Forward-looking statements

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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.; (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.

This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations in the appendix to this presentation and BlackRock’s other periodic reports.
BlackRock: Built for Change

Geraldine Buckingham
Global Head of Corporate Strategy
Challenging market dynamics are impacting our clients’ ability to meet their investment needs.

### Cash Deposits ($tn)

- **1995**: $14
- **2005**: $4
- **2015**: $22

### Funding Deficits in US Public Pension Plans ($bn)

- **2014**: $510
- **2015**: $597

**Note**: China figure is as of November 2015, US and Japan figures are as of December 2015.

**Source**: Cash deposit data from Federal Deposit Insurance Corp (FDIC), People’s Bank of China, WMR exchange rates; Bank of Japan, WMR exchange rate. Funding deficits data from P&I March 2016.
Several trends are reshaping the investment environment

- **An evolving market paradigm** that is characterized by muted market growth, low-rates and central bank policy divergence

- **Rapid advancements in technology** that are changing how money is managed, how risk is measured and how clients interact with their investments

- **Regulatory change** that is both reshaping industry economics and significantly increasing the cost of compliance

- **Demographic shifts** that are increasing the **retirement obligations** faced by both pension plans and individuals

- **An increased appetite for both sustainable and socially responsible investing**
Client needs are changing – and asset managers must evolve

New drivers of alpha

Technology to increase convenience, transparency and access to information

Outcomes and solutions delivered through asset allocation, portfolio construction and risk management

Impact and infrastructure offerings

<table>
<thead>
<tr>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Active Equity and Fixed Income</td>
</tr>
<tr>
<td>✓ Multi-asset</td>
</tr>
<tr>
<td>✓ Alternatives</td>
</tr>
<tr>
<td>✓ ETFs</td>
</tr>
<tr>
<td>✓ Factors / Smart Beta</td>
</tr>
<tr>
<td>✓ Technology and Digital Advice</td>
</tr>
<tr>
<td>✓ Risk Management</td>
</tr>
</tbody>
</table>

Impact and infrastructure offerings

Technology and Aladdin
Changing client needs align with higher industry growth areas

Expected Annualized Global Industry Organic Growth 2016-2020

Targeted Growth

Moderate Growth

High Growth

<table>
<thead>
<tr>
<th>Active Equity</th>
<th>Active Fixed Income</th>
<th>Asset Management Industry</th>
<th>Non-ETF Index</th>
<th>Alternatives</th>
<th>Bundled Multi-Asset</th>
<th>Factors &amp; Smart Beta</th>
<th>ETFs</th>
<th>Digital / Robo Advice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td></td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>4%</td>
<td>11%</td>
<td>12%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Unparalleled platform breadth and strength

### Category
- **Targeted Growth**: BLK positioned to capture share
  - Active Equity
  - Active Fixed Income

- **Moderate Growth**: BLK positioned to capitalize on market growth
  - Non-ETF Index
  - Alternatives
  - Multi Asset

- **High Growth**: BLK leveraging platform to invest for the future
  - ETFs
  - Factors
  - Infrastructure
  - Digital / Robo Advice

### BLK Organic Growth vs. Industry
- Active Equity: ↑
- Active Fixed Income: ↑
- Non-ETF Index: ←
- Alternatives: ↑
- Multi Asset: ↑
- ETFs: ←
- Factors: ↑
- Infrastructure: ↑
- Digital / Robo Advice: ↑

### BLK Top 10 Player (AUM)
- Yes

---


- † Above market
- ↔ In-line with market
- ↓ Below market
Differentiated growth in active management

Asset Management Industry Revenue (2014)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue (2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Industry</td>
<td>$283bn</td>
</tr>
<tr>
<td>Total Active</td>
<td>$264bn</td>
</tr>
<tr>
<td>Active Equity &amp; Fixed Income</td>
<td>$123bn</td>
</tr>
<tr>
<td>Index</td>
<td>$18bn</td>
</tr>
</tbody>
</table>

BlackRock Unconstrained Active Fixed Income

2015 Organic AUM Growth

- 37%
- 71%
- 45%

Cumulative 3 Year Net New Flows ($bn)

- Strategic Income Opportunities (SIO): $29.1
- SIO Non-U.S. Vehicle: $8.6
- Strategic Municipal Opportunities (SMO): $2.7


(1) This vehicle is not offered for sale in the U.S. or to U.S. persons and will only be offered for sale in jurisdictions in which it is registered.
Share gains and secular tailwinds in alternatives

Alternatives Industry AUM ($tn)

BlackRock Alternatives

- Hedge Funds
  - Hedge Fund Solutions
- Retail Alternatives
- Private Equity Solutions
  - Private Credit
- Real Estate
  - Infrastructure
- Alternative Solutions

2014

-$8$

BLK Share: 1%

2020E

$13$

BlackRock AUM

Rest of Alternatives Industry AUM

## Market leadership in ETFs

### ETF Industry AUM ($tn)

<table>
<thead>
<tr>
<th>Date</th>
<th>Rest of ETF Industry AUM</th>
<th>iShares AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/11</td>
<td>$0.6</td>
<td>$0.9</td>
</tr>
<tr>
<td>12/31/12</td>
<td>$0.8</td>
<td>$1.2</td>
</tr>
<tr>
<td>12/31/13</td>
<td>$0.9</td>
<td>$1.4</td>
</tr>
<tr>
<td>12/31/14</td>
<td>$1.0</td>
<td>$1.7</td>
</tr>
<tr>
<td>12/31/15</td>
<td>$1.1</td>
<td>$1.9</td>
</tr>
<tr>
<td>2020E</td>
<td>$6.0</td>
<td></td>
</tr>
</tbody>
</table>

### iShares Industry Positioning

<table>
<thead>
<tr>
<th>Provider</th>
<th>Global</th>
<th>U.S.</th>
<th>Europe</th>
<th>Equity</th>
<th>Fixed Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>iShares</td>
<td>38%</td>
<td>39%</td>
<td>46%</td>
<td>35%</td>
<td>52%</td>
</tr>
<tr>
<td>Vanguard</td>
<td>18%</td>
<td>23%</td>
<td>4%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>State Street</td>
<td>15%</td>
<td>20%</td>
<td>3%</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>All others</td>
<td>29%</td>
<td>18%</td>
<td>47%</td>
<td>30%</td>
<td>22%</td>
</tr>
</tbody>
</table>

**Source:** Bloomberg; McKinsey and BlackRock Corporate Strategy estimates 2015.
BlackRock’s investment platform enables creation of holistic solutions for clients.
Clients’ ability to meet their goals is being affected by both short term market challenges and longer term secular trends – and asset managers must adapt to deliver growth.

BlackRock is built to meet client needs – and we are well-positioned in areas of current and future growth.

BlackRock’s technology-enabled, multi-asset platform is a true differentiator.
Active Management

Rob Kapito
President
$4.7 trillion in total assets across diverse investment platform

BlackRock Snapshot

<table>
<thead>
<tr>
<th>Long-Term AUM By Style</th>
<th>Long-Term Base Fees by Style</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$4.4TN</strong> Long-Term AUM</td>
<td><strong>$9.5BN</strong> 2015 Long-Term Base Fees</td>
</tr>
<tr>
<td><strong>$0.3TN</strong> Cash &amp; Advisory AUM</td>
<td>Equity Fixed Income Multi-Asset Alternatives</td>
</tr>
</tbody>
</table>

Long-Term AUM By Style:
- Active: 34%
- Index: 41%
- iShares: 25%

Long-Term Base Fees by Style:
- Active: 54%
- Index: 11%
- iShares: 35%

Note: Long-term excludes Cash and Advisory. Base fees represent full year 2015 and include investment advisory, administration fees and securities lending only. AUM as of 3/31/16.
Value of alpha enhanced in a challenging market environment

The era of supernormal returns has ended

Average annualized industry returns by asset class:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. High Yield</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>Global Equities</td>
<td>18%</td>
<td>4%</td>
</tr>
<tr>
<td>U.S. Equities</td>
<td>(3%)</td>
<td>(0%)</td>
</tr>
</tbody>
</table>

Example: Value of alpha

Total Portfolio Return

In a lower beta environment, 2.5% alpha is significantly more impactful

BlackRock has generated flows into both active and index

**Global Industry Flows**

<table>
<thead>
<tr>
<th>Year</th>
<th>Active</th>
<th>Index &amp; ETFs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$397</td>
<td>$432</td>
</tr>
<tr>
<td>2014</td>
<td>$616</td>
<td>$91</td>
</tr>
<tr>
<td>2015</td>
<td>$630</td>
<td>($340)</td>
</tr>
</tbody>
</table>

**BlackRock Long-term Net Flows**

<table>
<thead>
<tr>
<th>Year</th>
<th>Active</th>
<th>Index &amp; iShares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$41</td>
<td>$76</td>
</tr>
<tr>
<td>2014</td>
<td>$34</td>
<td>$147</td>
</tr>
<tr>
<td>2015</td>
<td>$61</td>
<td>$92</td>
</tr>
</tbody>
</table>

**Contribution to Long-term Net New Base Fees**

- 2013: 48%
- 2014: 52%
- 2015: 36%

**Note:** Data excludes MMFs and FoFs.

BlackRock has delivered alpha to clients consistently over time

Over the last 10 years, BlackRock has generated a total of $55 billion of alpha above relevant benchmarks for our active clients.

**Active long-term performance in dollars**

Over the last 10 years, BlackRock has generated a total of $55 billion of alpha above relevant benchmarks for our active clients.

**Asset class mix of alpha dollars**
- Equity: 36%
- Fixed Income: 53%
- Multi-asset: 10%

**Long-term relative performance**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>3-year</th>
<th>5-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Fixed Income</td>
<td>85%</td>
<td>58%</td>
</tr>
<tr>
<td>Fundamental Equity</td>
<td>89%</td>
<td>52%</td>
</tr>
<tr>
<td>Scientific Equity</td>
<td>84%</td>
<td>97%</td>
</tr>
</tbody>
</table>

Note: As of 3/31/16. Alpha excludes alternatives and is gross of fees. Source of performance information and peer medians is BlackRock and is based in part on data from Lipper for U.S. funds and Morningstar for non-U.S. funds.
Strong global Fundamental Active Equity performance

Long-term relative performance

% of Assets above Benchmark or Peer Median
as of 3/31/16

<table>
<thead>
<tr>
<th>Region</th>
<th>1-year</th>
<th>3-year</th>
<th>5-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAE</td>
<td>64%</td>
<td>58%</td>
<td>52%</td>
</tr>
<tr>
<td>EMEA FAE</td>
<td>71%</td>
<td>74%</td>
<td>76%</td>
</tr>
<tr>
<td>APAC FAE</td>
<td>76%</td>
<td>83%</td>
<td>80%</td>
</tr>
<tr>
<td>U.S. FAE</td>
<td>54%</td>
<td>38%</td>
<td>23%</td>
</tr>
</tbody>
</table>

($ in billions)

AUM  | $206\(^{(1)}\) | $71 | $20 | $107
2015 NNB | $1.9 | $1.3 | $3.8 | ($4.4)
2015 Organic Growth | 1% | 2% | 19% | (4%)

Note:
1. NNB represent full year 2015. AUM as of 3/31/16.
(1) Total FAE also includes $7.5bn of Latin America & Iberia, Canada and Caribbean AUM.
Scale active franchises delivering alpha – and driving growth

3-year average active return vs. Morningstar category average or benchmark

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Return</th>
<th>AUM at 3/31/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Income Opportunities (SIO) Fund</td>
<td>+1.79%</td>
<td>$30bn</td>
</tr>
<tr>
<td>Total Return Fund</td>
<td>+1.42%</td>
<td>$14bn</td>
</tr>
<tr>
<td>Pan European Equity Income Composite</td>
<td>+4.58%</td>
<td>$7bn</td>
</tr>
<tr>
<td>Health Sciences Opportunities Fund</td>
<td>+1.85%</td>
<td>$6bn</td>
</tr>
<tr>
<td>Asian Equities Composite</td>
<td>+3.59%</td>
<td>$9bn</td>
</tr>
</tbody>
</table>

AUM at 3/31/13: $5bn (Taxable Fixed Income), $9bn (Fundamental Equity)

Note: Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Refer to www.blackrock.com for current month-end performance.

