

## BlackRock Reports Full Year 2023 Diluted EPS of \$36.51, or \$37.77 as adjusted Fourth Quarter 2023 Diluted EPS of \$9.15, or \$9.66 as adjusted

### BlackRock Announces Agreement to Acquire Global Infrastructure Partners (“GIP”) – Creating a World Leading Infrastructure Investment Platform

New York, January 12, 2024 – BlackRock, Inc. (NYSE: BLK) today reported financial results for the three months and year ended December 31, 2023.

**BlackRock’s acquisition of GIP will create a combined infrastructure platform of over \$150 billion\***, well positioned to meet fast-growing investor demand

**\$10 trillion in AUM following \$289 billion of full year net inflows, including \$96 billion in the fourth quarter**

**Flat full year revenue** primarily driven by the negative impact of markets on average AUM, partially offset by higher technology services revenue

**Restructuring charge of \$61 million** from initiative to reorganize specific platforms, primarily Aladdin and illiquid alternative investments, to stay ahead of client needs, excluded from as adjusted results

**2% decrease in full year operating income**

**7% increase in full year diluted EPS** also reflects significantly higher nonoperating income, partially offset by a higher effective tax rate in the current year

**\$4.5 billion returned to shareholders in 2023**, including \$1.5 billion of share repurchases

**2% increase in quarterly cash dividend to \$5.10 per share** approved by Board of Directors

## FINANCIAL RESULTS

| (in millions, except per share data) | Q4 2023       | Q4 2022      | Full Year     |              |
|--------------------------------------|---------------|--------------|---------------|--------------|
|                                      |               |              | 2023          | 2022         |
| <b>AUM</b>                           | \$ 10,008,995 | \$ 8,594,485 | \$ 10,008,995 | \$ 8,594,485 |
| % change                             | 16%           |              | 16%           |              |
| <b>Average AUM</b>                   | \$ 9,384,929  | \$ 8,417,215 | \$ 9,220,700  | \$ 8,948,570 |
| % change                             | 11%           |              | 3%            |              |
| <b>Total net flows</b>               | \$ 95,647     | \$ 113,725   | \$ 288,695    | \$ 306,570   |
| <b>GAAP basis:</b>                   |               |              |               |              |
| Revenue                              | \$ 4,631      | \$ 4,337     | \$ 17,859     | \$ 17,873    |
| % change                             | 7%            |              | -%            |              |
| Operating income                     | \$ 1,585      | \$ 1,427     | \$ 6,275      | \$ 6,385     |
| % change                             | 11%           |              | (2)%          |              |
| Operating margin                     | 34.2%         | 32.9%        | 35.1%         | 35.7%        |
| Net income <sup>(1)</sup>            | \$ 1,375      | \$ 1,259     | \$ 5,502      | \$ 5,178     |
| % change                             | 9%            |              | 6%            |              |
| Diluted EPS                          | \$ 9.15       | \$ 8.29      | \$ 36.51      | \$ 33.97     |
| % change                             | 10%           |              | 7%            |              |
| Weighted-average diluted shares      | 150.2         | 151.8        | 150.7         | 152.4        |
| % change                             | (1)%          |              | (1)%          |              |
| <b>As Adjusted<sup>(2)</sup>:</b>    |               |              |               |              |
| Operating income                     | \$ 1,716      | \$ 1,577     | \$ 6,593      | \$ 6,711     |
| % change                             | 9%            |              | (2)%          |              |
| Operating margin                     | 41.6%         | 41.2%        | 41.7%         | 42.8%        |
| Net income <sup>(1)</sup>            | \$ 1,451      | \$ 1,356     | \$ 5,692      | \$ 5,391     |
| % change                             | 7%            |              | 6%            |              |
| Diluted EPS                          | \$ 9.66       | \$ 8.93      | \$ 37.77      | \$ 35.36     |
| % change                             | 8%            |              | 7%            |              |

<sup>(1)</sup> Net income represents net income attributable to BlackRock, Inc.

<sup>(2)</sup> See pages 10 through 12 for the reconciliation to GAAP and notes (1) through (3) to the condensed consolidated statements of income and supplemental information for more information on as adjusted items.

### Laurence D. Fink, Chairman and CEO:

“BlackRock delivered differentiated organic growth and operating margin through historically challenging market and industry conditions in 2022 and 2023. As we’ve seen before, when investors were ready to put money back to work, they did it with BlackRock. Clients entrusted us with \$289 billion of net inflows in 2023, including \$96 billion in the fourth quarter. We enter 2024 with strong momentum – \$10 trillion in AUM, accelerating flows, and an organization positioned for the future.

“Today, we are announcing two transformational changes in anticipation of the evolution we see ahead for asset management and the capital markets. The strategic re-architecture of our organization will simplify and improve how we work and deliver for clients. And our acquisition of GIP will propel our leadership in the fast-growing market for hard-asset infrastructure.

“Our clients’ needs have been our compass. Listening to them and applying that to our vision for the future of our industry drove our innovation in Aladdin, and how we led a revolution that made iShares ETFs ubiquitous.

“We always viewed ETFs as a technology, a technology that facilitated investing. And just as our Aladdin technology has become core to asset management, so too have ETFs. That’s why we believe embedding our ETF and Index business across the entire firm will accelerate the growth of iShares and every investment strategy at BlackRock.

“The combination of BlackRock infrastructure with GIP will make us the second largest private markets infrastructure manager with over \$150 billion in total AUM, providing clients – especially those saving for retirement – with the high-coupon, inflation-protected, long-duration investments they need.

“We are incredibly excited about this next chapter in BlackRock’s history. This ambitious transformation of our firm positions us better than ever. Our clients, shareholders and employees will be its biggest beneficiaries.”

## NET FLOW HIGHLIGHTS<sup>(1)</sup>

| (in billions)                    | Q4 2023 | Full Year 2023 |
|----------------------------------|---------|----------------|
| <b>Long-term net flows:</b>      | \$ 63   | \$ 209         |
| <b>By region:</b>                |         |                |
| Americas                         | \$ 54   | \$ 138         |
| EMEA                             | 8       | 27             |
| APAC                             | 1       | 44             |
| <b>By client type:</b>           |         |                |
| <b>Retail:</b>                   | \$ (9)  | \$ (8)         |
| US                               | (6)     | (5)            |
| International                    | (3)     | (4)            |
| <b>ETFs:</b>                     | \$ 88   | \$ 186         |
| Core equity                      | 32      | 83             |
| Strategic                        | 28      | 104            |
| Precision                        | 28      | (1)            |
| <b>Institutional:</b>            | \$ (16) | \$ 32          |
| Active                           | 8       | 87             |
| Index                            | (24)    | (55)           |
| <b>Cash management net flows</b> | \$ 33   | \$ 79          |
| <b>Total net flows</b>           | \$ 96   | \$ 289         |

<sup>(1)</sup> Totals may not add due to rounding.

\* Combined infrastructure platform represents client assets (AUM and non-fee paying committed capital) of BlackRock and GIP as of December 31, 2023 and September 30, 2023, respectively.

## BUSINESS RESULTS

|                                    | Q4 2023          | December 31, 2023    | Q4 2023   | December 31, 2023 | Q4 2023   |
|------------------------------------|------------------|----------------------|---|-------------------|---|
| (In millions), (unaudited)         | Net flows        | AUM                  | Base fees <sup>(1)</sup><br>and securities<br>lending revenue | AUM<br>% of Total | Base fees <sup>(1)</sup><br>and securities<br>lending revenue<br>% of Total |
| <b>RESULTS BY CLIENT TYPE</b>      |                  |                      |   |                   |   |
| Retail                             | \$ (8,959)       | \$ 929,697           | \$ 993  | 9%                | 28%   |
| ETFs                               | 87,721           | 3,499,299            | 1,458   | 35%               | 40%   |
| Institutional:                     |                  |                      |   |                   |   |
| Active                             | 7,511            | 1,912,673            | 691   | 19%               | 19%   |
| Index                              | (23,576)         | 2,902,489            | 223   | 29%               | 6%  |
| Total institutional                | (16,065)         | 4,815,162            | 914   | 48%               | 25%   |
| <b>Long-term</b>                   | <b>62,697</b>    | <b>9,244,158</b>     | <b>3,365</b>  | <b>92%</b>        | <b>93%</b>  |
| Cash management                    | 32,950           | 764,837              | 240   | 8%                | 7%  |
| <b>Total</b>                       | <b>\$ 95,647</b> | <b>\$ 10,008,995</b> | <b>\$ 3,605</b>   | <b>100%</b>       | <b>100%</b>   |
| <b>RESULTS BY INVESTMENT STYLE</b> |                  |                      |   |                   |   |
| Active                             | \$ (5,762)       | \$ 2,621,178         | \$ 1,631  | 26%               | 45%   |
| Index and ETFs                     | 68,459           | 6,622,980            | 1,734   | 66%               | 48%   |
| <b>Long-term</b>                   | <b>62,697</b>    | <b>9,244,158</b>     | <b>3,365</b>  | <b>92%</b>        | <b>93%</b>  |
| Cash management                    | 32,950           | 764,837              | 240   | 8%                | 7%  |
| <b>Total</b>                       | <b>\$ 95,647</b> | <b>\$ 10,008,995</b> | <b>\$ 3,605</b>   | <b>100%</b>       | <b>100%</b>   |
| <b>RESULTS BY PRODUCT TYPE</b>     |                  |                      |   |                   |   |
| Equity                             | \$ 34,086        | \$ 5,293,344         | \$ 1,769  | 52%               | 49%   |
| Fixed income                       | 32,180           | 2,804,026            | 864   | 28%               | 24%   |
| Multi-asset                        | (1,051)          | 870,804              | 299   | 9%                | 8%  |
| Alternatives:                      |                  |                      |   |                   |   |
| Illiquid alternatives              | 3,561            | 136,909              | 251   | 1%                | 7%  |
| Liquid alternatives                | (3,289)          | 74,233               | 138   | 1%                | 4%  |
| Currency and commodities           | (2,790)          | 64,842               | 44  | 1%                | 1%  |
| Total Alternatives                 | (2,518)          | 275,984              | 433   | 3%                | 12%   |
| <b>Long-term</b>                   | <b>62,697</b>    | <b>9,244,158</b>     | <b>3,365</b>  | <b>92%</b>        | <b>93%</b>  |
| Cash management                    | 32,950           | 764,837              | 240   | 8%                | 7%  |
| <b>Total</b>                       | <b>\$ 95,647</b> | <b>\$ 10,008,995</b> | <b>\$ 3,605</b>   | <b>100%</b>       | <b>100%</b>   |

<sup>(1)</sup> Base fees include investment advisory and administration fees.

