and as adjusted, see notes (1) through (5) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Reconciliation between GAAP and as adjusted

($bn)

	Balance Sheet as of 3/31/14					
	GAAP	Separate Account Assets / Collateral	Investment Vehicles [1]	Goodwill / Intangibles	DTL Related to Goodwill / Intangibles	Economic
Cash and Accts Receivable	$7.3		$0.1			$7.2
Investments	2.1		0.1			2.0
Separate Acct Assets and Collateral	172.9	172.9				0.0
Goodwill & Intangibles	30.4			30.4		0.0
Assets of Consolidated VIEs	2.4		2.4			0.0
Other	1.3					1.3
Total Assets	**$216.3**	**$172.9**	**$2.6**	**$30.4**	**$0.0**	**$10.4**
Accounts Payable and Accrued Liabilities	$2.3					$2.3
Long-term Borrowings	5.9					5.9
Separate Acct Liabilities and Collateral	172.9	172.9				0.0
Liabilities of Consolidated VIEs	2.4		2.4			0.0
Deferred Income Tax Liabilities	5.2				5.7	(0.5)
Other	0.9					0.9
Total Liabilities	**$189.6**	**$172.9**	**$2.4**	**$0.0**	**$5.7**	**$8.7**
Total Equity	**$26.7**	**$0.0**	**$0.2**	**$30.4**	**($5.7)**	**$1.7**

(1) Investment vehicles includes consolidated VIEs and consolidated sponsored investment funds.
Balances may not foot due to rounding
For further information and reconciliation between GAAP and as adjusted, see notes (1) through (5) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Reconciliation between GAAP and as adjusted

($mm)	2008	2009	2010	2011	2012	2013
Operating Cash Flows						
GAAP	$1,916	$1,399	$2,488	$2,826	$2,240	$3,642
(–) Non-GAAP adjustments [1]	413	168	(77)	178	(483)	149
As Adjusted	$1,503	$1,231	$2,565	$2,648	$2,723	$3,493
Investing Cash Flows						
GAAP	($394)	($5,519)	($627)	($204)	($266)	($483)
(–) Non-GAAP adjustments [1]	(9)	31	(52)	24	(211)	39
As Adjusted	($385)	($5,550)	($575)	($228)	($55)	($522)
Financing Cash Flows						
GAAP	($887)	$6,749	($3,170)	($2,485)	($944)	($3,392)
(–) Non-GAAP adjustments [1]	(410)	(185)	110	(71)	631	(207)
As Adjusted	($477)	$6,934	($3,280)	($2,414)	($1,575)	($3,185)

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

For further information and reconciliation between GAAP and as adjusted, see notes (1) through (5) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

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