For U.S. funds (SIO, Total Return, Health Sciences), relative performance represents that of the Institutional share class versus Morningstar Category Average.
For International composites (Pan European Equity Income, Asian Equities), relative performance represents net excess returns versus benchmark. Please see the end of this presentation for important disclosures related to these composites.

Note: Performance as of 3/31/16. Size of bubble represents entire strategy AUM as of 3/31/16.
BlackRock is positioned to deliver alpha for our clients
Active Fixed Income

Active Fixed Income Snapshot

$754bn of LT AUM

400+ investment professionals\(^{(1)}\)

Tim Webb
23 years in industry
16 years at BlackRock

Global Fixed Income Snapshot

$1.5tn Active & Passive AUM

1 Global Fixed Income platform

Fundamental
Global Credit
Municipals
Model Based
Fixed Income Beta

Note:
Data as of 3/31/16 per BlackRock public filings.
Excludes Product Strategy & Business Management.
Market dynamics creating unprecedented fixed income landscape

- **Diminished FI Supply vs. Increased Demand**
- **Persistent Low and Negative Interest Rates**

**Implications**

Clients (e.g. insurance firms, pensions) will require differentiated active fixed income solutions
Evolving client needs have implications for active managers.

**Client Needs**

- **Flexibility**: Seek relaxation of benchmark + style constraints

**Efficient Low Cost Beta Exposures**

**Diversification**: Fully leverage the breadth of BlackRock’s global capabilities to source unique opportunities

**Risk/Loss Management**: Deliberately manage “tail-risk” through hedging to help minimize volatility and seek attractive risk-adjusted returns

**Non-traditional active FI solutions that provide attractive yield**
BlackRock’s Fixed Income differentiators

**Talent**

**Investment expertise, scale and global reach**
- 400+ fixed income professionals covering every sector of the market

**Solutions**

**Diversification across investment styles, strategies, risk/return profiles**
- $754bn in Active Fixed Income AUM across fundamental and model-based approaches

**Trading & Liquidity Platform**

**Better liquidity and lower trading costs: Platform Alpha**
- Scale and trading volume often allow us to cross buyers and sellers without having to transact in the market.

Source: Per BlackRock public filings.
Active Equity: Focus on Fundamental

Active Equity Snapshot

$276bn of LT AUM
250+ investment professionals\(^{(1)}\)
1 unified fundamental and scientific active equity platform
26 teams
10 countries

Fundamental Active Equity Snapshot

$206bn of LT AUM
190 investment professionals\(^{\ast}\)
Nigel Bolton
31 years in industry
8 years at BlackRock

Note: Data as of 3/31/16 per BlackRock public filings.
\(^{(1)}\) Excludes Product Strategy & Business Management.
Scale and global reach drive differentiated alpha generation

Global network includes 250+ equity investors worldwide

Specialist model with 27 equity investment teams on 5 continents across 10 countries

All leverage BlackRock’s full platform across equity, fixed income, multi-asset and alternatives

Note: Data as of 12/31/15. Chart represents investment centers.
BlackRock’s approach to active equity management

1. Connectivity across the platform
2. Investment skill & proven market expertise
3. Innovation through changing market environment

Technology and Aladdin

BlackRock Investment Institute

1,800+ investment professionals with domain expertise across asset classes and multidisciplinary fields

Talent

Data Expertise

Data science expertise, with teams dedicated to applying text analysis and machine learning to investing
Creating Europe’s #1 Active Equity franchise

<table>
<thead>
<tr>
<th>European Equity Franchise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Substantial growth</strong></td>
</tr>
<tr>
<td><strong>Delivering for clients through volatile markets</strong></td>
</tr>
<tr>
<td><strong>Diverse product range to meet client needs</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AUM ($bn)(^{(1)})</th>
<th>2008</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4</td>
<td></td>
<td>$41</td>
</tr>
</tbody>
</table>

Example:
- Pan European Equity Income Composite\(^{(2)}\)
  - 460 bps
  - 3-yr average net return vs. Benchmark

Core long-only
Outcomes
- income, unconstrained
Alternatives
- absolute return, hedge funds

\(^{(1)}\) BlackRock AUM as of 12/31/08 and 3/31/16 in USD.
\(^{(2)}\) Please see the end of this presentation for important disclosures related to the Pan European Equity Income Composite.
Active Equity: Focus on Scientific

Active Equity Snapshot

$276bn of LT AUM
250+ investment professionals\(^{(1)}\)
1 unified fundamental and scientific active equity platform
26 teams
10 countries

Scientific Active Equity Snapshot

$71bn of LT AUM
82 investment professionals\(^{(1)}\)
Raffaele Savi
18 years in industry
10 years at BlackRock

Note: Data as of 3/31/16 per BlackRock public filings.
\(^{(1)}\) Excludes Product Strategy & Business Management.
Where insights come from

Relevant

Fundamentals
Macro Trends
Business Strategy
Competitive Dynamics
Quality of Management

Possible

Big Data
Machine Learning
Natural Language Processing
Cloud Computing
Computer Vision
Text
Internet Search
Social Media
Satellite Images
Sensors
Conference calls: Measuring sentiment through text analysis

- BlackRock algorithms “read” over 5,000 earnings call transcripts every quarter
- Turn unstructured textual information into statistical form, compare to same stock in the past, compare to peers and ranks
- First generation signal (confcall) using simple standard equally weighted sentiment dictionary has proven to be effective
- Next signal learns what dictionary to use for each stock at each point in time

Source: Data as at 9/30/15 per BlackRock research.
Tracking the consumption purchasing process with Big Data

- Online Search
- GPS traffic data
- E-transactions receipts
- Booked sales
- Website traffic
- Satellite images
- Credit card data

More leading

More accurate
### Risk Management

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>Fixed Income</td>
</tr>
<tr>
<td></td>
<td>Multi Asset</td>
</tr>
<tr>
<td></td>
<td>Beta Strategies</td>
</tr>
<tr>
<td></td>
<td>Alternatives</td>
</tr>
<tr>
<td>6,000 accounts</td>
<td>550 representative accounts</td>
</tr>
<tr>
<td>124 portfolio teams</td>
<td>No house view</td>
</tr>
<tr>
<td>Top-down and bottom-up approach</td>
<td></td>
</tr>
</tbody>
</table>

### Investment, Counterparty and Enterprise Risk

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 countries</td>
<td>230 risk managers</td>
</tr>
<tr>
<td>Ed Fishwick</td>
<td>30+ years in industry</td>
</tr>
<tr>
<td></td>
<td>13 years at BlackRock</td>
</tr>
</tbody>
</table>

**Note:** Data as of 3/31/16 per BlackRock public filings.
Risk & Quantitative Analysis

1. Aladdin is the bedrock of our risk platform

2. Identification and calibration of risk

3. Risk modelling and management is a dynamic problem

4. Portfolio design: Deliberate, Diversified, Scaled

5. Communication, dialogue and interaction

**Portfolio Risk Tool:**
Risks decompositions, scenario analysis, optimizations in one single tool

**Example: SCENARIO ANALYSIS**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Risk Factor</th>
<th>Implied Shock (bps)</th>
<th>Implied Shock in σ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Styles</td>
<td>Value</td>
<td>-1.4</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Dividend Yield</td>
<td>-4.8</td>
<td>-0.2</td>
</tr>
<tr>
<td></td>
<td>Growth</td>
<td>-2.1</td>
<td>-0.1</td>
</tr>
<tr>
<td></td>
<td>Momentum</td>
<td>-4.9</td>
<td>-0.1</td>
</tr>
<tr>
<td>Equity Sector</td>
<td>Global Financials</td>
<td>141.0</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>Global Materials</td>
<td>109.2</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Global Technology</td>
<td>100.7</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Global Utilities</td>
<td>112.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Equity Markets</td>
<td>MSCI EM - MSCI DM</td>
<td>34.2</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>MSCI Europe</td>
<td>200.0</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>FTSE100</td>
<td>140.6</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>S&amp;P500</td>
<td>100.0</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>MSCI World</td>
<td>124.9</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>MSCI Japan</td>
<td>153.3</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>VIX Implied Vol</td>
<td>-152.0</td>
<td>-0.4</td>
</tr>
</tbody>
</table>
Innovative investment approach to harness complementary, diversified sources of alpha

Understanding Risk and Return

Illustrative

<table>
<thead>
<tr>
<th>Time Horizon</th>
<th>Short-Term</th>
<th>Medium-Term</th>
<th>Long-Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro-structure Effects</td>
<td>Transient Factors</td>
<td>Sentiment &amp; Themes</td>
<td>Company-specific Fundamentals (Growth)</td>
</tr>
<tr>
<td>Reversals</td>
<td>Macro Shocks</td>
<td>Economic Influences</td>
<td>Persistent Factors</td>
</tr>
</tbody>
</table>

Persistant Factors

36
Ability to construct multi-asset investment solutions

- Equities
  - Active Products
  - Passive Products

- Multi-Asset Products & Solutions
  - Asset Allocation Models
  - Factors
  - ESG

- Fixed Income
  - Active Products
  - Passive Products

Technology and Aladdin

- Risk & Quantitative Analysis
- BlackRock Investment Institute
- Trading & Liquidity Strategies
Institutional

Mark McCombe
Global Head of Institutional Client Business and
Co-Head of BlackRock Alternative Investors
BlackRock Institutional

**Long-Term AUM**

- $2.8TN
- 63%

**Long-Term Base Fees**

- $2.8BN
- 30%

---

**Contribution to BlackRock**

- Long-Term AUM: $2.8TN
- Long-Term Base Fees: $2.8BN

---

**Long-Term AUM By Asset Class**

- 63%
- 24%
- 10%
- 3%

**Long-Term Base Fees By Asset Class**

- 34%
- 32%
- 18%
- 16%

---

**Note:** Long-term excludes Cash and Advisory. Base fees represent full year 2015 and include investment advisory, administration fees and securities lending only. AUM as of 3/31/16.
Our clients face a challenging investing environment

**Key Trends Impacting Clients**

- Evolving Market Paradigm
- Critical Retirement Funding Gaps
- Regulatory Change
- Political Headwinds

**Client Types**

<table>
<thead>
<tr>
<th>Defined Contribution Plans</th>
<th>Defined Benefit Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Companies</td>
<td>Official Institutions</td>
</tr>
<tr>
<td>Foundations and Endowments</td>
<td>Corporations</td>
</tr>
</tbody>
</table>
Understanding client challenges drives institutional framework

1. Partner with our clients to deliver investment solutions that work
2. Increase product diversification
3. Pivot to higher value-add capabilities
Creating partnerships to reflect the needs of each client

BlackRock seeks to understand each client's strategic and tactical considerations...