## INVESTMENT PERFORMANCE AT DECEMBER 31, 2023<sup>(1)</sup>

|  | One-year period | Three-year period | Five-year period |
|--|-----------------|-------------------|------------------|
| <b>Fixed income:</b>                                       |                 |                   |                  |
| <i>Actively managed AUM above benchmark or peer median</i> |                 |                   |                  |
| Taxable  | 84%             | 78%               | 92%              |
| Tax-exempt   | 75%             | 61%               | 45%              |
| <i>Index AUM within or above applicable tolerance</i>      | 98%             | 97%               | 97%              |
| <b>Equity:</b>   |                 |                   |                  |
| <i>Actively managed AUM above benchmark or peer median</i> |                 |                   |                  |
| Fundamental  | 69%             | 47%               | 87%              |
| Systematic   | 87%             | 83%               | 89%              |
| <i>Index AUM within or above applicable tolerance</i>      | 96%             | 99%               | 100%             |

<sup>(1)</sup> Past performance is not indicative of future results. The performance information shown is based on preliminary available data. Please refer to page 14 for performance disclosure detail.

## CAPITAL MANAGEMENT

BlackRock's Board of Directors approved a 2% increase in the quarterly cash dividend to \$5.10 per share, payable March 22, 2024, to shareholders of record at the close of business on March 7, 2024.

## TELECONFERENCE, WEBCAST AND PRESENTATION INFORMATION

Chairman and Chief Executive Officer, Laurence D. Fink, President, Robert S. Kapito, and Chief Financial Officer, Martin S. Small, will host a teleconference call for investors and analysts on Friday, January 12, 2024 at 7:30 a.m. (Eastern Time). Members of the public who are interested in participating in the teleconference should dial, from the United States, (313) 209-4913, or from outside the United States, (866) 400-0049, shortly before 7:30 a.m. and reference the BlackRock Conference Call (ID Number 3392098). A live, listen-only webcast will also be available via the investor relations section of [www.blackrock.com](http://www.blackrock.com).

The webcast will be available for replay by 10:30 a.m. (Eastern Time) on Friday, January 12, 2024. To access the replay of the webcast, please visit the investor relations section of [www.blackrock.com](http://www.blackrock.com).

## ABOUT BLACKROCK

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable. For additional information on BlackRock, please visit [www.blackrock.com/corporate](http://www.blackrock.com/corporate).

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION

(in millions, except per share data), (unaudited)

|  | Three Months Ended<br>December 31, |              |              | Three Months<br>Ended<br>September 30, |            |
|--|------------------------------------|--------------|--------------|--|------------|
|  | 2023                               | 2022         | Change       | 2023                                   | Change     |
| <b>Revenue</b>   |                                    |              |              |  |            |
| Investment advisory, administration fees and securities lending revenue:                           |                                    |              |              |  |            |
| Investment advisory and administration fees  | \$ 3,448                           | \$ 3,260     | \$ 188       | \$ 3,514                               | \$ (66)    |
| Securities lending revenue   | 157                                | 139          | 18           | 167                                    | (10)       |
| Total investment advisory, administration fees and securities lending revenue                      | 3,605                              | 3,399        | 206          | 3,681                                  | (76)       |
| Investment advisory performance fees   | 311                                | 228          | 83           | 70                                     | 241        |
| Technology services revenue  | 379                                | 353          | 26           | 407                                    | (28)       |
| Distribution fees  | 303                                | 314          | (11)         | 321                                    | (18)       |
| Advisory and other revenue   | 33                                 | 43           | (10)         | 43                                     | (10)       |
| Total revenue  | 4,631                              | 4,337        | 294          | 4,522                                  | 109        |
| <b>Expense</b>   |                                    |              |              |  |            |
| Employee compensation and benefits   | 1,503                              | 1,430        | 73           | 1,420                                  | 83         |
| Distribution and servicing costs   | 502                                | 497          | 5            | 526                                    | (24)       |
| Direct fund expense  | 318                                | 275          | 43           | 354                                    | (36)       |
| General and administration expense   | 624                                | 580          | 44           | 546                                    | 78         |
| Restructuring charge   | 61                                 | 91           | (30)         | -                                      | 61         |
| Amortization of intangible assets  | 38                                 | 37           | 1            | 39                                     | (1)        |
| Total expense  | 3,046                              | 2,910        | 136          | 2,885                                  | 161        |
| Operating income   | 1,585                              | 1,427        | 158          | 1,637                                  | (52)       |
| <b>Nonoperating income (expense)</b>   |                                    |              |              |  |            |
| Net gain (loss) on investments   | 265                                | 207          | 58           | 114                                    | 151        |
| Interest and dividend income   | 159                                | 72           | 87           | 139                                    | 20         |
| Interest expense   | (82)                               | (54)         | (28)         | (82)                                   | -          |
| Total nonoperating income (expense)  | 342                                | 225          | 117          | 171                                    | 171        |
| Income before income taxes   | 1,927                              | 1,652        | 275          | 1,808                                  | 119        |
| Income tax expense   | 438                                | 345          | 93           | 213                                    | 225        |
| <b>Net income</b>  | 1,489                              | 1,307        | 182          | 1,595                                  | (106)      |
| Less:  |                                    |              |              |  |            |
| Net income (loss) attributable to noncontrolling interests   | 114                                | 48           | 66           | (9)                                    | 123        |
| <b>Net income attributable to BlackRock, Inc.</b>  | \$ 1,375                           | \$ 1,259     | \$ 116       | \$ 1,604                               | \$ (229)   |
| <b>Weighted-average common shares outstanding</b>  |                                    |              |              |  |            |
| Basic  | 148.7                              | 150.0        | (1.4)        | 149.2                                  | (0.5)      |
| Diluted  | 150.2                              | 151.8        | (1.6)        | 150.5                                  | (0.3)      |
| <b>Earnings per share attributable to BlackRock, Inc. common stockholders</b>                      |                                    |              |              |  |            |
| Basic  | \$ 9.25                            | \$ 8.39      | \$ 0.86      | \$ 10.75                               | \$ (1.50)  |
| Diluted  | \$ 9.15                            | \$ 8.29      | \$ 0.86      | \$ 10.66                               | \$ (1.51)  |
| <b>Cash dividends declared and paid per share</b>  | \$ 5.00                            | \$ 4.88      | \$ 0.12      | \$ 5.00                                | \$ -       |
| <b>Supplemental information:</b>   |                                    |              |              |  |            |
| AUM (end of period)  | \$ 10,008,995                      | \$ 8,594,485 | \$ 1,414,510 | \$ 9,100,825                           | \$ 908,170 |
| Shares outstanding (end of period)   | 148.5                              | 149.8        | (1.3)        | 148.9                                  | (0.4)      |
| <b>GAAP:</b>   |                                    |              |              |  |            |
| Operating margin   | 34.2%                              | 32.9%        | 130 bps      | 36.2%                                  | (200) bps  |
| Effective tax rate   | 24.2%                              | 21.5%        | 270 bps      | 11.7%                                  | 1,250 bps  |
| <b>As adjusted:</b>  |                                    |              |              |  |            |
| Operating income (1)   | \$ 1,716                           | \$ 1,577     | \$ 139       | \$ 1,691                               | \$ 25      |
| Operating margin (1)   | 41.6%                              | 41.2%        | 40 bps       | 42.3%                                  | (70) bps   |
| Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests (2) | \$ 199                             | \$ 177       | \$ 22        | \$ 184                                 | \$ 15      |
| Net income attributable to BlackRock, Inc. (3)   | \$ 1,451                           | \$ 1,356     | \$ 95        | \$ 1,642                               | \$ (191)   |
| Diluted earnings attributable to BlackRock, Inc. common stockholders per share (3)                 | \$ 9.66                            | \$ 8.93      | \$ 0.73      | \$ 10.91                               | \$ (1.25)  |
| Effective tax rate   | 24.2%                              | 22.7%        | 150 bps      | 12.4%                                  | 1,180 bps  |

See pages 10 through 12 for the reconciliation to accounting principles generally accepted in the United States ("GAAP") and notes (1) through (3) to the condensed consolidated statements of income and supplemental information for more information on as adjusted items.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION

(in millions, except per share data), (unaudited)

|  | Year Ended<br>December 31, |              | Change       |
|--|----------------------------|--------------|--------------|
|  | 2023                       | 2022         |              |
| <b>Revenue</b>   |                            |              |              |
| Investment advisory, administration fees and securities lending revenue:                           |                            |              |              |
| Investment advisory and administration fees  | \$ 13,724                  | \$ 13,852    | \$ (128)     |
| Securities lending revenue   | 675                        | 599          | 76           |
| Total investment advisory, administration fees and securities lending revenue                      | 14,399                     | 14,451       | (52)         |
| Investment advisory performance fees   | 554                        | 514          | 40           |
| Technology services revenue  | 1,485                      | 1,364        | 121          |
| Distribution fees  | 1,262                      | 1,381        | (119)        |
| Advisory and other revenue   | 159                        | 163          | (4)          |
| Total revenue  | 17,859                     | 17,873       | (14)         |
| <b>Expense</b>   |                            |              |              |
| Employee compensation and benefits   | 5,779                      | 5,681        | 98           |
| Distribution and servicing costs   | 2,051                      | 2,179        | (128)        |
| Direct fund expense  | 1,331                      | 1,226        | 105          |
| General and administration expense   | 2,211                      | 2,160        | 51           |
| Restructuring charge   | 61                         | 91           | (30)         |
| Amortization of intangible assets  | 151                        | 151          | -            |
| Total expense  | 11,584                     | 11,488       | 96           |
| Operating income   | 6,275                      | 6,385        | (110)        |
| <b>Nonoperating income (expense)</b>   |                            |              |              |
| Net gain (loss) on investments   | 699                        | (35)         | 734          |
| Interest and dividend income   | 473                        | 152          | 321          |
| Interest expense   | (292)                      | (212)        | (80)         |
| Total nonoperating income (expense)  | 880                        | (95)         | 975          |
| Income before income taxes   | 7,155                      | 6,290        | 865          |
| Income tax expense   | 1,479                      | 1,296        | 183          |
| <b>Net income</b>  | 5,676                      | 4,994        | 682          |
| Less:  |                            |              |              |
| Net income (loss) attributable to noncontrolling interests   | 174                        | (184)        | 358          |
| <b>Net income attributable to BlackRock, Inc.</b>  | \$ 5,502                   | \$ 5,178     | \$ 324       |
| <b>Weighted-average common shares outstanding</b>  |                            |              |              |
| Basic  | 149.3                      | 150.9        | (1.6)        |
| Diluted  | 150.7                      | 152.4        | (1.7)        |
| <b>Earnings per share attributable to BlackRock, Inc. common stockholders</b>                      |                            |              |              |
| Basic  | \$ 36.85                   | \$ 34.31     | \$ 2.54      |
| Diluted  | \$ 36.51                   | \$ 33.97     | \$ 2.54      |
| <b>Cash dividends declared and paid per share</b>  |                            |              |              |
|  | \$ 20.00                   | \$ 19.52     | \$ 0.48      |
| <b>Supplemental information:</b>   |                            |              |              |
| AUM (end of period)  | \$ 10,008,995              | \$ 8,594,485 | \$ 1,414,510 |
| Shares outstanding (end of period)   | 148.5                      | 149.8        | (1.3)        |
| <b>GAAP:</b>   |                            |              |              |
| Operating margin   | 35.1%                      | 35.7%        | (60) bps     |
| Effective tax rate   | 21.2%                      | 20.0%        | 120 bps      |
| <b>As adjusted:</b>  |                            |              |              |
| Operating income (1)   | \$ 6,593                   | \$ 6,711     | \$ (118)     |
| Operating margin (1)   | 41.7%                      | 42.8%        | (110) bps    |
| Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests (2) | \$ 648                     | \$ 89        | \$ 559       |
| Net income attributable to BlackRock, Inc. (3)   | \$ 5,692                   | \$ 5,391     | \$ 301       |
| Diluted earnings attributable to BlackRock, Inc. common stockholders per share (3)                 | \$ 37.77                   | \$ 35.36     | \$ 2.41      |
| Effective tax rate   | 21.4%                      | 20.7%        | 70 bps       |

See pages 10 through 12 for the reconciliation to GAAP and notes (1) through (3) to the condensed consolidated statements of income and supplemental information for more information on as adjusted items.

## ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

### Current Quarter Component Changes by Client Type and Product Type

|                        | September 30,<br>2023 | Net<br>inflows<br>(outflows) | Market<br>change  | FX impact <sup>(1)</sup> | December 31,<br>2023 | Average AUM <sup>(2)</sup> |
|------------------------|-----------------------|------------------------------|-------------------|--------------------------|----------------------|----------------------------|
| Retail:                |                       |                              |                   |                          |                      |                            |
| Equity                 | \$ 396,030            | \$ (370)                     | \$ 36,080         | \$ 3,994                 | \$ 435,734           | \$ 407,368                 |
| Fixed income           | 300,232               | (6,552)                      | 16,437            | 2,682                    | 312,799              | 303,171                    |
| Multi-asset            | 129,177               | (33)                         | 9,904             | 489                      | 139,537              | 131,663                    |
| Alternatives           | 43,001                | (2,004)                      | 303               | 327                      | 41,627               | 42,041                     |
| Retail subtotal        | 868,440               | (8,959)                      | 62,724            | 7,492                    | 929,697              | 884,243                    |
| ETFs:                  |                       |                              |                   |                          |                      |                            |
| Equity                 | 2,234,275             | 58,211                       | 230,034           | 10,111                   | 2,532,631            | 2,329,035                  |
| Fixed income           | 818,744               | 31,225                       | 43,359            | 5,075                    | 898,403              | 849,776                    |
| Multi-asset            | 7,716                 | 746                          | 614               | 64                       | 9,140                | 8,251                      |
| Alternatives           | 57,674                | (2,461)                      | 3,829             | 83                       | 59,125               | 59,058                     |
| ETFs subtotal          | 3,118,409             | 87,721                       | 277,836           | 15,333                   | 3,499,299            | 3,246,120                  |
| Institutional:         |                       |                              |                   |                          |                      |                            |
| Active:                |                       |                              |                   |                          |                      |                            |
| Equity                 | 167,917               | 704                          | 14,966            | 3,101                    | 186,688              | 174,135                    |
| Fixed income           | 771,581               | 6,012                        | 52,739            | 6,491                    | 836,823              | 792,981                    |
| Multi-asset            | 646,993               | (1,244)                      | 62,463            | 8,970                    | 717,182              | 667,841                    |
| Alternatives           | 166,771               | 2,039                        | 1,239             | 1,931                    | 171,980              | 168,608                    |
| Active subtotal        | 1,753,262             | 7,511                        | 131,407           | 20,493                   | 1,912,673            | 1,803,565                  |
| Index:                 |                       |                              |                   |                          |                      |                            |
| Equity                 | 1,943,069             | (24,459)                     | 190,759           | 28,922                   | 2,138,291            | 1,998,882                  |
| Fixed income           | 685,648               | 1,495                        | 46,049            | 22,809                   | 756,001              | 709,186                    |
| Multi-asset            | 4,986                 | (520)                        | 437               | 42                       | 4,945                | 4,747                      |
| Alternatives           | 3,330                 | (92)                         | (15)              | 29                       | 3,252                | 3,307                      |
| Index subtotal         | 2,637,033             | (23,576)                     | 237,230           | 51,802                   | 2,902,489            | 2,716,122                  |
| Institutional subtotal | 4,390,295             | (16,065)                     | 368,637           | 72,295                   | 4,815,162            | 4,519,687                  |
| <b>Long-term</b>       | <b>8,377,144</b>      | <b>62,697</b>                | <b>709,197</b>    | <b>95,120</b>            | <b>9,244,158</b>     | <b>8,650,050</b>           |
| Cash management        | 723,681               | 32,950                       | 2,770             | 5,436                    | 764,837              | 734,879                    |
| <b>Total</b>           | <b>\$ 9,100,825</b>   | <b>\$ 95,647</b>             | <b>\$ 711,967</b> | <b>\$ 100,556</b>        | <b>\$ 10,008,995</b> | <b>\$ 9,384,929</b>        |

### Current Quarter Component Changes by Investment Style and Product Type (Long-Term)

|                         | September 30,<br>2023 | Net<br>inflows<br>(outflows) | Market<br>change  | FX impact <sup>(1)</sup> | December 31,<br>2023 | Average AUM <sup>(2)</sup> |
|-------------------------|-----------------------|------------------------------|-------------------|--------------------------|----------------------|----------------------------|
| Active:                 |                       |                              |                   |                          |                      |                            |
| Equity                  | \$ 393,690            | \$ (5,489)                   | \$ 34,238         | \$ 5,009                 | \$ 427,448           | \$ 402,817                 |
| Fixed income            | 1,046,705             | 970                          | 67,480            | 8,267                    | 1,123,422            | 1,070,626                  |
| Multi-asset             | 776,158               | (1,278)                      | 72,367            | 9,458                    | 856,705              | 799,493                    |
| Alternatives            | 209,769               | 35                           | 1,542             | 2,257                    | 213,603              | 210,648                    |
| Active subtotal         | 2,426,322             | (5,762)                      | 175,627           | 24,991                   | 2,621,178            | 2,483,584                  |
| Index and ETFs:         |                       |                              |                   |                          |                      |                            |
| ETFs:                   |                       |                              |                   |                          |                      |                            |
| Equity                  | 2,234,275             | 58,211                       | 230,034           | 10,111                   | 2,532,631            | 2,329,035                  |
| Fixed income            | 818,744               | 31,225                       | 43,359            | 5,075                    | 898,403              | 849,776                    |
| Multi-asset             | 7,716                 | 746                          | 614               | 64                       | 9,140                | 8,251                      |
| Alternatives            | 57,674                | (2,461)                      | 3,829             | 83                       | 59,125               | 59,058                     |
| ETFs subtotal           | 3,118,409             | 87,721                       | 277,836           | 15,333                   | 3,499,299            | 3,246,120                  |
| Non-ETF Index:          |                       |                              |                   |                          |                      |                            |
| Equity                  | 2,113,326             | (18,636)                     | 207,567           | 31,008                   | 2,333,265            | 2,177,568                  |
| Fixed income            | 710,756               | (15)                         | 47,745            | 23,715                   | 782,201              | 734,712                    |
| Multi-asset             | 4,998                 | (519)                        | 437               | 43                       | 4,959                | 4,758                      |
| Alternatives            | 3,333                 | (92)                         | (15)              | 30                       | 3,256                | 3,308                      |
| Non-ETF Index subtotal  | 2,832,413             | (19,262)                     | 255,734           | 54,796                   | 3,123,681            | 2,920,346                  |
| Index and ETFs subtotal | 5,950,822             | 68,459                       | 533,570           | 70,129                   | 6,622,980            | 6,166,466                  |
| <b>Long-term</b>        | <b>\$ 8,377,144</b>   | <b>\$ 62,697</b>             | <b>\$ 709,197</b> | <b>\$ 95,120</b>         | <b>\$ 9,244,158</b>  | <b>\$ 8,650,050</b>        |