<table>
<thead>
<tr>
<th>Investment/Policy Objectives</th>
<th>Balance Sheet Assessment</th>
<th>Constituencies</th>
<th>Risk Tolerance</th>
<th>Regulatory/Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital preservation</td>
<td>Assessment</td>
<td>Regulators</td>
<td>Credit</td>
<td>Regulatory restrictions</td>
</tr>
<tr>
<td>Liquidity</td>
<td>Optimization</td>
<td>Boards</td>
<td>Cash flow</td>
<td>Transparency</td>
</tr>
<tr>
<td>Diversification</td>
<td>Portfolio restructuring</td>
<td>Management</td>
<td>Currency</td>
<td>Accounting regime</td>
</tr>
<tr>
<td>Multi-Asset</td>
<td>Security disposition</td>
<td>Internal staff</td>
<td>Duration / yield curve</td>
<td>Tax considerations</td>
</tr>
<tr>
<td>Product solutions</td>
<td>Stress testing</td>
<td>Rating Agencies</td>
<td>Liquidity</td>
<td>Operational issues</td>
</tr>
</tbody>
</table>

...and create a partnership customized across several dimensions

<table>
<thead>
<tr>
<th>Investment/Policy Objectives</th>
<th>Specialists</th>
<th>Transparency</th>
<th>Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breadth across asset classes</td>
<td>Specialized account management</td>
<td>Risk reporting</td>
<td>Capital markets network</td>
</tr>
<tr>
<td>Financial Markets Advisory</td>
<td>Global long-term relationships</td>
<td>Custom reporting websites</td>
<td>BII research</td>
</tr>
<tr>
<td>Aladdin® Investment Platform</td>
<td>Extensive background serving</td>
<td>Regulatory insights</td>
<td>Training programs and events</td>
</tr>
<tr>
<td>Green Package® Risk Analysis</td>
<td>diverse base of institutional clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle and back office outsourcing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Partnering with our clients to deliver investment solutions that work: Case Study

**Client Needs:**
- Reduce balance sheet risk exposure to fluctuations in local government bond rates
- Maintain portfolio returns / yield
- Achieve Buy & Hold / Available-for-Sale accounting treatment

**BlackRock’s unique approach: Solution outcome**
- Step 1: Unconstrained SAA
  - Model range of asset classes to build custom efficient frontier using Aladdin technology
- Step 2: Insurance Constrained AA
  - Refine AA to achieve yield
  - Identify optimal portfolio as basis for strategy selection
- Step 3: Select Individual Strategies
  - Decompose portfolio into traditional and alts allocations
  - Multi-asset optimization of strategies / styles
- Step 4: Implementation Refinement
  - Review asset classes, liquidity and regulatory / accounting
  - Identify investment vehicles and plan implementation

**European insurance company with nearly $70 billion in assets**

**BlackRock’s unique approach: Solution outcome**

**BlackRock’s unique approach: Solution outcome**
Increasing product diversification

In 1Q13:
38% of top 500 clients owned 3 or more products

In 1Q16:
49% of top 500 clients owned 3 or more products

Multi-asset capabilities driving growth of long-term client relationships
- 84% of top 50 clients own 3 or more products
- 86% of top 50 clients hold both active and index products
Pivoting to higher value-add capabilities

$100bn+ Core Alternatives Platform

Core Alternatives AUM

$50bn

$15bn

$25bn

$12bn

$2bn

Hedge Funds

Hedge Fund Solutions

Retail Alternatives

Private Equity Solutions

Private Credit

Real Estate

Infrastructure

Alternative Solutions

Unfunded Commitments(1)

Core Alternatives Flows ex-Return of Capital(2) ($bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flows</td>
<td>$1.5</td>
<td>$0.2</td>
<td>$5.7</td>
<td>$6.5</td>
<td>$7.3</td>
</tr>
</tbody>
</table>

Organic Asset Growth(2)

2% 0% 8% 8% 8%

(1) Unfunded commitments are non-fee earning during the commitment phase and are not included in disclosed net AUM.

(2) Flows exclude Return of Capital and unfunded commitments. Return of Capital represents the return of client money resulting from investment divestitures of illiquid alternatives mandates. AUM as of 3/31/16.
Global Alternatives Industry AUM Growth\(^{(1)}\) ($tn)

<table>
<thead>
<tr>
<th>Year</th>
<th>AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 AUM</td>
<td>$8</td>
</tr>
<tr>
<td>Growth from</td>
<td>$2</td>
</tr>
<tr>
<td>Retail and</td>
<td></td>
</tr>
<tr>
<td>Wealth</td>
<td></td>
</tr>
<tr>
<td>Growth from</td>
<td>$2</td>
</tr>
<tr>
<td>Institutions</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$1</td>
</tr>
<tr>
<td>2020E AUM(^{(2)})</td>
<td>$13</td>
</tr>
</tbody>
</table>

2014-2020E Alternatives CAGR 10%

Why BlackRock?

1. **Reputation**
   - Deal sourcing advantages
   - Fiduciary relationships

2. **Investment Expertise**
   - Deep talent bench
   - Technology core

3. **Solutions Orientation**
   - Broad expertise
   - Liquid and illiquid offerings

---

(2) 2020 numbers sourced from BlackRock Corporate Strategy estimates 2015.
...and deliver higher value-add capabilities

<table>
<thead>
<tr>
<th>2015 Global Institutional Industry AUM ($tn)</th>
<th>BlackRock Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>AUM(1)</td>
</tr>
<tr>
<td>Index (ex. ETFs)</td>
<td>7%</td>
</tr>
<tr>
<td>Active (ex. Alts)</td>
<td>21%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>1%</td>
</tr>
</tbody>
</table>


(1) Industry AUM and BlackRock market share as of 12/31/2015.
(2) Industry revenues and BlackRock market share for full year 2014.
Changing client needs are driving positive mix shift

### 2015 Global Institutional Long-Term Flows

- **($43bn)**
  - **$24bn**
  - **$3bn**
  - **($16bn)**

### Note:
- Flows data for full year 2015.
- Long-term includes equity, fixed income, multi-asset and alternatives mandates.
- Alternatives flows include return of capital of $3.3bn.

### Annualized Global Institutional Long-Term Base Fee Impact

- **($9mm)**
  - **$80mm**
  - **$30mm**
  - **$101mm**

### Average Mgmt. Fee
- **Index:** $2
- **Active ex-Alts:** $34
- **Alternatives:** $97
- **Total Institutional:** $101

### Source:
BlackRock finance.

### Note:
- Flows data for full year 2015. Long-term includes equity, fixed income, multi-asset and alternatives mandates. Alternatives flows include return of capital of $3.3bn.
BlackRock Institutional

1. Partner with our clients to deliver investment solutions that work

2. Increase product diversification

3. Pivot to higher value-add capabilities
Real Assets

Jim Barry
Global Head of Real Assets
BlackRock Real Assets

Contribution to BlackRock

$29BN AUM(1)

700+ Clients

300+ Professionals

22 Global Offices

Real Estate AUM by Region $21BN

Infrastructure AUM(1) by Product $8BN

Note: AUM as of 3/31/16.
(1) Includes $4bn of non-fee-earning unfunded commitments.
Broad asset class seeking to deliver a variety of investment outcomes

**Tangible Real Assets**

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Real estate</th>
<th>Natural real assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; power</td>
<td>Office</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Transport</td>
<td>Retail</td>
<td>Timber</td>
</tr>
<tr>
<td>Social</td>
<td>Apartments</td>
<td></td>
</tr>
<tr>
<td>Water &amp; waste</td>
<td>Industrial</td>
<td></td>
</tr>
</tbody>
</table>

**Investment Objectives**

- ✔️ Long-term stable cash flows
- ✔️ Return enhancement
- ✔️ Diversification
- ✔️ Inflation linkage
Trends driving growth and change in Real Assets

- Rapid advancements in technology
- Fast growing cities
- Sustainable and socially responsible investing
- Government focus
- Expansion and blending of the investment universe
Real Assets projected to be a fast growing alternatives sector

Source: PwC as of 8/17/15.

(1) Other Alternatives includes private equity, hedge funds and funds of hedge funds.
Our clients intend to increase investment allocations to Real Assets\textsuperscript{(1)}

In our 2016 rebalancing survey, 53% of respondents stated an intent to increase Real Assets allocation this year.

\begin{itemize}
  \item [\textbullet] Decrease Significantly (5%+)
  \item [\textbullet] Decrease Slightly (1-5%)
  \item [\textbullet] Leave Unchanged
  \item [\textbullet] Increase Slightly (1-5%)
  \item [\textbullet] Increase Significantly (5%+)
\end{itemize}

\textsuperscript{(1)} Information reflects BlackRock’s 2016 Global Institutional Rebalancing Survey results. Target respondents were BlackRock’s 174 largest institutional clients globally.
Real Assets are a solution to clients’ investment challenges

% of client respondents citing the following as top factors for increasing allocations to real assets

- Macro environment considerations
- Increase return
- Replace or enhance current income
- Address long-duration liabilities
- Diversify overall portfolio
- Portfolio rebalancing
- Inflation protection

Source: Economic Intelligence Unit Global Infra Survey on behalf of BlackRock as of 10/31/14. Results from 243 surveyed senior executives from insurance and reinsurance companies worldwide.
BlackRock’s reputation, investment expertise and outcome orientation position us well to deliver strong performance.

<table>
<thead>
<tr>
<th>% of client respondents citing the following as challenges when investing in private market assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to opportunities</td>
</tr>
<tr>
<td>Portfolio pricing and transparency</td>
</tr>
<tr>
<td>Modelling risk factors / performing scenario analysis / accessing historical data</td>
</tr>
<tr>
<td>Understanding regulatory treatment / regulators’ view of the asset class</td>
</tr>
<tr>
<td>Conducting manager searches / knowing which questions to ask during due diligence</td>
</tr>
</tbody>
</table>

BlackRock is well positioned to address investors’ challenges with execution:

- Deal Access
- Due Diligence
- Managing Assets
- Resources

Source: Economic Intelligence Unit Global Infra Survey on behalf of BlackRock as of 10/31/14. Results from 243 surveyed senior executives from insurance and reinsurance companies worldwide.
Outcome Orientation: BlackRock Real Assets strategies span the entire risk / return spectrum

BlackRock strategies designed to address client needs and preferences, including:

- Income/yield
- Return/appreciation
- Liquidity needs
- Risk tolerance
- Inflation protection
- Levered/unlevered

Note: Represents BlackRock’s Real Assets strategies as at June 2016.
BlackRock’s platform and reputation as a trusted fiduciary is resonating in our Infrastructure offering.

- Investment needs of $71TN through 2030\(^1\)
- Funding gaps given bank and public utility constraints
- Governmental support for private investment

Global Infrastructure Investment Needs

Client Needs

- Long duration assets and stable returns
- Income in low interest rate environment
- Diversification
- Risk aversion
- Inflation protection
- Transparency

\(^1\) OECD “Fostering Investment in Infrastructure” published in January 2015.
BlackRock’s global network and reputation as a local partner

**Real Estate**

- Office Buildings in Asia
- Apartments in New York

- Own or developing over **13,000** individual apartment units in the US
- Over **11 million square feet of office space** and **6 million square feet of retail** space globally
- A portfolio of **UK student accommodation** assets comprised of over **2,000 individual units**
- Owner of approximately **170 acres of US land** for residential housing development

**Infrastructure**

- Pipeline in Mexico
- Windfarm in Texas

- Owner of **70 wind and solar projects** globally, generating **clean energy** for over **500,000 homes**
- **9,200km of gas pipelines** providing secure energy supply to manufacturers and households globally – enough distance to cover from Berlin to Mexico
- **15 road and rail assets** for great transport connections
- Owner of **schools, hospitals** and **student accommodations** to serve community social needs

Note: Data as of March 2016.
1. Focus on scalable opportunities that are difficult to replicate in a purely financial way.

2. Use the power of BlackRock’s reputation to have real impact on the world that benefits our investors and society.

3. Develop a common investment language of Real Asset outcomes, risk and factor exposures.
iShares: The Path to $2 Trillion

Mark Wiedman
Global Head of iShares
BlackRock iShares

Contribution to BlackRock

$1.1TN
Long-Term AUM

25%
Long-Term AUM

$3.4BN
Long-Term Base Fees

35%
Long-Term Base Fees

ETF AUM by Asset Class

Equity: 72%
Fixed Income: 26%
Other: 2%

ETF Base Fees by Asset Class

Equity: 82%
Fixed Income: 16%
Other: 2%

Note: Long-term excludes Cash and Advisory. Base fees represent full year 2015 and include investment advisory, administration fees and securities lending only. AUM as of 3/31/16.
The path to $2 trillion

Think of ETFs as a technology

Three structural forces are driving ETF growth

- **Unbundling of alpha & exposures**
- **Growth of fee-based advisory**
- ** Shrinking of bank balance sheets**

How we plan to lead that growth

- Exploit our global strengths
- Serve diverse client segments across the world
- Pursue five product-use segments globally
ETFs as a technology

A security

- Price transparency
  - Real-time
  - Public

- Secondary market liquidity
  - No impact on bank balance sheet

- Simplicity – trades like a stock

An investment tool

- Low cost
- Market exposure
Three structural forces driving ETF usage

- Investors are unbundling alpha and exposures
- Wealth industry is shifting to fee-based advisory
- Bank balance sheets are shrinking
Unbundling of alpha & exposures

Not “active vs. passive”

Our clients are active investors

They use iShares as tools within portfolios

Endangered – sheep in wolves’ clothing
  - Closet indexers
  - Factor huggers
Fueling the shift to fee-based investing

Moving to fee-based advisory
- Disclosure or ban
- Ring-fencing fails
- Advisory pricing goes fee-based
- Price sensitivity rises
- ETFs/lower cost active win share
- Trillions in motion over time