### Current Quarter Component Changes by Product Type (Long-Term)

|   | September 30,<br>2023 | Net<br>inflows<br>(outflows) | Market<br>change  | FX impact <sup>(1)</sup> | December 31,<br>2023 | Average AUM <sup>(2)</sup> |
|---|-----------------------|------------------------------|-------------------|--------------------------|----------------------|----------------------------|
| Equity                                  | \$ 4,741,291          | \$ 34,086                    | \$ 471,839        | \$ 46,128                | \$ 5,293,344         | \$ 4,909,420               |
| Fixed income                            | 2,576,205             | 32,180                       | 158,584           | 37,057                   | 2,804,026            | 2,655,114                  |
| Multi-asset                             | 788,872               | (1,051)                      | 73,418            | 9,565                    | 870,804              | 812,502                    |
| Alternatives:                           |                       |                              |                   |                          |                      |                            |
| Illiquid alternatives                   | 131,937               | 3,561                        | (205)             | 1,616                    | 136,909              | 133,889                    |
| Liquid alternatives                     | 75,139                | (3,289)                      | 1,805             | 578                      | 74,233               | 74,188                     |
| Currency and commodities <sup>(3)</sup> | 63,700                | (2,790)                      | 3,756             | 176                      | 64,842               | 64,937                     |
| Alternatives subtotal                   | 270,776               | (2,518)                      | 5,356             | 2,370                    | 275,984              | 273,014                    |
| <b>Long-term</b>                        | <b>\$ 8,377,144</b>   | <b>\$ 62,697</b>             | <b>\$ 709,197</b> | <b>\$ 95,120</b>         | <b>\$ 9,244,158</b>  | <b>\$ 8,650,050</b>        |

<sup>(1)</sup> Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

<sup>(2)</sup> Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing four months.

<sup>(3)</sup> Amounts include commodity ETFs.

## ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

### Year-over-Year Component Changes by Client Type and Product Type

|                        | December 31,<br>2022 | Net<br>inflows<br>(outflows) | Acquisition <sup>(1)</sup> | Market<br>change    | FX impact <sup>(2)</sup> | December 31,<br>2023 | Average AUM <sup>(3)</sup> |
|------------------------|----------------------|------------------------------|----------------------------|---------------------|--------------------------|----------------------|----------------------------|
| Retail:                |                      |                              |                            |                     |                          |                      |                            |
| Equity                 | \$ 370,612           | \$ 2,810                     | \$ -                       | \$ 58,248           | \$ 4,064                 | \$ 435,734           | \$ 403,530                 |
| Fixed income           | 299,114              | (2,471)                      | -                          | 11,821              | 4,335                    | 312,799              | 306,232                    |
| Multi-asset            | 125,168              | (236)                        | -                          | 14,022              | 583                      | 139,537              | 131,236                    |
| Alternatives           | 48,581               | (8,576)                      | -                          | 1,286               | 336                      | 41,627               | 45,319                     |
| Retail subtotal        | 843,475              | (8,473)                      | -                          | 85,377              | 9,318                    | 929,697              | 886,317                    |
| ETFs:                  |                      |                              |                            |                     |                          |                      |                            |
| Equity                 | 2,081,742            | 81,223                       | -                          | 362,885             | 6,781                    | 2,532,631            | 2,262,361                  |
| Fixed income           | 758,093              | 111,956                      | -                          | 24,544              | 3,810                    | 898,403              | 824,832                    |
| Multi-asset            | 8,875                | (746)                        | -                          | 949                 | 62                       | 9,140                | 8,024                      |
| Alternatives           | 60,900               | (6,491)                      | -                          | 4,626               | 90                       | 59,125               | 61,439                     |
| ETFs subtotal          | 2,909,610            | 185,942                      | -                          | 393,004             | 10,743                   | 3,499,299            | 3,156,656                  |
| Institutional:         |                      |                              |                            |                     |                          |                      |                            |
| Active:                |                      |                              |                            |                     |                          |                      |                            |
| Equity                 | 168,734              | (13,301)                     | -                          | 29,088              | 2,167                    | 186,688              | 174,967                    |
| Fixed income           | 774,955              | 4,714                        | -                          | 53,538              | 3,616                    | 836,823              | 798,832                    |
| Multi-asset            | 544,469              | 85,665                       | -                          | 79,644              | 7,404                    | 717,182              | 642,051                    |
| Alternatives           | 153,433              | 10,028                       | 2,177                      | 4,925               | 1,417                    | 171,980              | 162,871                    |
| Active subtotal        | 1,641,591            | 87,106                       | 2,177                      | 167,195             | 14,604                   | 1,912,673            | 1,778,721                  |
| Index:                 |                      |                              |                            |                     |                          |                      |                            |
| Equity                 | 1,814,266            | (82,222)                     | -                          | 401,047             | 5,200                    | 2,138,291            | 1,979,704                  |
| Fixed income           | 704,661              | 28,888                       | -                          | 17,774              | 4,678                    | 756,001              | 713,802                    |
| Multi-asset            | 6,392                | (1,896)                      | -                          | 559                 | (110)                    | 4,945                | 5,882                      |
| Alternatives           | 3,296                | 105                          | -                          | (138)               | (11)                     | 3,252                | 3,263                      |
| Index subtotal         | 2,528,615            | (55,125)                     | -                          | 419,242             | 9,757                    | 2,902,489            | 2,702,651                  |
| Institutional subtotal | 4,170,206            | 31,981                       | 2,177                      | 586,437             | 24,361                   | 4,815,162            | 4,481,372                  |
| <b>Long-term</b>       | <b>7,923,291</b>     | <b>209,450</b>               | <b>2,177</b>               | <b>1,064,818</b>    | <b>44,422</b>            | <b>9,244,158</b>     | <b>8,524,345</b>           |
| Cash management        | 671,194              | 79,245                       | -                          | 8,732               | 5,666                    | 764,837              | 696,355                    |
| <b>Total</b>           | <b>\$ 8,594,485</b>  | <b>\$ 288,695</b>            | <b>\$ 2,177</b>            | <b>\$ 1,073,550</b> | <b>\$ 50,088</b>         | <b>\$ 10,008,995</b> | <b>\$ 9,220,700</b>        |

### Year-over-Year Component Changes by Investment Style and Product Type (Long-Term)

|                         | December 31,<br>2022 | Net<br>inflows<br>(outflows) | Acquisition <sup>(1)</sup> | Market<br>change    | FX impact <sup>(2)</sup> | December 31,<br>2023 | Average AUM <sup>(3)</sup> |
|-------------------------|----------------------|------------------------------|----------------------------|---------------------|--------------------------|----------------------|----------------------------|
| Active:                 |                      |                              |                            |                     |                          |                      |                            |
| Equity                  | \$ 392,836           | \$ (26,772)                  | \$ -                       | \$ 57,431           | \$ 3,953                 | \$ 427,448           | \$ 409,687                 |
| Fixed income            | 1,053,083            | (882)                        | -                          | 64,203              | 7,018                    | 1,123,422            | 1,080,917                  |
| Multi-asset             | 669,629              | 85,424                       | -                          | 93,665              | 7,987                    | 856,705              | 773,278                    |
| Alternatives            | 202,012              | 1,451                        | 2,177                      | 6,210               | 1,753                    | 213,603              | 208,189                    |
| Active subtotal         | 2,317,560            | 59,221                       | 2,177                      | 221,509             | 20,711                   | 2,621,178            | 2,472,071                  |
| Index and ETFs:         |                      |                              |                            |                     |                          |                      |                            |
| ETFs:                   |                      |                              |                            |                     |                          |                      |                            |
| Equity                  | 2,081,742            | 81,223                       | -                          | 362,885             | 6,781                    | 2,532,631            | 2,262,361                  |
| Fixed income            | 758,093              | 111,956                      | -                          | 24,544              | 3,810                    | 898,403              | 824,832                    |
| Multi-asset             | 8,875                | (746)                        | -                          | 949                 | 62                       | 9,140                | 8,024                      |
| Alternatives            | 60,900               | (6,491)                      | -                          | 4,626               | 90                       | 59,125               | 61,439                     |
| ETFs subtotal           | 2,909,610            | 185,942                      | -                          | 393,004             | 10,743                   | 3,499,299            | 3,156,656                  |
| Non-ETF Index:          |                      |                              |                            |                     |                          |                      |                            |
| Equity                  | 1,960,776            | (65,941)                     | -                          | 430,952             | 7,478                    | 2,333,265            | 2,148,514                  |
| Fixed income            | 725,647              | 32,013                       | -                          | 18,930              | 5,611                    | 782,201              | 737,949                    |
| Multi-asset             | 6,400                | (1,891)                      | -                          | 560                 | (110)                    | 4,959                | 5,891                      |
| Alternatives            | 3,298                | 106                          | -                          | (137)               | (11)                     | 3,256                | 3,264                      |
| Non-ETF Index subtotal  | 2,696,121            | (35,713)                     | -                          | 450,305             | 12,968                   | 3,123,681            | 2,895,618                  |
| Index and ETFs subtotal | 5,605,731            | 150,229                      | -                          | 843,309             | 23,711                   | 6,622,980            | 6,052,274                  |
| <b>Long-term</b>        | <b>\$ 7,923,291</b>  | <b>\$ 209,450</b>            | <b>\$ 2,177</b>            | <b>\$ 1,064,818</b> | <b>\$ 44,422</b>         | <b>\$ 9,244,158</b>  | <b>\$ 8,524,345</b>        |