Source: Cerulli, BlackRock 2016.
Shrinking bank balance sheets

ETFs

Fixed income trading

Futures and swaps
Regulators squeezing bank balance sheets

**More bonds, less inventory**

<table>
<thead>
<tr>
<th>Year</th>
<th>($bn)</th>
<th>(-)tn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>2004</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>2006</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>200</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>250</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>350</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>400</td>
<td>-</td>
</tr>
</tbody>
</table>

**Derivatives market shrinking (‘08-’15)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Derivatives</td>
<td>(40%)</td>
</tr>
<tr>
<td>Index CDS</td>
<td>(50%)</td>
</tr>
<tr>
<td>Single Name CDS</td>
<td>(65%)</td>
</tr>
</tbody>
</table>

*Basel: 40% projected increase in trading book capital by 2018*

Source: BlackRock, Bloomberg as of 03/31/2016. Primary Dealer Positions Outright Level of Corporate Securities Due Greater Than 1-yr; Gross Notional Outstanding - % Change. ISDA, BIS. Data as of 6/30/15. Interest Rate Derivatives (‘06-’15); Index CDS (‘08-’15); Single Name CDS (‘08-’15).
Case study: U.S. high yield

HYG trading as a percentage of all HY cash bond trading

Bid-ask spreads: ETF vs. underlying securities

Source: BLK, Bloomberg as of 5/5/16. % 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. 20-day average as of 5/6/16.
How the bond market works

Seller → Dealer → Buyer

Bonds

$
ETFs connect buyers and sellers

Trading directly

Seller -> Dealer -> Buyer

Bonds

$
Resilience under stress: BlackRock HYG during December 2015

HYG as % of total cash bond trading

Secondary market: exchange volume

Primary market: create / redeem volume

Source: BLK, Bloomberg as of 01/20/16. % 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.
The competitive set is large – runway for growth

ETF Competitive Set

Swaps & futures

Closet indexers & factor huggers

ETFs

Single security holdings

Index funds / separate accounts

Investment Assets by Vehicle ($tn)

$160

Fixed Income

$95

Equity

$65

$18

Active

$18

Fixed income

$3tn

Index

$3

ETFs

Global mutual funds

Futures and swaps

Equity and Fixed Income Securities

Notes: Global market as of April 2016. MFs as of April 2016, ETPs as of 1/31/16.
We need to lead the next leg of growth

Global AUM Market Share

<table>
<thead>
<tr>
<th>Year</th>
<th>iShares</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Next 10 competitors</th>
<th>All others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>41%</td>
<td>19%</td>
<td>13%</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>5/2016</td>
<td>39%</td>
<td>18%</td>
<td>16%</td>
<td>17%</td>
<td>10%</td>
</tr>
</tbody>
</table>

$1.9tn

$3.1tn

Source: Bloomberg. Note: Excludes Japan and China.
How we are going to do it

1. Exploit global strengths
   - Global brand
   - Global operating scale
   - Two global product lines
   - Global footprint

2. Serve diverse client segments
   - Insurance
   - Bank
   - Wealth
   - Asset mgr
   - Pensions
   - Self-directed
   - RIA
   - SWFs
   - Consultant
   - Retail
   - Institutional

3. Drive 5 product use segments globally
   - Core investments
   - Financial instruments
   - Fixed income
   - Precision exposures
   - Smart Beta
Exploiting our global strengths

iShares Global Strengths

- Global brand
- Global operating scale
- Two global product lines
- Global footprint

Assets of Largest Global ETF Players ($bn)

<table>
<thead>
<tr>
<th>Player</th>
<th>Assets (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>iShares</td>
<td>$1,160</td>
</tr>
<tr>
<td>Vanguard</td>
<td>$555</td>
</tr>
<tr>
<td>State Street</td>
<td>$466</td>
</tr>
<tr>
<td>Invesco / PowerShares</td>
<td>$101</td>
</tr>
<tr>
<td>Deutsche Bank</td>
<td>$82</td>
</tr>
</tbody>
</table>

Source: Bloomberg.
Notes: Data as of 5/31/16; iShares = global franchise; iShares Fixed Income = iShares fixed income assets globally; iShares EMEA = iShares domiciled in Europe.
Exploiting our global strengths

**iShares Global Strengths**

- **Global brand**
- **Global operating scale**
- **Two global product lines**
- **Global footprint**

**Assets of Largest Global ETF Players ($bn)**

- iShares: $1,160
- Vanguard: $555
- State Street: $466
- iShares Fixed Income: $298
- iShares EMEA: $245
- Invesco / PowerShares: $101
- Deutsche Bank: $82

**Source:** Bloomberg.

**Notes:** Data as of 5/31/16; iShares = global franchise; iShares Fixed Income = iShares fixed income assets globally; iShares EMEA = iShares domiciled in Europe.
Five product-use segments

- Core
- Financial Instruments
- Smart Beta & Factors
- Precision Exposures
- Fixed Income
iShares Core now represents $247bn in assets

Notes:
iShares Core suite of ETFs are designed to provide comprehensive, broad market domestic and international core portfolio exposures; NNB = Net New Business.
(1) Core Series launched in October 2012.
### Segmentation case study

<table>
<thead>
<tr>
<th>iShare</th>
<th>BPS</th>
<th>Avg. daily secondary volume ($mm)</th>
<th>May 2016 AUM ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEM</td>
<td>69</td>
<td>$2,226</td>
<td>$23</td>
</tr>
<tr>
<td>IEMG</td>
<td>16</td>
<td>$212</td>
<td>$13</td>
</tr>
<tr>
<td>EEMV</td>
<td>25</td>
<td>$39</td>
<td>$4</td>
</tr>
</tbody>
</table>

Source: Bloomberg, BlackRock.

Notes: Net expense ratio is shown. The gross expense ratio for EEMV is 0.69. Please see the Fund's prospectuses for more information. BlackRock Fund Advisors, the investment adviser to the Fund and an affiliate of BlackRock Investments, LLC, has contractually agreed to waive a portion of its management fees through 12/31/18. Average daily secondary volume reflects the average of the 90 days ended 6/10/16.
The path to $2 trillion

Think of ETFs as a technology

Three structural forces are driving ETF growth

- Unbundling of alpha & exposures
- Growth of fee-based advisory
- Shrinking of bank balance sheets

How we plan to lead that growth

- Exploit our global strengths
- Serve diverse client segments across the world
- Pursue five product-use segments globally
Factor-Based Investing

Andrew Ang
Head of Factor-Based Investment Strategies
BlackRock Factor-Based Investing

Contribution to BlackRock

$142BN Long-Term AUM

$67BN Long-Term AUM in 96 Smart Beta ETFs

$9BN Long-Term AUM in Enhanced

$254MM Long-Term Base Fees

Long-Term AUM by Strategy

Smart Beta ETFs: 47%
Other Smart Beta: 46%
Enhanced: 7%

Long-Term Base Fees by Strategy

Smart Beta ETFs: 63%
Other Smart Beta: 26%
Enhanced: 11%

Note: Long-Term excludes Cash and Advisory. Base fees represent full year 2015 and include investment advisory, administration fees and securities lending only. AUM as of 3/31/16.
Factors are to investments what nutrients are to food

Factors are the fundamental building blocks of investment returns

Broad Universe

Traditional Categories

Most Basic Elements

**Nutrients**
- Fiber: 65%
- Protein: 25%
- Carbohydrates: <1%
- Fat: 10%
- Sodium: >1%

**Risk Factors**
- Interest Rates: 120 bps
- Credit Spreads: 75 bps
- Inflation: 53 bps
- Economic Growth: 620 bps
- Currency / FX: 12 bps
Factors help explain returns across and within asset classes

**Macro Factors** determine *levels*
**Style Factors** determine *dispersion*

---

**Macro Factors**
- Economic Growth
- Credit
- Inflation
- Real rates
- Liquidity
- Emerging Markets

**Style Factors**
- Value
- Momentum
- Quality
- Size
- Low Volatility
- Carry
- Curve

---

For illustrative purposes only
Factors have disruptive potential for asset management

Structural and market forces are elevating Factors

- Evolving market paradigm
- Rapid advancements in technology
- Rethinking diversification of risk
- Increasing focus on cost

Factors have the power to revolutionize investing

Transformations in Asset Management

- Growth of equities and alternatives, led by mean-variance optimization
- Wholesale adoption of indexation
- Rise of ETFs
- International Adoption
- Rise of Multi-Factor Investing
- Factor timing and allocation
- Retail Enhanced adoption

1980s
1990s
2000s
2010s
BlackRock’s Factor-Based platform complements existing capabilities across active and index

**Traditional Beta**
- (includes ETFs)
- **Model-based / Fundamental / Alternatives**

**Beta Strategies**
- Equity Smart Beta
  - $102bn
  - Dividend-Weighted $31bn
  - Minimum Volatility $39bn
  - Other $32bn
- Alternatives Smart Beta
  - Commodities $1bn
  - Sovereign Screened $25bn
  - Other $5bn

**Model-Based Fixed Income**
- Fixed Income Smart Beta
  - $30bn
- Multi-Asset Enhanced $9bn

**Factor-based Strategies**
- Enhanced: $9bn

---

(1) As of 3/31/16.
(2) Includes Multi-Factor, GDP weighted, risk weighted and equal weight smart beta funds.
Factors among fastest growing areas in asset management

Factor industry AUM ($bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Enhanced</th>
<th>Smart Beta</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,214</td>
<td>$332</td>
<td>$1,546</td>
</tr>
<tr>
<td>2020E</td>
<td>$1,821</td>
<td>$657</td>
<td>$2,478</td>
</tr>
</tbody>
</table>

Factor adoption is growing and evolving

Our recent survey of institutional investors demonstrates the growth and appeal of Factor-Based Investing (1)

Growing Adoption

- 87% Of Institutional Investors already use Factors in their investment process
- 60% Of Institutional Investors expect to increase use of Factors in next three years

Shifting Motivations

- Risk Reduction
  - Institutions who increased Factors usage over the past 3 yrs, cited risk reduction within an asset class (29%) as their top motivation
- Increased Returns
  - Institutions planning to increase Factor usage in the future cited increasing returns (36%) as their top motivation

Source: Industry NNB and AUM per eVestment, Simfund, Preqin, iShares Business Intelligence, BlackRock Smart Beta. Projections per BlackRock Corporate Strategy estimates 2015.

(1) Survey of 200 institutional investors conducted by The Economist Intelligence Unit on behalf of BlackRock, 1/31/16.
BlackRock Factor-Based Investing advantage

BlackRock’s legacy and continued innovation in Factor-Based Investing

1979: First smart beta fund (equity yield)
1971: First index fund
1980: Equity Value and Size
1985: Equity Value and Size
1990: Equity Quality; first long/short equity; first fixed income enhanced index
1994: Equity Momentum
1996: Equity Quality
2000: Commodities Factors; first global multi-strategy hedge fund
2010: Minimum volatility
2015: Fixed Income Balanced Risk; MSCI DMF indices; long/short multi-asset style strategy

Data and technology

Thought Leadership

Platform

Value
Size
Momentum
Min Vol
Quality

Solutions

Technology and Aladdin

Note: Includes predecessor firms.
BlackRock Factor-Based Investing

1. Accelerate broader adoption of Factor strategies and deepen client relationships

2. Build new products and Factor-Based analytics platform

3. Establish leading industry position by advancing our thought-leadership and investment research, leveraging a cohesive global marketing strategy
Global Retail

Rob Fairbairn
Global Head of Retail and iShares
BlackRock Global Retail

Contribution to BlackRock

$543BN Long-Term AUM

12% Long-Term AUM

$3.3BN Long-Term Base Fees

35% Long-Term Base Fees

Long-Term AUM By Asset Class

- Active Equity: 29%
- Index Equity: 7%
- Multi Asset: 21%
- Fixed Income: 40%

Long-Term Base Fees By Asset Class

- Active Equity: 41%
- Index Equity: 6%
- Multi Asset: 23%
- Alternatives: 1%

Note: Long-Term excludes Cash and Advisory. Base fees represent full year 2015 and include investment advisory, administration fees and securities lending only. AUM as of 3/31/16.
Intermediated distribution model delivering BlackRock to clients

US Wealth Advisory
Integrated Retail/iShares Salesforce
$363bn in AUM\(^{(1)}\)

Latin America & Iberia Retail
$19bn in AUM

EMEA Retail
$129bn in AUM

Global Retail
$543bn in AUM\(^{(1)}\)
600+ Mutual Funds
70+ Countries
900+ Employees
~30 Languages supported
20+ Cross-Border & Local fund ranges

Asia Pacific Retail
$32bn in AUM

Note:
AUM as of 3/31/16. Long term AUM only. Number of countries represents markets where BlackRock is registered to sell securities. Mutual fund count as of 3/31/16 and includes any separate legal entity registered fund regardless of jurisdiction or form intended for public sale in the jurisdiction. Excludes iShares AUM attributed to Retail.

\(^{(1)}\) Excludes iShares AUM attributed to Retail.
Key trends impacting our distribution partners

Distribution Partners

- Private Banks
- Clearing Banks
- Wirehouses
- Independents
- RIA / IFA
- Insurance Companies
- Defined Contribution
- Online Platforms

Key Trends Impacting Distribution Partners

- Evolving Market Paradigm
- Rapid Advancements in Technology
- Demographic Shifts
- Regulatory Change
Increased regulation of wealth management globally aims to improve transparency and ensure alignment of interests

- **Higher fiduciary standards**
- **Greater transparency**
- **Challenge to fee sharing**

### Shifts in landscape post regulation
- Assets Shifting to
  - Fee-based models
  - Managed solutions
  - Index
  - Specialty active

### Distributors changing business models
- Developing broader “wealth” value propositions
- Re-energizing captive managers & asset allocation
- Reducing AM partners

### Lower end of market getting squeezed
- Less advice for small clients
- Small advisors squeezed
- Increased focus on digital solutions
DoL rule will impact clients and tools needed to serve them

1. Increased assets flowing into retail market due to greater investor confidence
2. Flows into index funds and ETFs due to heightened focus on fees & performance
3. Increased need for portfolio construction as shift to “fee-based” model continues
4. Increased need for small account and scalable technology solutions
5. Heightened need to support financial advisors through change

Breadth and depth of platform (active and index)

Innovative technology and robust portfolio construction and risk management tools
BlackRock a “go to” provider for wealth managers

Delivered through

- Mutual Funds
- ETFs
- CTFs
- CEFs
- Subadvisory

Equities
- Active Products
- Passive Products

Multi-Asset Products & Solutions
- Asset Allocation Models
- Factors
- ESG

Fixed Income
- Active Products
- Passive Products

Technology and Aladdin:
- Risk & Quantitative Analysis
- BlackRock Investment Institute
- Trading & Liquidity Strategies

Cash

Liquid Alternatives

Active Products α

Passive Products β

Active Products α

Passive Products β
Technology enhances our value proposition for clients

Spectrum of retail technology solutions for wealth managers

**aladdin® for Wealth**

- CIO Model Construction & Analytics
- Home Office Risk Oversight
- FA Portfolio Construction & Analytics

**aladdin®**

- risk monitor
- portfolio builder
BlackRock Global Retail

1. Strengthen position in markets and channels
2. Evolve our product set, by focusing on investor needs
3. Deepen strategic client relationships
4. Retail technology solutions
Asia Pacific Retail

$32BN of Long-Term AUM

13% 2015 organic growth

100+ # of full time employees

14+ # of countries

Growth strategy

1. Strengthen position in markets and channels
2. Evolve our product set, by focusing on investor needs
3. Deepen strategic client relationships
4. Retail technology solutions

Note: AUM and full time employee headcount as of 3/31/16. Number of countries represents markets where BlackRock is registered to sell securities.
Asia Pacific Retail Distribution Landscape
Different, developing and diverse

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>Australia</th>
<th>Japan</th>
<th>Singapore</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addressable AUM(1)</td>
<td>$3bn(2)</td>
<td>$590bn</td>
<td>$556bn</td>
<td>$287bn</td>
<td>$501bn</td>
</tr>
<tr>
<td>Projected 5yr AUM CAGR</td>
<td>14%</td>
<td>7%</td>
<td>5%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Mutual funds % (3)</td>
<td>5%</td>
<td>20%</td>
<td>4%</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>Cash % (3)</td>
<td>53%</td>
<td>23%</td>
<td>53%</td>
<td>31%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Rapid wealth accumulation
Shift from savings to investment
Diversifying away from home markets

---

(1) Addressable AUM is AUM accessible to BlackRock. Mutual fund AUM excludes ETFs and fund-of-funds; includes money market funds, Hong Kong retirement funds and institutional investors in mutual funds.

(2) China onshore retail (2015: US$1.27tn AUM) not considered accessible by global managers due to ownership restrictions on foreign-owned investment managers.

(3) Data as a percentage of household’s financial assets.

Sources: Cerulli Associates, BlackRock, Broadridge, Allianz, Credit Suisse; Data as at 2014/15; Projected growth rates refer to 2015-2020.
BlackRock Asia Pacific Retail
 Positioned for growth

1. Strengthening our onshore position
   - Building out local fund ranges in Hong Kong and China to access new client segments
   - Localizing product solutions in Australia and Japan via partnerships and sub-advisory

2. Deepening client relationships
   - Leveraging the firm’s brand, breadth and insights to build new strategic partnerships
   - Expanding relationships with emerging local and regional players

3. Product expansion and customization
   - Commercializing a recognized Asian product franchise across equities, fixed income, multi-asset and liquid alternatives strategies
   - Helping clients transition to portfolio advisory via ETFs and managed models solutions

4. Innovating on technology delivery
   - Leveraging our Aladdin platform to roll out portfolio analysis and retirement planning tools for advisors
   - Exploring digital distribution opportunities with non-traditional partners
EMEA Retail

**$129BN**
of Long-Term AUM

**10%**
2015 organic growth

**200+**
# of full time employees

**#1**
in gross sales

---

**Growth strategy**

1. Strengthen position in markets and channels
2. Evolve our product set, by focusing on investor needs
3. Deepen strategic client relationships
4. Retail technology solutions

---

Note: AUM and full time employee headcount as of 3/31/16.
EMEA Retail business well positioned for continued growth

Increase penetration in our core markets: $200mm+ revenue opportunity

<table>
<thead>
<tr>
<th>Country</th>
<th>Current AUM ($bn)</th>
<th>Current Share</th>
<th>AUM to Reach Leader's Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>$61</td>
<td>6%</td>
<td>$13bn</td>
</tr>
<tr>
<td>Italy</td>
<td>$19</td>
<td>8%</td>
<td>$8bn</td>
</tr>
<tr>
<td>Switzerland</td>
<td>$18</td>
<td>9%</td>
<td>$23bn</td>
</tr>
<tr>
<td>Germany</td>
<td>$10</td>
<td>7%</td>
<td>$12bn</td>
</tr>
</tbody>
</table>

- Continued delivery of our **diversification strategy**
- Strategic initiatives to **expand in core markets**
- Delivery of our **Retirement proposition** in Europe

AUM Opportunity of $50bn+

Source: Lipper.
Delivering the firm’s full capabilities to respond to client needs

- Evolving our product set, to meet client needs in fast growing Asset Classes - Alternatives and Multi Assets

- Bringing and embedding Risk Management Capabilities – e.g. Aladdin for Wealth

- Enhancing service to segments through Fund Buyer Portal
Delivering bespoke solutions with a more local feel

Becoming “More Local”

- **Partnerships with “national champions”** to become their “Captive Partner”, e.g. on Multi-Asset

- **Bespoke mandates** to help local Wealth Managers enhance their ultra-high-net-worth positions

- **Country-based Chief Investment Strategist team** to increase our local presence through leadership in the sector and customize our answer to local needs

**Case study: Partnership with local bank**

- Designed a **bespoke, Multi-Asset suite of products**
- Bank committed ~50% of its managed assets
- Leveraged our local Chief Investment Strategist to structure bespoke solution tuned to local needs

**5 Strategies**

1. **Flexible Fixed Income**
2. **Moderate Allocation**
3. **Growth & Income**
4. **Global Equity Income**
5. **Multi Asset Alternative**
US Wealth Advisory

**US Wealth Advisory**

- **$363BN**
  - of Long-Term AUM

- 5%
  - 2015 organic growth

- **500+**
  - # of full time employees

- **#4**
  - rank by AUM inclusive of iShares

**Integrated Retail / iShares Salesforce**

**Growth strategy**

1. Strengthen position in markets and channels
2. Evolve our product set, by focusing on investor needs
3. Deepen strategic client relationships
4. Retail technology solutions

---

Note: AUM and full time employee headcount as of 3/31/16.
(1) Excludes iShares AUM attributed to Retail.
US Wealth Advisory is positioned to grow market share

<table>
<thead>
<tr>
<th>Targeted growth</th>
<th>Future growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active funds</td>
<td>Active SMAs</td>
</tr>
<tr>
<td>Index funds</td>
<td>Smart beta &amp; factors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wirehouse</th>
<th>RIA &amp; Direct</th>
<th>Independent</th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Top 3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BLK AUM market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
</tr>
<tr>
<td>#1</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>#1</td>
</tr>
<tr>
<td>#1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leader share</th>
</tr>
</thead>
<tbody>
<tr>
<td>~13%</td>
</tr>
<tr>
<td>~8%</td>
</tr>
<tr>
<td>~78%</td>
</tr>
<tr>
<td>~10%</td>
</tr>
<tr>
<td>~39%</td>
</tr>
<tr>
<td>~5-7%</td>
</tr>
<tr>
<td>~6%</td>
</tr>
<tr>
<td>~10%</td>
</tr>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: BlackRock, Cerulli; smart beta represents ETFs only.
US Wealth Advisory’s differentiated business model is well positioned

1. Bringing a combination of active and index capabilities that advisors want

2. Delivering new product and technology innovations at scale

3. Doubling our reach of financial advisors and investors

4. Serving as the trusted partner for our wealth management clients

5. Helping advisors build better portfolios using Aladdin’s risk capabilities
Aladdin Portfolio Builder Demonstration
BlackRock’s Technology

Rob Goldstein
COO and Head of BlackRock Solutions
Technology & innovation have always been a part of our culture

Our historic focus on the end-to-end investment process – powered by Aladdin – has always been a key differentiator and significant competitive advantage for BlackRock

1988
Founded BlackRock
Leveraging technology and building our own platform were core aspects of our founding value proposition

1998
Signed 1st Aladdin client
Risk advisory services gave way to the full implementation of Aladdin as a client’s operating platform

2000
Launched BRS
Formalized our risk management and investment technology offerings for institutional investors

2006
Merged with MLIM
Aladdin enabled full integration and connectivity as a truly global, multi-asset investment manager

2008
Launched FMA
Aladdin positioned us to become a trusted advisor within the global financial community

2009
Merged with BGI
Aladdin empowered us to offer active and passive investments on a single platform at unprecedented scale

Now
FutureAdvisor Aladdin for Wealth Retail Tech
Powering a new era in investing
We leverage the full power of BlackRock’s global technology infrastructure across every dimension of our business to deliver solutions for our clients.

**Technology and Aladdin**

<table>
<thead>
<tr>
<th>Investing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synthesizing unstructured data for alpha insights</td>
</tr>
<tr>
<td>Generating efficient beta</td>
</tr>
<tr>
<td>Creating multi-asset solutions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Management &amp; Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted risk management</td>
</tr>
<tr>
<td>Portfolio construction</td>
</tr>
<tr>
<td>Deeper client conversations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing reach to FAs &amp; end clients</td>
</tr>
<tr>
<td>Providing tools for distribution partners</td>
</tr>
<tr>
<td>Informing targeted sales strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global connectivity</td>
</tr>
<tr>
<td>Information processing</td>
</tr>
<tr>
<td>Efficiency through automation</td>
</tr>
</tbody>
</table>

**Aladdin-driven connectivity**

**Full range of solutions for clients**
BlackRock Solutions a key differentiator

Highly scalable investment management, operating and risk analytics platform

Retail Technology
Digital advice, portfolio construction capabilities and risk analytics for distributors

Financial Markets Advisory
Supports clients with a range of consulting, analytical and strategic services

- 6% of BlackRock total revenue in 2015
- Stable and recurring revenue, primarily driven by Aladdin
- 11% growth in Aladdin revenue in 2015
- Significant future revenue growth opportunity

Aladdin Portfolio Builder
iRetire
Portfolio Construction Services

- Enterprise risk management
- Balance sheet strategy & capital management
- Regulatory strategy & implementation
- Capital markets & transaction execution
Aladdin is BlackRock’s central nervous system

- Centralized investment and risk management platform integrating people, process and technology
- Powers informed decision-making, efficient trading and operational scale
- Aladdin Community a key component of value proposition

END-TO-END INVESTMENT PLATFORM

<table>
<thead>
<tr>
<th>70+ clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Management</td>
</tr>
</tbody>
</table>

RISK OFFERING

- 110+ clients
- Comprehensive transparency into risk and returns across asset classes
Aladdin revenue growth driven by global, multi-asset capabilities

Aladdin revenue has grown at a 13% CAGR since 2011...