### Year-over-Year Component Changes by Product Type (Long-Term)

|   | December 31,<br>2022 | Net<br>inflows<br>(outflows) | Acquisition <sup>(1)</sup> | Market<br>change    | FX impact <sup>(2)</sup> | December 31,<br>2023 | Average AUM <sup>(3)</sup> |
|---|----------------------|------------------------------|----------------------------|---------------------|--------------------------|----------------------|----------------------------|
| Equity                                  | \$ 4,435,354         | \$ (11,490)                  | \$ -                       | \$ 851,268          | \$ 18,212                | \$ 5,293,344         | \$ 4,820,562               |
| Fixed income                            | 2,536,823            | 143,087                      | -                          | 107,677             | 16,439                   | 2,804,026            | 2,643,698                  |
| Multi-asset                             | 684,904              | 82,787                       | -                          | 95,174              | 7,939                    | 870,804              | 787,193                    |
| Alternatives:                           |                      |                              |                            |                     |                          |                      |                            |
| Illiquid alternatives                   | 117,751              | 13,665                       | 2,177                      | 1,885               | 1,431                    | 136,909              | 127,655                    |
| Liquid alternatives                     | 80,654               | (11,370)                     | -                          | 4,548               | 401                      | 74,233               | 77,595                     |
| Currency and commodities <sup>(4)</sup> | 67,805               | (7,229)                      | -                          | 4,266               | -                        | 64,842               | 67,642                     |
| Alternatives subtotal                   | 266,210              | (4,934)                      | 2,177                      | 10,699              | 1,832                    | 275,984              | 272,892                    |
| <b>Long-term</b>                        | <b>\$ 7,923,291</b>  | <b>\$ 209,450</b>            | <b>\$ 2,177</b>            | <b>\$ 1,064,818</b> | <b>\$ 44,422</b>         | <b>\$ 9,244,158</b>  | <b>\$ 8,524,345</b>        |

<sup>(1)</sup> Amounts include AUM attributable to the acquisition of Kreos Capital in August 2023 (the "Kreos Transaction").

<sup>(2)</sup> Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.

<sup>(3)</sup> Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.

<sup>(4)</sup> Amounts include commodity ETFs.

## SUMMARY OF REVENUE

| (in millions), (unaudited)   | Three Months Ended<br>December 31, |                 |               | Three Months Ended<br>September 30, |               |                  | Year Ended<br>December 31, |                |  |
|--|------------------------------------|-----------------|---------------|-------------------------------------|---------------|------------------|----------------------------|----------------|--|
|  | 2023                               | 2022            | Change        | 2023                                | Change        | 2023             | 2022                       | Change         |  |
| <b>Revenue</b>   |                                    |                 |               |                                     |               |                  |                            |                |  |
| Investment advisory, administration fees and securities lending revenue:             |                                    |                 |               |                                     |               |                  |                            |                |  |
| Equity:  |                                    |                 |               |                                     |               |                  |                            |                |  |
| Active   | \$ 484                             | \$ 478          | \$ 6          | \$ 510                              | \$ (26)       | \$ 2,000         | \$ 2,147                   | \$ (147)       |  |
| ETFs   | 1,102                              | 1,021           | 81            | 1,136                               | (34)          | 4,418            | 4,345                      | 73             |  |
| Non-ETF Index  | 183                                | 159             | 24            | 186                                 | (3)           | 743              | 711                        | 32             |  |
| Equity subtotal  | 1,769                              | 1,658           | 111           | 1,832                               | (63)          | 7,161            | 7,203                      | (42)           |  |
| Fixed income:  |                                    |                 |               |                                     |               |                  |                            |                |  |
| Active   | 468                                | 462             | 6             | 479                                 | (11)          | 1,897            | 1,977                      | (80)           |  |
| ETFs   | 311                                | 283             | 28            | 315                                 | (4)           | 1,230            | 1,122                      | 108            |  |
| Non-ETF Index  | 85                                 | 85              | -             | 93                                  | (8)           | 353              | 396                        | (43)           |  |
| Fixed income subtotal  | 864                                | 830             | 34            | 887                                 | (23)          | 3,480            | 3,495                      | (15)           |  |
| Multi-asset  | 299                                | 293             | 6             | 308                                 | (9)           | 1,203            | 1,299                      | (96)           |  |
| Alternatives:  |                                    |                 |               |                                     |               |                  |                            |                |  |
| Illiquid alternatives  | 251                                | 194             | 57            | 231                                 | 20            | 889              | 741                        | 148            |  |
| Liquid alternatives  | 138                                | 150             | (12)          | 143                                 | (5)           | 572              | 633                        | (61)           |  |
| Currency and commodities   | 44                                 | 47              | (3)           | 46                                  | (2)           | 185              | 216                        | (31)           |  |
| Alternatives subtotal  | 433                                | 391             | 42            | 420                                 | 13            | 1,646            | 1,590                      | 56             |  |
| <b>Long-term</b>   | <b>3,365</b>                       | <b>3,172</b>    | <b>193</b>    | <b>3,447</b>                        | <b>(82)</b>   | <b>13,490</b>    | <b>13,587</b>              | <b>(97)</b>    |  |
| Cash management  | 240                                | 227             | 13            | 234                                 | 6             | 909              | 864                        | 45             |  |
| <b>Total investment advisory, administration fees and securities lending revenue</b> | <b>3,605</b>                       | <b>3,399</b>    | <b>206</b>    | <b>3,681</b>                        | <b>(76)</b>   | <b>14,399</b>    | <b>14,451</b>              | <b>(52)</b>    |  |
| Investment advisory performance fees:  |                                    |                 |               |                                     |               |                  |                            |                |  |
| Equity   | 61                                 | 36              | 25            | 17                                  | 44            | 99               | 49                         | 50             |  |
| Fixed income   | 2                                  | 6               | (4)           | 1                                   | 1             | 4                | 25                         | (21)           |  |
| Multi-asset  | 5                                  | 11              | (6)           | 5                                   | -             | 28               | 25                         | 3              |  |
| Alternatives:  |                                    |                 |               |                                     |               |                  |                            |                |  |
| Illiquid alternatives  | 149                                | 115             | 34            | 24                                  | 125           | 273              | 296                        | (23)           |  |
| Liquid alternatives  | 94                                 | 60              | 34            | 23                                  | 71            | 150              | 119                        | 31             |  |
| Alternatives subtotal  | 243                                | 175             | 68            | 47                                  | 196           | 423              | 415                        | 8              |  |
| <b>Total investment advisory performance fees</b>                                    | <b>311</b>                         | <b>228</b>      | <b>83</b>     | <b>70</b>                           | <b>241</b>    | <b>554</b>       | <b>514</b>                 | <b>40</b>      |  |
| <b>Technology services revenue</b>   | <b>379</b>                         | <b>353</b>      | <b>26</b>     | <b>407</b>                          | <b>(28)</b>   | <b>1,485</b>     | <b>1,364</b>               | <b>121</b>     |  |
| <b>Distribution fees</b>   | <b>303</b>                         | <b>314</b>      | <b>(11)</b>   | <b>321</b>                          | <b>(18)</b>   | <b>1,262</b>     | <b>1,381</b>               | <b>(119)</b>   |  |
| Advisory and other revenue:  |                                    |                 |               |                                     |               |                  |                            |                |  |
| Advisory   | 15                                 | 17              | (2)           | 21                                  | (6)           | 81               | 56                         | 25             |  |
| Other  | 18                                 | 26              | (8)           | 22                                  | (4)           | 78               | 107                        | (29)           |  |
| <b>Total advisory and other revenue</b>  | <b>33</b>                          | <b>43</b>       | <b>(10)</b>   | <b>43</b>                           | <b>(10)</b>   | <b>159</b>       | <b>163</b>                 | <b>(4)</b>     |  |
| <b>Total revenue</b>   | <b>\$ 4,631</b>                    | <b>\$ 4,337</b> | <b>\$ 294</b> | <b>\$ 4,522</b>                     | <b>\$ 109</b> | <b>\$ 17,859</b> | <b>\$ 17,873</b>           | <b>\$ (14)</b> |  |

## Highlights

- Investment advisory, administration fees and securities lending revenue increased \$206 million from the fourth quarter of 2022, primarily driven by the impact of market beta on average AUM, positive organic base fee growth and higher securities lending revenue. Securities lending revenue of \$157 million increased from \$139 million in the fourth quarter of 2022, primarily reflecting higher spreads.

Investment advisory, administration fees and securities lending revenue decreased \$76 million from the third quarter of 2023, primarily driven by the negative impact of market beta on average AUM and lower securities lending revenue. Securities lending revenue of \$157 million decreased from \$167 million in the third quarter of 2023, primarily reflecting lower spreads.

- Performance fees increased \$83 million from the fourth quarter of 2022 and \$241 million from the third quarter of 2023, reflecting higher revenue from alternatives and long-only products.
- Technology services revenue increased \$26 million from the fourth quarter of 2022, reflecting the onboarding of several large clients. Technology services annual contract value ("ACV")<sup>(1)</sup> increased 10% from the fourth quarter of 2022. Technology services revenue decreased \$28 million from the third quarter of 2023, reflecting third-quarter renewals of eFront on-premise licenses, for which a majority of the revenue is recognized at the time of renewal.