...driven by expansion of multi-asset capabilities and a more global client base

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$323</td>
</tr>
<tr>
<td>2012</td>
<td>$390</td>
</tr>
<tr>
<td>2013</td>
<td>$433</td>
</tr>
<tr>
<td>2014</td>
<td>$474</td>
</tr>
<tr>
<td>2015</td>
<td>$528</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of Total Revenue</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Asset Capabilities</td>
<td>3%</td>
<td>26%</td>
</tr>
<tr>
<td>Global Clients</td>
<td>19%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Source: BlackRock Public filings.
Significant opportunity for future growth exists

Aladdin is currently used by 180+ institutions globally. However, we’ve only penetrated 9% and 15% of the top 250 asset managers and top 250 insurers, respectively.

Future revenue growth will be driven by:

1. Expanding capabilities & client types
   - Provider Aladdin (asset servicers, i.e. custodians)
   - Aladdin for Wealth (wealth managers)
   - Data warehouse

2. Growing global client base
   - Europe
   - Asia
   - Latin America

Source: BlackRock. Number of asset managers excludes BlackRock.
Delivering Aladdin to asset servicers: Provider Aladdin

Bringing together asset managers and asset servicers (i.e. custodians, accounting agents, etc.) on a single platform to achieve true straight-through-processing

Joint workflow using same screens, data and organizing teams symmetrically

Goal of true straight-through-processing and upstream data validation

Innovative technology drives change in the ecosystem
Delivering Aladdin to wealth managers: Aladdin for Wealth

As the landscape for financial advice evolves, BlackRock sees growing opportunities to provide intermediary partners with institutional-quality portfolio construction, modeling and risk analytics capabilities.
Digitally-enabled advice a significant growth area

- Need for advice among underserved mass market / mass affluent – 30% of total US investable assets\(^{(1)}\)
- Demand for more **cost-effective** solutions than traditional advisor model
- Greater investor **expectations of technology** (e.g. video chat, mobile)
- Emerging opportunity over the last year with mid-sized banks, DC platforms and insurers looking to “leap frog” using digital advice

**To lead in the fast changing digital advice landscape, BlackRock acquired FutureAdvisor, a B2B digital advisor**

- Signed several contracts since closing the acquisition in 4Q 2015
- Our aspiration is to be the partner of choice to financial institutions looking to deliver digital wealth

---

\(^{(1)}\) BlackRock. Per Press Release 8/26/15.
FutureAdvisor Client Experience
1. Using data and technology to deliver better solutions for our clients

2. Continuing to invest in Aladdin as our core platform

3. Expanding Aladdin’s value proposition to broader financial ecosystem
Shareholder Value Framework

Gary Shedlin
Chief Financial Officer
Framework for shareholder value creation

Key drivers of shareholder value

- Organic Growth
- Operating Leverage
- Capital Management

Results since 1/1/14

- +4% Annualized
- +150 bps
- 3% share count reduction

Note: Results from 1/1/14 – 12/31/15.
Beta no longer the primary driver of growth

Organic growth as % of AUM growth

22%  56%  >100%

Change in Long-Term AUM ($bn)

2013  2014  2015

$386  $181  ($153)

$27  $140  $2

$117  $152

Beta / FX  Organic Growth  Acquisitions

Note: Beta represents market impact on total AUM. FX represents FX impact on total AUM.
Strong and consistent organic growth versus peers

**Mean**

<table>
<thead>
<tr>
<th>BLK</th>
<th>Industry</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0%)</td>
<td>(0%)</td>
<td>(0%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Standard Deviation**

<table>
<thead>
<tr>
<th>BLK</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2%</td>
<td>6%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Long-Term Organic AUM Growth**

- Average of BLK’s 7 largest US publicly traded traditional peers.

**iShares driving growth across the platform**

<table>
<thead>
<tr>
<th>Growth Target</th>
<th>2013 – 2015 Average Organic AUM Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>High single-digit, 9%</td>
</tr>
<tr>
<td>iShares</td>
<td>Low double-digit, 11%</td>
</tr>
<tr>
<td>Institutional</td>
<td>Low single-digit, 0%</td>
</tr>
</tbody>
</table>

Retail + iShares

Institutional + iShares
Reaffirm 5% organic growth target

Client-Centric Approach
- Retail + iShares
- Institutional + iShares

Global Footprint
- Americas
- EMEA
- Asia-Pacific

Broad Solutions Platform
- Equities
- Multi-Asset
- Fixed Income
- Alternatives

Technology and Aladdin

5% organic AUM growth target
Organic growth has driven positive mix shift...

- 2012 Effective Fee Rate: 23.2 bps
- Organic Growth: +1.0 bps
- 2015 Fee Rate (ex. Beta / FX): 24.2 bps

Revenue impact ($mm): ~$400

Note: Effective fee rate represents investment advisory, administration fees and securities lending revenue earned on long-term average AUM. Average AUM is calculated as the 5-point average of the quarter-end spot AUM amounts.
...but market dynamics cloud impact

Revenue impact ($mm):

- $400
- $930

Note: Effective fee rate represents investment advisory, administration fees and securities lending revenue earned on long-term average AUM. Average AUM is calculated as the 5-point average of the quarter-end spot AUM amounts.
Business Investment
- Investment for growth
- Investment in operational infrastructure

Tactical Acquisitions
- Complementary client capabilities
- Drive incremental organic growth and/or leverage scale

Dividends
- Dividend payout ratio in range of 40-50%
- 21% CAGR in dividend per share since inception

Share Repurchases
- Consistent share repurchase program
- Not market timers

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.
Commitment to efficiently optimizing growth

**Organic Growth Rate and Operating Margin**

- **2013**: 3%
- **2014**: 5%
- **2015**: 4%

The graph shows a long-term organic growth rate of 41.4% in 2013, which increases to 42.9% in 2014 and remains at 42.9% in 2015. This is accompanied by an increase in operating margin from 41.4% to 42.9%.

**Methods of Investment**

1. **Headcount**
2. **Seed Investments**
3. **Acquisitions**

Note: For further information and reconciliation between GAAP and as adjusted, see the previously filed Forms 10-K, 10-K and 8-K and the appendix to this presentation.
### Investment in human capital

#### Headcount growth (CAGR)

<table>
<thead>
<tr>
<th>Area</th>
<th>2013 – 2015 Headcount CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Growth”</td>
<td>9%</td>
</tr>
<tr>
<td>Operational Infrastructure</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>7%</td>
</tr>
<tr>
<td>Offshore</td>
<td>13%</td>
</tr>
</tbody>
</table>

#### Headcount

<table>
<thead>
<tr>
<th>Year</th>
<th>Headcount 2013</th>
<th>Headcount 2015</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>11,428</td>
<td>12,972</td>
<td>14%</td>
</tr>
<tr>
<td>2015</td>
<td>6,263</td>
<td>6,850</td>
<td></td>
</tr>
</tbody>
</table>

### Note

Growth areas represents Investments, Client Businesses, BII, Investment Stewardship and SPM.
## Investment in seed portfolio

### Seed and Co-Investment Portfolio

<table>
<thead>
<tr>
<th>Year</th>
<th>Seed Investment</th>
<th>Co-investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,010</td>
<td>571</td>
</tr>
<tr>
<td>2014</td>
<td>1,018</td>
<td>438</td>
</tr>
<tr>
<td>2015</td>
<td>1,202</td>
<td>435</td>
</tr>
</tbody>
</table>

### Revenues from Seeded Funds ($mm)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$148</td>
</tr>
<tr>
<td>2014</td>
<td>$361</td>
</tr>
<tr>
<td>2015</td>
<td>$672</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Represents revenues from products that have received seed or co-investment over $1m in 2009 through 2015.
### Inorganic investments aligned with strategic priorities

<table>
<thead>
<tr>
<th>Acquisition</th>
<th>Strategic Rationale</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Claymore ETF</strong></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Swiss Re Private Equity Fund-of-Funds</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Credit Suisse ETF</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>MGPA</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>BlackRock Kelso</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Infraestructura Institucional</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>FutureAdvisor</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Bank of America Cash Management</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

- **Alternatives**: ✓
- **Technology**: ✓
- **Scale**: ✓
- **Cash Funding**: ✓
- **Earn-Out / Retention**: ✓

*Dates:*
- March 7, 2012
- September 4, 2012
- September 2013
- July 2013
Committed to returning capital to shareholders

- M&A
- Seed & Co-Investments
- Cash Dividends
- Share Repurchases

2015

- Stated payout ratio:
  - Cash returned to shareholders and reinvested as a % of GAAP Net Income:
  - $3.2bn
  - 77%
  - 96%

Excludes $2.5bn and $1.0bn of secondary repurchases in 2011 and 2012, respectively.
Drivers of shareholder value

Organic Growth
- 5% annualized long-term organic AUM growth target

Operating Leverage
- Investing back into the business
- Scale driving margin expansion

Capital Management
- $2.6bn returned to shareholders in 2015
Reconciliation between GAAP and as adjusted

(in millions, except shares and per share data)

<table>
<thead>
<tr>
<th>Operating income</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>$2,998</td>
<td>$3,249</td>
<td>$3,524</td>
<td>$3,857</td>
<td>$4,474</td>
<td>$4,664</td>
<td>$963</td>
</tr>
<tr>
<td>Non-GAAP expense adjustments (1)</td>
<td>169</td>
<td>143</td>
<td>50</td>
<td>167</td>
<td>89</td>
<td>31</td>
<td>84</td>
</tr>
<tr>
<td>As Adjusted</td>
<td>3,167</td>
<td>3,392</td>
<td>3,574</td>
<td>4,024</td>
<td>4,563</td>
<td>4,695</td>
<td>1,047</td>
</tr>
<tr>
<td>Closed-end fund launch costs and commissions</td>
<td>17</td>
<td>29</td>
<td>25</td>
<td>18</td>
<td>11</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Operating income used for operating margin measurement</td>
<td>3,184</td>
<td>3,421</td>
<td>3,599</td>
<td>4,042</td>
<td>4,574</td>
<td>4,700</td>
<td>1,047</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>8,612</td>
<td>9,081</td>
<td>9,337</td>
<td>10,180</td>
<td>11,081</td>
<td>11,401</td>
<td>2,624</td>
</tr>
<tr>
<td>Non-GAAP adjustments (2)</td>
<td>(510)</td>
<td>(467)</td>
<td>(419)</td>
<td>(405)</td>
<td>(420)</td>
<td>(457)</td>
<td>(107)</td>
</tr>
<tr>
<td>Revenue used for operating margin measurement</td>
<td>8,102</td>
<td>8,614</td>
<td>8,918</td>
<td>9,775</td>
<td>10,661</td>
<td>10,944</td>
<td>2,517</td>
</tr>
<tr>
<td>Operating margin, GAAP basis</td>
<td>34.8%</td>
<td>35.8%</td>
<td>37.7%</td>
<td>37.9%</td>
<td>40.4%</td>
<td>40.9%</td>
<td>36.7%</td>
</tr>
<tr>
<td>Operating margin, as adjusted</td>
<td>39.3%</td>
<td>39.7%</td>
<td>40.4%</td>
<td>41.4%</td>
<td>42.9%</td>
<td>42.9%</td>
<td>41.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Income</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to BlackRock, Inc., GAAP basis</td>
<td>2,063</td>
<td>2,337</td>
<td>2,458</td>
<td>2,932</td>
<td>3,294</td>
<td>3,345</td>
<td>657</td>
</tr>
<tr>
<td>Non-GAAP adjustments, net of tax (3)</td>
<td>76</td>
<td>(98)</td>
<td>(20)</td>
<td>(50)</td>
<td>16</td>
<td>(32)</td>
<td>54</td>
</tr>
<tr>
<td>Net income attributable to BlackRock, Inc., as adjusted</td>
<td>2,139</td>
<td>2,239</td>
<td>2,438</td>
<td>2,882</td>
<td>3,310</td>
<td>3,313</td>
<td>711</td>
</tr>
<tr>
<td>Allocation of net income, as adjusted, to common shares</td>
<td>$2,109</td>
<td>$2,218</td>
<td>$2,435</td>
<td>$2,882</td>
<td>$3,310</td>
<td>$3,310</td>
<td>$711</td>
</tr>
<tr>
<td>Diluted earnings per common share, GAAP basis</td>
<td>$10.55</td>
<td>$12.37</td>
<td>$13.79</td>
<td>$16.87</td>
<td>$19.25</td>
<td>$19.79</td>
<td>$3.92</td>
</tr>
<tr>
<td>Diluted earnings per common share, as adjusted</td>
<td>10.94</td>
<td>11.85</td>
<td>13.68</td>
<td>16.58</td>
<td>19.34</td>
<td>19.60</td>
<td>4.25</td>
</tr>
</tbody>
</table>