<sup>(1)</sup> See note (4) to the condensed consolidated statements of income and supplemental information on page 12 for more information on ACV.

## SUMMARY OF OPERATING EXPENSE

| (in millions), (unaudited)                      | Three Months Ended |                 |               | Three Months Ended |               |                  | Year Ended       |              |  |
|---|--------------------|-----------------|---------------|--------------------|---------------|------------------|------------------|--------------|--|
|   | December 31,       |                 |               | September 30,      |               |                  | December 31,     |              |  |
|   | 2023               | 2022            | Change        | 2023               | Change        | 2023             | 2022             | Change       |  |
| <b>Operating expense</b>                        |                    |                 |               |                    |               |                  |                  |              |  |
| Employee compensation and benefits              | \$ 1,503           | \$ 1,430        | \$ 73         | \$ 1,420           | \$ 83         | \$ 5,779         | \$ 5,681         | \$ 98        |  |
| Distribution and servicing costs                | 502                | 497             | 5             | 526                | (24)          | 2,051            | 2,179            | (128)        |  |
| Direct fund expense                             | 318                | 275             | 43            | 354                | (36)          | 1,331            | 1,226            | 105          |  |
| General and administration expense:             |                    |                 |               |                    |               |                  |                  |              |  |
| Marketing and promotional                       | 100                | 100             | -             | 82                 | 18            | 344              | 331              | 13           |  |
| Occupancy and office related                    | 105                | 99              | 6             | 103                | 2             | 418              | 403              | 15           |  |
| Portfolio services                              | 68                 | 71              | (3)           | 65                 | 3             | 270              | 280              | (10)         |  |
| Sub-advisory                                    | 22                 | 17              | 5             | 20                 | 2             | 81               | 80               | 1            |  |
| Technology                                      | 186                | 151             | 35            | 145                | 41            | 607              | 600              | 7            |  |
| Professional services                           | 67                 | 51              | 16            | 51                 | 16            | 195              | 180              | 15           |  |
| Communications                                  | 11                 | 12              | (1)           | 12                 | (1)           | 47               | 44               | 3            |  |
| Foreign exchange remeasurement                  | (4)                | 8               | (12)          | (3)                | (1)           | (6)              | 10               | (16)         |  |
| Contingent consideration fair value adjustments | 2                  | 1               | 1             | -                  | 2             | 3                | 3                | -            |  |
| Product launch costs                            | -                  | 6               | (6)           | -                  | -             | -                | 6                | (6)          |  |
| Other general and administration                | 67                 | 64              | 3             | 71                 | (4)           | 252              | 223              | 29           |  |
| Total general and administration expense        | 624                | 580             | 44            | 546                | 78            | 2,211            | 2,160            | 51           |  |
| Restructuring charge                            | 61                 | 91              | (30)          | -                  | 61            | 61               | 91               | (30)         |  |
| Amortization of intangible assets               | 38                 | 37              | 1             | 39                 | (1)           | 151              | 151              | -            |  |
| <b>Total operating expense</b>                  | <b>\$ 3,046</b>    | <b>\$ 2,910</b> | <b>\$ 136</b> | <b>\$ 2,885</b>    | <b>\$ 161</b> | <b>\$ 11,584</b> | <b>\$ 11,488</b> | <b>\$ 96</b> |  |

### Highlights

- Employee compensation and benefits expense increased \$73 million from the fourth quarter of 2022 and \$83 million from the third quarter of 2023, reflecting higher incentive compensation, primarily as a result of higher performance fees, and higher severance.
- Direct fund expense increased \$43 million from the fourth quarter of 2022, primarily reflecting higher average index AUM.  
Direct fund expense decreased \$36 million from the third quarter of 2023, primarily reflecting lower average index AUM and certain rebates that seasonally occur in the fourth quarter.
- General and administrative expense increased \$44 million from the fourth quarter of 2022, primarily due to higher technology and professional services expenses, partially offset by the impact of foreign exchange remeasurement.  
General and administrative expense increased \$78 million from the third quarter of 2023, primarily due to higher technology, marketing and promotional and professional services expense.
- A restructuring charge of \$61 million, comprised of severance and compensation expense for accelerated vesting of previously granted deferred compensation awards, was recorded in the fourth quarter of 2023 in connection with initiatives to reorganize specific platforms, primarily Aladdin and alternative investments. The restructuring charge has been excluded from our “as adjusted” financial results. See pages 10 through 12 for the reconciliation to GAAP and notes (1) and (3) to the condensed consolidated statements of income and supplemental information for more information on as adjusted items.



## SUMMARY OF NONOPERATING INCOME (EXPENSE), LESS NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS

| <i>(in millions), (unaudited)</i>  | Three Months Ended |        |        | Three Months Ended |        | Year Ended   |         |        |
|--|--------------------|--------|--------|--------------------|--------|--------------|---------|--------|
|  | December 31,       |        |        | September 30,      |        | December 31, |         |        |
|  | 2023               | 2022   | Change | 2023               | Change | 2023         | 2022    | Change |
| Nonoperating income (expense), GAAP basis                                  | \$ 342             | \$ 225 | \$ 117 | \$ 171             | \$ 171 | \$ 880       | \$ (95) | \$ 975 |
| Less: Net income (loss) attributable to noncontrolling interests ("NCI")   | 114                | 48     | 66     | (9)                | 123    | 174          | (184)   | 358    |
| Nonoperating income (expense), net of NCI                                  | 228                | 177    | 51     | 180                | 48     | 706          | 89      | 617    |
| Less: Hedge gain (loss) on deferred cash compensation plans <sup>(1)</sup> | 29                 | -      | 29     | (4)                | 33     | 58           | -       | 58     |
| Nonoperating income (expense), net of NCI, as adjusted <sup>(2)</sup>      | \$ 199             | \$ 177 | \$ 22  | \$ 184             | \$ 15  | \$ 648       | \$ 89   | \$ 559 |

| <i>(in millions), (unaudited)</i>  | Three Months Ended |        |        | Three Months Ended |         | Year Ended   |       |        |
|--|--------------------|--------|--------|--------------------|---------|--------------|-------|--------|
|  | December 31,       |        |        | September 30,      |         | December 31, |       |        |
|  | 2023               | 2022   | Change | 2023               | Change  | 2023         | 2022  | Change |
| Net gain (loss) on investments, net of NCI                                 |                    |        |        |                    |         |              |       |        |
| Private equity   | \$ 68              | \$ 66  | \$ 2   | \$ 91              | \$ (23) | \$ 349       | \$ 88 | \$ 261 |
| Real assets  | 2                  | 5      | (3)    | 3                  | (1)     | 13           | 28    | (15)   |
| Other alternatives <sup>(3)</sup>  | 17                 | 5      | 12     | 22                 | (5)     | 49           | 5     | 44     |
| Other investments <sup>(4)</sup>   | 15                 | 44     | (29)   | 46                 | (31)    | 66           | (201) | 267    |
| Hedge gain (loss) on deferred cash compensation plans <sup>(1)</sup>       | 29                 | -      | 29     | (4)                | 33      | 58           | -     | 58     |
| Subtotal   | 131                | 120    | 11     | 158                | (27)    | 535          | (80)  | 615    |
| Other gains (losses) <sup>(5)</sup>  | 20                 | 39     | (19)   | (35)               | 55      | (10)         | 229   | (239)  |
| Total net gain (loss) on investments, net of NCI                           | 151                | 159    | (8)    | 123                | 28      | 525          | 149   | 376    |
| Interest and dividend income   | 159                | 72     | 87     | 139                | 20      | 473          | 152   | 321    |
| Interest expense   | (82)               | (54)   | (28)   | (82)               | -       | (292)        | (212) | (80)   |
| Net interest income (expense)  | 77                 | 18     | 59     | 57                 | 20      | 181          | (60)  | 241    |
| Nonoperating income (expense), net of NCI                                  | 228                | 177    | 51     | 180                | 48      | 706          | 89    | 617    |
| Less: Hedge gain (loss) on deferred cash compensation plans <sup>(1)</sup> | 29                 | -      | 29     | (4)                | 33      | 58           | -     | 58     |
| Nonoperating income (expense), net of NCI, as adjusted <sup>(2)</sup>      | \$ 199             | \$ 177 | \$ 22  | \$ 184             | \$ 15   | \$ 648       | \$ 89 | \$ 559 |

<sup>(1)</sup> Amount relates to the gain (loss) from economically hedging certain BlackRock deferred cash compensation plans.

<sup>(2)</sup> Management believes nonoperating income (expense), net of NCI, as adjusted, is an effective measure for reviewing BlackRock's nonoperating results, which ultimately impacts BlackRock's book value. For more information on as adjusted items and the reconciliation to GAAP see notes to the condensed consolidated statements of income and supplemental information on pages 10 through 12.

<sup>(3)</sup> Amounts primarily include net gains (losses) related to credit funds, direct hedge fund strategies and hedge fund solutions.

<sup>(4)</sup> Amounts primarily include net gains (losses) related to BlackRock's seed investment portfolio, net of impact of certain hedges.

<sup>(5)</sup> The amounts for the year ended December 31, 2022, primarily include nonoperating noncash pre-tax gains in connection with the Company's strategic minority investment in iCapital Network, Inc. of approximately \$267 million. Additional amounts include noncash pre-tax gains (losses) related to the revaluation of certain other minority investments.