(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 our earnings release for the three months ended March 31, 2016 as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.
### Standardized performance of U.S. flagship funds

<table>
<thead>
<tr>
<th>Average active return versus Morningstar category (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SIO</strong></td>
</tr>
<tr>
<td>1-Year</td>
</tr>
<tr>
<td>3-Year</td>
</tr>
<tr>
<td>5-Year</td>
</tr>
<tr>
<td>10-Year</td>
</tr>
</tbody>
</table>

#### ANNUAL EXPENSES (% OF ASSETS)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Net, Including Investment Related</th>
<th>Net, Excluding Investment Related</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inst.</td>
<td>0.80</td>
<td>0.80</td>
<td>0.62</td>
</tr>
<tr>
<td>Inv. A</td>
<td>1.11</td>
<td>1.08</td>
<td>0.90</td>
</tr>
<tr>
<td>Inv. C</td>
<td>1.84</td>
<td>1.83</td>
<td>1.65</td>
</tr>
</tbody>
</table>

**Expenses stated as of the fund's most recent prospectus. Investment dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses are included in the Net, Including Investment Related Expenses and excluded from the Net, Excluding Investment Related Expenses. Institutional, Investor A, Investor C have contractual waivers with an end date of 5/1/16 terminable upon 90 days notice.**

#### Note:
- SIO performance since inception represents Institutional share class average annual total returns.
- Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. All returns assume reinvestment of all dividend and capital gain distributions. Refer to www.blackrock.com for current month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers, and/or expense reimbursements.

---

For U.S. funds (SIO, Total Return, Health Sciences), relative performance represents that of the Institutional share class versus Morningstar Category Average.
**Total Return Fund**

<table>
<thead>
<tr>
<th>Without Sales Charge</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>0.62</td>
<td>3.30</td>
<td>4.93</td>
<td>4.75</td>
<td>4.77</td>
</tr>
<tr>
<td>Investor A</td>
<td>0.39</td>
<td>1.70</td>
<td>2.81</td>
<td>2.66</td>
<td>2.66</td>
</tr>
<tr>
<td>Investor C</td>
<td>-0.29</td>
<td>2.54</td>
<td>3.96</td>
<td>3.77</td>
<td>3.76</td>
</tr>
<tr>
<td>Class R</td>
<td>0.14</td>
<td>2.76</td>
<td>4.36</td>
<td>4.19</td>
<td>4.19</td>
</tr>
<tr>
<td>With Sales Charge</td>
<td>1 Year</td>
<td>3 Years</td>
<td>5 Years</td>
<td>10 Years</td>
<td>Inception</td>
</tr>
<tr>
<td>Institutional</td>
<td>0.72</td>
<td>3.46</td>
<td>5.23</td>
<td>5.05</td>
<td>5.05</td>
</tr>
<tr>
<td>Investor A</td>
<td>0.43</td>
<td>1.97</td>
<td>3.22</td>
<td>3.08</td>
<td>3.08</td>
</tr>
<tr>
<td>Investor C</td>
<td>0.47</td>
<td>3.16</td>
<td>4.55</td>
<td>4.35</td>
<td>4.35</td>
</tr>
<tr>
<td>Class R</td>
<td>0.31</td>
<td>2.33</td>
<td>3.88</td>
<td>3.70</td>
<td>3.70</td>
</tr>
</tbody>
</table>

**Calendar Year Returns (Fund Performance Without Sales Charges)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>-0.73</td>
<td>9.01</td>
<td>5.28</td>
<td>3.85</td>
<td>-0.30</td>
<td>-0.55</td>
<td>-0.55</td>
<td>0.15</td>
<td>0.15</td>
</tr>
<tr>
<td>Investor A</td>
<td>-0.98</td>
<td>6.84</td>
<td>2.02</td>
<td>3.55</td>
<td>-0.80</td>
<td>-0.62</td>
<td>-0.62</td>
<td>-0.33</td>
<td>-0.33</td>
</tr>
<tr>
<td>Investor C</td>
<td>-1.72</td>
<td>8.94</td>
<td>2.24</td>
<td>3.80</td>
<td>-1.34</td>
<td>-0.83</td>
<td>-0.83</td>
<td>-0.66</td>
<td>-0.66</td>
</tr>
<tr>
<td>Class R</td>
<td>0.13</td>
<td>9.04</td>
<td>1.11</td>
<td>1.42</td>
<td>0.36</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>Morningstar Category Avg.</td>
<td>1.26</td>
<td>7.50</td>
<td>2.03</td>
<td>1.24</td>
<td>1.41</td>
<td>0.32</td>
<td>0.32</td>
<td>0.32</td>
<td>0.32</td>
</tr>
<tr>
<td>Barclays U.S. Universal Bond²</td>
<td>7.89</td>
<td>5.93</td>
<td>-1.26</td>
<td>5.56</td>
<td>0.92</td>
<td>0.27</td>
<td>0.27</td>
<td>0.27</td>
<td>0.27</td>
</tr>
<tr>
<td>Bafls MSCI World Top Bi1</td>
<td>0.80</td>
<td>6.11</td>
<td>0.07</td>
<td>0.63</td>
<td>0.05</td>
<td>0.57</td>
<td>0.57</td>
<td>0.57</td>
<td>0.57</td>
</tr>
</tbody>
</table>

**Health Sciences Opportunities Fund**

Institutional: SHSIX  Investor A: SHSA  Investor C: SHSCX  Class R: BHSRX

**Investment Approach**

Invest as least 80% of total assets in securities of companies in health sciences and related industries. The fund will concentrate its investments (i.e., invest more than 25% of its assets in health sciences or related industries, and may invest in companies in non-U.S. countries.)

**% Average Annual Total Returns (3/31/16)**

<table>
<thead>
<tr>
<th>Without Sales Charge</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>-2.82</td>
<td>-3.64</td>
<td>-5.38</td>
<td>-6.76</td>
<td>-7.50</td>
</tr>
<tr>
<td>Investor A</td>
<td>-3.26</td>
<td>-4.10</td>
<td>-6.00</td>
<td>-7.33</td>
<td>-8.06</td>
</tr>
<tr>
<td>Investor C</td>
<td>-2.25</td>
<td>-3.06</td>
<td>-4.86</td>
<td>-6.19</td>
<td>-7.01</td>
</tr>
<tr>
<td>Class R</td>
<td>0.76</td>
<td>1.54</td>
<td>3.32</td>
<td>4.27</td>
<td>4.93</td>
</tr>
</tbody>
</table>

**Calendar Year Returns (Fund Performance Without Sales Charges)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>4.55</td>
<td>10.14</td>
<td>-3.60</td>
<td>8.05</td>
<td>6.95</td>
<td>2.53</td>
<td>2.53</td>
<td>2.53</td>
<td>2.53</td>
</tr>
<tr>
<td>Investor A</td>
<td>4.30</td>
<td>9.70</td>
<td>-5.60</td>
<td>7.74</td>
<td>6.02</td>
<td>2.53</td>
<td>2.53</td>
<td>2.53</td>
<td>2.53</td>
</tr>
<tr>
<td>Investor C</td>
<td>3.59</td>
<td>9.03</td>
<td>-1.13</td>
<td>7.05</td>
<td>6.05</td>
<td>2.53</td>
<td>2.53</td>
<td>2.53</td>
<td>2.53</td>
</tr>
<tr>
<td>Class R</td>
<td>4.07</td>
<td>9.44</td>
<td>-6.76</td>
<td>7.46</td>
<td>-6.22</td>
<td>2.46</td>
<td>2.46</td>
<td>2.46</td>
<td>2.46</td>
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<tr>
<td>Morningstar Category Avg.</td>
<td>6.47</td>
<td>8.22</td>
<td>-1.83</td>
<td>5.41</td>
<td>-6.11</td>
<td>2.71</td>
<td>2.71</td>
<td>2.71</td>
<td>2.71</td>
</tr>
<tr>
<td>Barclays U.S. Universal Bond²</td>
<td>5.88</td>
<td>7.01</td>
<td>-1.42</td>
<td>5.18</td>
<td>-6.26</td>
<td>2.56</td>
<td>2.56</td>
<td>2.56</td>
<td>2.56</td>
</tr>
<tr>
<td>Bafls MSCI World Top Bi1</td>
<td>7.84</td>
<td>4.21</td>
<td>-2.02</td>
<td>2.97</td>
<td>6.55</td>
<td>3.03</td>
<td>3.03</td>
<td>3.03</td>
<td>3.03</td>
</tr>
</tbody>
</table>

**Note:** Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. All returns assume reinvestment of all dividend and capital gain distributions. Refer to www.blackrock.com for current month-end performance. Investment returns reflect total fund operating expenses, net of all fees, waivers, and/or expense reimbursements.

**Note:** Performance as of 3/31/16.

For U.S. funds (SIO, Total Return, Health Sciences), relative performance represents that of the Institutional share class versus Morningstar Category Average.
<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Gross of fee composite return (%)</th>
<th>Net of fee composite return (%)</th>
<th>Benchmark return (%)</th>
<th>Number of portfolios</th>
<th>Composite dispersion (%)</th>
<th>Composite annualized 3yr Standard Deviation (%) (1)</th>
<th>Benchmark annualized 3yr Standard Deviation (%) (1)</th>
<th>Total assets at end of period (Euro millions)</th>
<th>Percentage of firm assets</th>
<th>Total firm assets (Euro millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>0.46</td>
<td>-0.14</td>
<td>-8.08</td>
<td>1</td>
<td>NM</td>
<td>N/A</td>
<td>N/A</td>
<td>4</td>
<td>&lt;1</td>
<td>2,692,899</td>
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<tr>
<td>2012</td>
<td>18.16</td>
<td>17.45</td>
<td>17.28</td>
<td>1</td>
<td>NM</td>
<td>N/A</td>
<td>N/A</td>
<td>68</td>
<td>&lt;1</td>
<td>2,863,344</td>
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<tr>
<td>2013</td>
<td>28.35</td>
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<td>19.82</td>
<td>2</td>
<td>NM</td>
<td>10.87</td>
<td>12.23</td>
<td>593</td>
<td>&lt;1</td>
<td>3,126,143</td>
</tr>
<tr>
<td>2014</td>
<td>14.21</td>
<td>13.52</td>
<td>6.84</td>
<td>4</td>
<td>0.00</td>
<td>8.58</td>
<td>9.00</td>
<td>1,888</td>
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<td>3,828,619</td>
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<td>2015</td>
<td>17.56</td>
<td>16.85</td>
<td>8.22</td>
<td>8</td>
<td>0.06</td>
<td>11.38</td>
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<td>5,388</td>
<td>&lt;1</td>
<td>4,256,818</td>
</tr>
</tbody>
</table>

**Note:** Past performance is not indicative of future results. Please see the following page for important disclosures related to this composite. Data shown may be subject to revisions from time to time based on availability of new information. Any such revisions are not material. N/A – 36 months of data is not available for that period.
BlackRock Pan European Equity Income Composite

Notes

1. For purposes of compliance with the Global Investment Performance Standards (GIPS®), the "firm" refers to the investment adviser and national trust bank subsidiaries of BlackRock, Inc., located globally, with the exception of BlackRock Capital Investment Corporation. This definition excludes: i) BlackRock subsidiaries that do not provide investment advisory or management services, ii) the Absolute Return Strategies (funds-of-hedge-funds) business unit under the "BlackRock Alternative Advisers" platform, and iii) Xulu, Inc., a subsidiary of BlackRock operating under the name of FutureAdvisor.