## SUMMARY OF INCOME TAX EXPENSE

| <i>(in millions), (unaudited)</i> | Three Months Ended |        |         | Three Months Ended |           | Year Ended   |          |         |
|-----------------------------------|--------------------|--------|---------|--------------------|-----------|--------------|----------|---------|
|                                   | December 31,       |        |         | September 30,      |           | December 31, |          |         |
|                                   | 2023               | 2022   | Change  | 2023               | Change    | 2023         | 2022     | Change  |
| Income tax expense                | \$ 438             | \$ 345 | \$ 93   | \$ 213             | \$ 225    | \$ 1,479     | \$ 1,296 | \$ 183  |
| Effective tax rate                | 24.2%              | 21.5%  | 270 bps | 11.7%              | 1,250 bps | 21.2%        | 20.0%    | 120 bps |

### Highlights

- Fourth quarter 2022 income tax expense included a \$28 million net discrete tax benefit, of which \$17 million is associated with the net noncash tax benefit related to the revaluation of certain deferred income tax liabilities.
- Third quarter 2023 income tax expense included approximately \$223 million of discrete tax benefits related to the resolution of certain outstanding tax matters.

## RECONCILIATION OF GAAP OPERATING INCOME AND OPERATING MARGIN TO OPERATING INCOME AND OPERATING MARGIN, AS ADJUSTED

| (in millions), (unaudited)  | Three Months Ended |              |               | Year Ended   |              |
|---|--------------------|--------------|---------------|--------------|--------------|
|   | December 31,       |              | September 30, | December 31, |              |
|   | 2023               | 2022         | 2023          | 2023         | 2022         |
| <b>Operating income, GAAP basis</b>   | \$ 1,585           | \$ 1,427     | \$ 1,637      | \$ 6,275     | \$ 6,385     |
| Non-GAAP expense adjustments:   |                    |              |               |              |              |
| Compensation expense related to appreciation (depreciation) on deferred cash compensation plans (a) | 28                 | -            | (3)           | 57           | -            |
| Amortization of intangible assets (b)   | 38                 | 37           | 39            | 151          | 151          |
| Acquisition-related compensation costs (b)  | 2                  | 6            | 6             | 17           | 24           |
| Acquisition-related transaction costs (b) <sup>(1)</sup>  | -                  | -            | 4             | 7            | -            |
| Contingent consideration fair value adjustments (b)   | 2                  | 1            | -             | 3            | 3            |
| Lease costs - New York (c)  | -                  | 15           | -             | 14           | 57           |
| Restructuring charge (d)  | 61                 | 91           | -             | 61           | 91           |
| Reduction of indemnification asset (e) <sup>(1)</sup>   | -                  | -            | 8             | 8            | -            |
| <b>Operating income, as adjusted (1)</b>  | <b>1,716</b>       | <b>1,577</b> | <b>1,691</b>  | <b>6,593</b> | <b>6,711</b> |
| Product launch costs and commissions  | -                  | 6            | -             | -            | 6            |
| Operating income used for operating margin measurement  | \$ 1,716           | \$ 1,583     | \$ 1,691      | \$ 6,593     | \$ 6,717     |
| Revenue, GAAP basis   | \$ 4,631           | \$ 4,337     | \$ 4,522      | \$ 17,859    | \$ 17,873    |
| Non-GAAP adjustments:   |                    |              |               |              |              |
| Distribution fees   | (303)              | (314)        | (321)         | (1,262)      | (1,381)      |
| Investment advisory fees  | (199)              | (183)        | (205)         | (789)        | (798)        |
| Revenue used for operating margin measurement   | \$ 4,129           | \$ 3,840     | \$ 3,996      | \$ 15,808    | \$ 15,694    |
| <b>Operating margin, GAAP basis</b>   | <b>34.2%</b>       | <b>32.9%</b> | <b>36.2%</b>  | <b>35.1%</b> | <b>35.7%</b> |
| <b>Operating margin, as adjusted (1)</b>  | <b>41.6%</b>       | <b>41.2%</b> | <b>42.3%</b>  | <b>41.7%</b> | <b>42.8%</b> |

<sup>(1)</sup> Amounts included within general and administration expense.

See note (1) to the condensed consolidated statements of income and supplemental information on pages 11 and 12 for more information on as adjusted items.

## RECONCILIATION OF GAAP NONOPERATING INCOME (EXPENSE) TO NONOPERATING INCOME (EXPENSE), LESS NET INCOME (LOSS) ATTRIBUTABLE TO NCI, AS ADJUSTED

| (in millions), (unaudited)  | Three Months Ended |               |               | Year Ended    |              |
|---|--------------------|---------------|---------------|---------------|--------------|
|   | December 31,       |               | September 30, | December 31,  |              |
|   | 2023               | 2022          | 2023          | 2023          | 2022         |
| <b>Nonoperating income (expense), GAAP basis</b>  | \$ 342             | \$ 225        | \$ 171        | \$ 880        | \$ (95)      |
| Less: Net income (loss) attributable to NCI   | 114                | 48            | (9)           | 174           | (184)        |
| Nonoperating income (expense), net of NCI   | 228                | 177           | 180           | 706           | 89           |
| Less: Hedge gain (loss) on deferred cash compensation plans (a)                                   | 29                 | -             | (4)           | 58            | -            |
| <b>Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted (2)</b> | <b>\$ 199</b>      | <b>\$ 177</b> | <b>\$ 184</b> | <b>\$ 648</b> | <b>\$ 89</b> |

See notes (1) and (2) to the condensed consolidated statements of income and supplemental information on pages 11 and 12 for more information on as adjusted items.

## RECONCILIATION OF GAAP NET INCOME ATTRIBUTABLE TO BLACKROCK TO NET INCOME ATTRIBUTABLE TO BLACKROCK, AS ADJUSTED

| (in millions, except per share data), (unaudited)                  | Three Months Ended |                 |                 | Year Ended      |                 |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|
|  | December 31,       |                 | September 30,   | December 31,    |                 |
|  | 2023               | 2022            | 2023            | 2023            | 2022            |
| <b>Net income attributable to BlackRock, Inc., GAAP basis</b>      | \$ 1,375           | \$ 1,259        | \$ 1,604        | \$ 5,502        | \$ 5,178        |
| Non-GAAP adjustments <sup>(1)</sup> :                              |                    |                 |                 |                 |                 |
| Net impact of hedged deferred cash compensation plans (a)          | (1)                | -               | 1               | (1)             | -               |
| Amortization of intangible assets (b)                              | 28                 | 27              | 30              | 114             | 114             |
| Acquisition-related compensation costs (b)                         | 1                  | 5               | 4               | 12              | 19              |
| Acquisition-related transaction costs (b)                          | -                  | -               | 3               | 5               | -               |
| Contingent consideration fair value adjustments (b)                | 2                  | 1               | -               | 3               | 3               |
| Lease costs - New York (c)   | -                  | 12              | -               | 11              | 43              |
| Restructuring charge (d)   | 46                 | 69              | -               | 46              | 69              |
| Income tax matters   | -                  | (17)            | -               | -               | (35)            |
| <b>Net income attributable to BlackRock, Inc., as adjusted (3)</b> | <b>\$ 1,451</b>    | <b>\$ 1,356</b> | <b>\$ 1,642</b> | <b>\$ 5,692</b> | <b>\$ 5,391</b> |
| Diluted weighted-average common shares outstanding                 | 150.2              | 151.8           | 150.5           | 150.7           | 152.4           |
| <b>Diluted earnings per common share, GAAP basis</b>               | <b>\$ 9.15</b>     | <b>\$ 8.29</b>  | <b>\$ 10.66</b> | <b>\$ 36.51</b> | <b>\$ 33.97</b> |
| <b>Diluted earnings per common share, as adjusted (3)</b>          | <b>\$ 9.66</b>     | <b>\$ 8.93</b>  | <b>\$ 10.91</b> | <b>\$ 37.77</b> | <b>\$ 35.36</b> |

<sup>(1)</sup> Non-GAAP adjustments, excluding income tax matters, are net of tax.

See note (3) to the condensed consolidated statements of income and supplemental information on page 12 for more information on as adjusted items.

## NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION *(unaudited)*

BlackRock reports its financial results in accordance with GAAP; however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Adjustments to GAAP financial measures ("non-GAAP adjustments") include certain items management deems nonrecurring or that occur infrequently, transactions that ultimately will not impact BlackRock's book value or certain tax items that do not impact cash flow. Management reviews non-GAAP financial measures, in addition to GAAP financial measures, to assess ongoing operations and considers them to be helpful, for both management and investors, in evaluating BlackRock's financial performance over time. Management also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance comparability for the reporting periods presented. Non-GAAP financial measures may pose limitations because they do not include all of BlackRock's revenue and expense. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

Computations and reconciliations for all periods are derived from the condensed consolidated statements of income as follows:

**(1) Operating income, as adjusted, and operating margin, as adjusted:** Management believes operating income, as adjusted, and operating margin, as adjusted, are effective indicators of BlackRock's financial performance over time, and, therefore, provide useful disclosure to investors. Management believes that operating margin, as adjusted, reflects the Company's long-term ability to manage ongoing costs in relation to its revenues. The Company uses operating margin, as adjusted, to assess the Company's financial performance, to determine the long-term and annual compensation of the Company's senior-level employees and to evaluate the Company's relative performance against industry peers. Furthermore, this metric eliminates margin variability arising from the accounting of revenues and expenses related to distributing different product structures in multiple distribution channels utilized by asset managers.