2. BlackRock claims compliance with the GIPS standards and has prepared and presented this report in compliance with the GIPS standards. BlackRock has been independently verified for the periods 1 January 1993 through 31 December 2014. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The firm is verified annually by Deloitte & Touche LLP.

3. BlackRock uses a time-weighted linked rate of return formula with adjustments for cash flows to calculate rates of return. Trade date accounting has been used since the inception of the composite. The currency used to calculate performance is Euros.

4. The benchmark index shown is the MSCI Europe NDR Index.

5. Composite dispersion measures represent the consistency of a firm’s composite performance results with respect to the individual portfolio returns within a composite. Dispersion is represented by the asset-weighted standard deviation of only portfolios that have been included in the composite style for a full year. For composites containing only one account, a measure of dispersion is not meaningful (NM).

6. Percentage of Firm Assets are rounded to the nearest whole percent.

7. There have been no alterations of the composite due to changes in personnel or other reasons.

8. Derivatives may be used to hedge market and currency risk, and for the purposes of efficient portfolio management. In practice, the strategy would not normally use derivatives and is not integral to the investment process. Leveraging and shorting are not employed in these investment portfolios.

9. Gross of fee performance results are presented before management and custodial fees and net of broker fees, transaction costs, and withholding taxes (If applicable). Certain portfolios may have custodial fees included. As of 1 April 2014, net performance reflects the deduction of the highest management fee per the strategy fee schedule. Prior to this date, net performance reflected the deduction of the highest management fee that could have been charged to any account in the composite. The standard management fee schedule for this strategy for institutional separate accounts is 0.60% of 1%. Fees may be negotiated in lieu of the standard fee schedule depending on the nature of the mandate and the size of account.

10. A complete list and description of all composites maintained by BlackRock and the related performance results are available upon request. Additional information regarding policies for calculating and reporting returns as well as valuation policies is also available upon request.

11. The BlackRock Pan European Equity Income Composite is comprised of all fully discretionary portfolios which seek to provide above average income from its equity investments without sacrificing long term capital growth. The benchmark for this composite is the MSCI Europe NDR Index. All accounts included in the composite follow a similar investment philosophy. The creation date of the composite is 1 January 2011. The Composite has a Significant Cash Flow (SCF) policy to temporarily remove accounts from the Composite. A significant cash flow is defined as a series of cash flows greater than 10% of an account's net asset value in a calendar month. The account is removed from the Composite as of the month-end prior to the occurrence of the SCF, and is re-entered into the composite at the beginning of the first full month after the occurrence of the SCF activity, subject to it still being eligible for inclusion. For significant cash flow occurrences from 01/01/2011 onwards, accounts will only be removed from a composite temporarily if there are more than 3 accounts active in the composite for the period under review. For significant cash flow occurrences from 01/01/2012 onwards, accounts will not be temporarily removed from the composite if the cash flows are offset by program trades initiated prior to the designated movement of cash. Additional information regarding the treatment of SCF is available upon request.
<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Gross of fee composite return (%)</th>
<th>Net of fee composite return (%)</th>
<th>Benchmark return (%)</th>
<th>Number of portfolios</th>
<th>Composite dispersion (%)</th>
<th>Composite 3 yr annualized standard deviation (%)</th>
<th>Benchmark 3 yr annualized standard deviation (%)</th>
<th>Total assets at end of period (USD millions)</th>
<th>Percentage of firm assets</th>
<th>Total firm assets (USD millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>29.74</td>
<td>27.80</td>
<td>32.20</td>
<td>4</td>
<td>1.89</td>
<td>15.31</td>
<td>14.59</td>
<td>911</td>
<td>&lt;1</td>
<td>1,078,217</td>
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<tr>
<td>2007</td>
<td>41.27</td>
<td>39.15</td>
<td>40.86</td>
<td>3</td>
<td>2.11</td>
<td>16.41</td>
<td>16.32</td>
<td>1085</td>
<td>&lt;1</td>
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<td>2008</td>
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<td>-52.38</td>
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<td>0.10</td>
<td>27.66</td>
<td>27.39</td>
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<tr>
<td>2009</td>
<td>76.34</td>
<td>73.69</td>
<td>72.07</td>
<td>2</td>
<td>0.58</td>
<td>32.39</td>
<td>31.91</td>
<td>646</td>
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<tr>
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<td>20.12</td>
<td>18.31</td>
<td>19.62</td>
<td>2</td>
<td>0.48</td>
<td>32.28</td>
<td>31.45</td>
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<tr>
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<td>-26.43</td>
<td>-17.31</td>
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<td>0.49</td>
<td>26.81</td>
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<td>27.16</td>
<td>22.36</td>
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<td>0.24</td>
<td>22.85</td>
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<tr>
<td>2013</td>
<td>12.90</td>
<td>11.21</td>
<td>3.07</td>
<td>3</td>
<td>1.28</td>
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<td>&lt;1</td>
<td>4,307,669</td>
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<tr>
<td>2014</td>
<td>6.91</td>
<td>5.71</td>
<td>4.79</td>
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<td>&lt;1</td>
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<tr>
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<td>13.10</td>
<td>2,065</td>
<td>&lt;1</td>
<td>4,624,182</td>
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</tbody>
</table>

Note: Performance results presented for periods prior to 29 September 2006 occurred while members of the portfolio management team were affiliated with another firm ("Prior Firm"). Such members of the portfolio management team were responsible for investment decisions at the Prior Firm and the decision making process has remained intact and independent within BlackRock. See Note 11 on the following page.

Data shown may be subject to revisions from time to time based on availability of new information. Any such revisions are not material.

(1) N/A – 36 months of data is not available for that period.

Note: Past performance is not indicative of future results. Please see the following page for important disclosures related to this composite.
BlackRock Asian Equities (ex Japan & ex Australia) Composite

Notes

1. For purposes of compliance with the Global Investment Performance Standards (GIPS®), the "firm" refers to the investment adviser and national trust bank subsidiaries of BlackRock, Inc., located globally, with the exception of BlackRock Capital Investment Corporation. This definition excludes: (i) BlackRock subsidiaries that do not provide investment advisory or management services, or (ii) the Absolute Return Strategies (funds-of-hedge-funds) business unit under the "BlackRock Alternative Advisers" platform, and (iii) Xulu, Inc., a subsidiary of BlackRock operating under the name of FutureAdvisor.

2. BlackRock claims compliance with the GIPS standards and has prepared and presented this report in compliance with the GIPS standards. BlackRock has been independently verified for the periods 1 January 1993 through 31 December 2014. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The firm is verified annually by Deloitte & Touche LLP.

3. BlackRock uses a time-weighted linked rate of return formula with adjustments for cash flows to calculate rates of return. Trade date accounting has been used since the inception of the composite. The currency used to calculate performance is US dollars.

4. The benchmark index shown is the MSCI AC Far East ex Japan Index prior to 1 April 2007 and the MSCI AC Asia ex Japan (NDR) Index thereafter.

5. Composite dispersion measures represent the consistency of a firm’s composite performance results with respect to the individual portfolio returns within a composite. Dispersion is represented by the asset-weighted standard deviation of only portfolios that have been included in the composite style for a full year. For composites containing only one account, a measure of dispersion is not meaningful (NM).

6. Percentage of Firm Assets are rounded to the nearest whole percent.

7. Following the departure of the lead portfolio manager, as of 10 August 2011 responsibility for the management of portfolios transitioned to a new team lead, Andrew Swann. The composite strategy has not changed.

8. When permitted by investment guidelines, derivatives may be used in a portfolio although such usage is rare and is not integral to the investment process. Leverage and shorting are never employed in these investment portfolios.

9. Fees may be negotiated charged to any account in the composite.

10. The BlackRock Asian Equities (ex Japan & ex Australia) Composite is comprised of all fully discretionary, total return accounts which seek to achieve long term capital growth, investing principally within listed securities which participate in the economies of the Far East and Asia (excluding Japan & Australia). The benchmark for this Composite is the MSCI AC Far East ex Japan prior to 1 April 2007 and the MSCI AC Asia ex Japan (NDR) Index thereafter. All accounts included in the composite follow a similar investment philosophy. The composite creation date is 18 April 2007. The Composite has a Significant Cash Flow (SCF) policy to temporarily remove accounts from the Composite. A significant cash flow is defined as a series of cash flows greater than 10% of an account’s net asset value in a calendar month. The account is removed from the Composite as of the month-end prior to the occurrence of the SCF, and is re-entered into the composite at the beginning of the first full month after the occurrence of the SCF activity, subject to it still being eligible for inclusion. For significant cash flow occurrences from 01/01/2011 onwards, accounts will only be removed from a composite temporarily if there are more than 3 accounts active in the composite for the period under review. For significant cash flow occurrences from 01/01/2012 onwards, accounts will not be temporarily removed from the composite if the cash flows are offset by program trades initiated prior to the designated movement of cash. Additional information regarding the treatment of SCF is available upon request. Performance presented for periods prior to 29 September 2006 occurred while members of the portfolio management team were affiliated with Merrill Lynch Investment Managers ("Prior Firm"). Such members of the portfolio management team were responsible for investment management decisions for the Asian Equities (ex Japan & ex Australia) Composite at the Prior Firm and the decision making process has remained intact within BlackRock. The performance presented in periods for which there were more than 3 accounts active in the composite is not meaningful (NM). For composites containing only one account, a measure of dispersion is not meaningful (NM).

9. For purposes of compliance with the Global Investment Performance Standards (GIPS®), the "firm" refers to the investment adviser and national trust bank subsidiaries of BlackRock, Inc., located globally, with the exception of BlackRock Capital Investment Corporation. This definition excludes: (i) BlackRock subsidiaries that do not provide investment advisory or management services, or (ii) the Absolute Return Strategies (funds-of-hedge-funds) business unit under the "BlackRock Alternative Advisers" platform, and (iii) Xulu, Inc., a subsidiary of BlackRock operating under the name of FutureAdvisor.

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3. BlackRock uses a time-weighted linked rate of return formula with adjustments for cash flows to calculate rates of return. Trade date accounting has been used since the inception of the composite. The currency used to calculate performance is US dollars.

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Performance notes

Past performance is not indicative of future results. Except as specified, the performance information shown is as of March 31, 2016 and is based on preliminary data available at that time. The performance data shown reflects information for all actively and passively managed equity and fixed income accounts, including U.S. registered investment companies, European-domiciled retail funds and separate accounts for which performance data is available, including performance data for high net worth accounts available as of February 29, 2016. The performance data does not include accounts terminated prior to March 31, 2016 and accounts for which data has not yet been verified. If such accounts had been included, the performance data provided may have substantially differed from that shown.

Performance comparisons shown are gross-of-fees for institutional and high net worth separate accounts, and net-of-fees for retail funds. The performance tracking shown for index accounts is based on gross-of-fees performance and includes all institutional accounts and all iShares funds globally using an index strategy. AUM information is based on AUM available as of March 31, 2016 for each account or fund in the asset class shown without adjustment for overlapping management of the same account or fund. Fund performance reflects the reinvestment of dividends and distributions.

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.
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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. Past performance does not guarantee future results.

There can be no assurance that performance will be enhanced for funds that seek to provide exposure to certain quantitative investment characteristics (“factors”). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

Funds that are actively managed do not seek to replicate the performance of a specified index. These funds may have a higher portfolio turnover than funds that seek to replicate the performance of an index.

The iShares Minimum Volatility ETFs may experience more than minimum volatility as there is no guarantee that the underlying index’s strategy of seeking to lower volatility will be successful.

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.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency and its return and yield will fluctuate with market conditions. Securities with floating or variable interest rates may decline in value if their coupon rates do not keep pace with comparable market interest rates. A fund’s income may decline when interest rates fall if most of the debt instruments held by the fund have floating or variable rates. There is no guarantee that dividends will be paid.

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, in concentrations of single countries or smaller capital markets.
Important information regarding iShares ETFs

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