- Operating income, as adjusted, includes the following non-GAAP expense adjustments:
  - (a) *Compensation expense related to appreciation (depreciation) on deferred cash compensation plans.* Beginning in the first quarter of 2023, the Company updated its definition of operating income, as adjusted, to exclude compensation expense related to the market valuation changes on certain deferred cash compensation plans, which the Company began hedging economically in 2023. For these deferred cash compensation plans, the final value of the deferred amount to be distributed to employees in cash upon vesting is determined based on the returns on specified investment funds. The Company recognizes compensation expense for the appreciation (depreciation) of the deferred cash compensation liability in proportion to the vested amount of the award during a respective period, while the gain (loss) to economically hedge these plans is immediately recognized in nonoperating income (expense), which creates a timing difference impacting net income. This timing difference will reverse and offset to zero over the life of the award at the end of the multi-year vesting period. Management believes excluding market valuation changes related to the deferred cash compensation plans in the calculation of operating income, as adjusted, provides useful disclosure to both management and investors of the Company's financial performance over time as these amounts are economically hedged, while also increasing comparability with other companies.
  - (b) *Acquisition related costs.* Acquisition related costs include adjustments related to amortization of intangible assets, other acquisition-related costs, including compensation costs for nonrecurring retention-related deferred compensation, and contingent consideration fair value adjustments incurred in connection with certain acquisitions. Management believes excluding the impact of these expenses when calculating operating income, as adjusted, provides a helpful indication of the Company's financial performance over time, thereby providing helpful information for both management and investors while also increasing comparability with other companies.
  - (c) *Lease costs – New York.* In 2022 and 2023, the Company continued to recognize lease expense within general and administration expense for both its current headquarters located at 50 Hudson Yards in New York and prior headquarters until the Company's lease on its prior headquarters expired in April 2023. The Company began lease payments related to its current headquarters in May 2023, but began recording lease expense in August 2021 when it obtained access to the building to begin its tenant improvements. Prior to the Company's move to its current headquarters in February 2023, the impact of lease costs related to 50 Hudson Yards was excluded from operating income, as adjusted. In February 2023, the Company completed the majority of its move to 50 Hudson Yards and no longer excluded the impact of these lease costs. Subsequently, from February 2023 through April 2023, the Company excluded the impact of lease costs related to the Company's prior headquarters. Management believes excluding the impact of these respective New York lease costs ("Lease costs – New York") when calculating operating income, as adjusted, is useful to assess the Company's financial performance and ongoing operations, and enhances comparability among periods presented.

(d) *Restructuring charge.* In the fourth quarter of 2023, the Company recorded a restructuring charge, comprised of severance and compensation expense for accelerated vesting of previously granted deferred compensation awards, in connection with initiatives to reorganize specific platforms, primarily Aladdin and alternative investments. In the fourth quarter of 2022, the Company recorded a restructuring charge primarily comprised of severance and accelerated amortization expense of previously granted deferred compensation awards in connection with an initiative to modify the size and shape of the workforce to align more closely with strategic priorities. Management believes excluding the impact of these restructuring charges when calculating operating income, as adjusted, is useful to assess the Company's financial performance and ongoing operations, and enhances comparability among periods presented.

(e) *Reduction of indemnification asset.* In the third quarter of 2023, BlackRock recorded \$8 million of general and administration expense to reflect the reduction of the indemnification asset and an offsetting \$8 million tax benefit due to the resolution of certain tax matters. The \$8 million general and administrative expense and \$8 million tax benefit have been excluded from as adjusted results as there is no impact on BlackRock's book value.

- Operating income used for measuring operating margin, as adjusted, is equal to operating income, as adjusted, excluding the impact of product launch costs (e.g. closed-end fund launch costs) and related commissions. Management believes the exclusion of such costs and related commissions is useful because these costs can fluctuate considerably, and revenue associated with the expenditure of these costs will not fully impact BlackRock's results until future periods.
- Revenue used for calculating operating margin, as adjusted, is reduced to exclude all of the Company's distribution fees, which are recorded as a separate line item on the condensed consolidated statements of income, as well as a portion of investment advisory fees received that is used to pay distribution and servicing costs. For certain products, based on distinct arrangements, distribution fees are collected by the Company and then passed-through to third-party client intermediaries. For other products, investment advisory fees are collected by the Company and a portion is passed-through to third-party client intermediaries. However, in both structures, the third-party client intermediary similarly owns the relationship with the retail client and is responsible for distributing the product and servicing the client. The amount of distribution and investment advisory fees fluctuates each period primarily based on a predetermined percentage of the value of AUM during the period. These fees also vary based on the type of investment product sold and the geographic location where it is sold. In addition, the Company may waive fees on certain products that could result in the reduction of payments to the third-party intermediaries.

**(2) Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted:** Management believes nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, is an effective measure for reviewing BlackRock's nonoperating contribution to its results and provides comparability of this information among reporting periods. Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, excludes the gain (loss) on the economic hedge of certain deferred cash compensation plans. As the gain (loss) on investments and derivatives used to hedge these compensation plans over time substantially offsets the compensation expense related to the market valuation changes on these deferred cash compensation plans, which is included in operating income, GAAP basis, management believes excluding the gain (loss) on the economic hedge of the deferred cash compensation plans when calculating nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, provides a useful measure for both management and investors of BlackRock's nonoperating results that impact book value.

**(3) Net income attributable to BlackRock, Inc., as adjusted:** Management believes net income attributable to BlackRock, Inc., as adjusted, and diluted earnings per common share, as adjusted, are useful measures of BlackRock's profitability and financial performance. Net income attributable to BlackRock, Inc., as adjusted, equals net income attributable to BlackRock, Inc., GAAP basis, adjusted for certain items management deems nonrecurring or that occur infrequently, transactions that ultimately will not impact BlackRock's book value or certain tax items that do not impact cash flow.

See notes (1) and (2) above regarding operating income, as adjusted, for information on the updated presentation of non-GAAP adjustments. For each period presented, the non-GAAP adjustments were tax effected at the respective blended rates applicable to the adjustments. Amounts for income tax matters represent net noncash (benefit) expense primarily associated with the revaluation of certain deferred tax liabilities related to intangible assets and goodwill as a result of tax rate changes. These amounts have been excluded from the as adjusted results as these items will not have a cash flow impact and to enhance comparability among periods presented.

Per share amounts reflect net income attributable to BlackRock, Inc., as adjusted, divided by diluted weighted-average common shares outstanding.

**(4) ACV:** Management believes ACV is an effective metric for reviewing BlackRock's technology services' ongoing contribution to its operating results and provides comparability of this information among reporting periods while also providing a useful supplemental metric for both management and investors of BlackRock's growth in technology services revenue over time, as it is linked to the net new business in technology services. ACV represents forward-looking, annualized estimated value of the recurring subscription fees under client contracts, assuming all client contracts that come up for renewal are renewed, unless we received a notice of termination, even though such notice may not be effective until a later date. ACV also includes the annualized estimated value of new sales, for existing and new clients, when we execute client contracts, even though the recurring fees may not be effective until a later date and excludes nonrecurring fees such as implementation and consulting fees.

## FORWARD-LOOKING STATEMENTS

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

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

BlackRock has previously disclosed risk factors in its Securities and Exchange Commission ("SEC") reports. These risk factors and those identified elsewhere in this earnings release, among others, could cause actual results to differ materially from forward-looking statements or historical performance and include: (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 AUM; (3) the relative and absolute investment performance of BlackRock's investment products; (4) BlackRock's ability to develop new products and services that address client preferences; (5) the impact of increased competition; (6) the impact of future acquisitions or divestitures, including the acquisition of GIP (the "GIP Transaction"); (7) BlackRock's ability to integrate acquired businesses successfully, including the GIP Transaction; (8) risks related to the GIP Transaction, including the expected closing date of the GIP Transaction, the possibility that the GIP Transaction does not close, including, but not limited to, due to the failure to satisfy the closing conditions, the possibility that expected synergies and value creation from the GIP Transaction will not be realized, or will not be realized within the expected time period, and impacts to business and operational relationships related to disruptions from the GIP Transaction; (9) the unfavorable resolution of legal proceedings; (10) the extent and timing of any share repurchases; (11) the impact, extent and timing of technological changes and the adequacy of intellectual property, data, information and cybersecurity protection; (12) the failure to effectively manage the development and use of AI; (13) attempts to circumvent BlackRock's operational control environment or the potential for human error in connection with BlackRock's operational systems; (14) the impact of legislative and regulatory actions and reforms, regulatory, supervisory or enforcement actions of government agencies and governmental scrutiny relating to BlackRock; (15) changes in law and policy and uncertainty pending any such changes; (16) any failure to effectively manage conflicts of interest; (17) damage to BlackRock's reputation; (18) increasing focus from stakeholders regarding ESG matters; (19) geopolitical unrest, terrorist activities, civil or international hostilities, and other events outside BlackRock's control, including wars, natural disasters and health crises, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (20) climate-related risks to BlackRock's business, products, operations and clients; (21) the ability to attract, train and retain highly qualified and diverse professionals; (22) fluctuations in the carrying value of BlackRock's economic investments; (23) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products, which could affect the value proposition to clients and, generally, the tax position of the Company; (24) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (25) the failure by key third-party providers of BlackRock to fulfill their obligations to the Company; (26) operational, technological and regulatory risks associated with BlackRock's major technology partnerships; (27) any disruption to the operations of third parties whose functions are integral to BlackRock's ETF platform; (28) 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 (29) the impact of problems, instability or failure of other financial institutions or the failure or negative performance of products offered by 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](http://www.sec.gov) and on BlackRock's website at [www.blackrock.com](http://www.blackrock.com), discuss these factors in more detail and identify additional factors that can affect forward-looking statements. The information contained on the Company's website is not a part of this earnings release.

## **PERFORMANCE NOTES**

Past performance is not indicative of future results. Except as specified, the performance information shown is as of December 31, 2023 and is based on preliminary data available at that time. The performance data shown reflects information for all actively and passively managed equity and fixed income accounts, including US registered investment companies, European-domiciled retail funds and separate accounts for which performance data is available, including performance data for high net worth accounts available as of November 30, 2023. The performance data does not include accounts terminated prior to December 31, 2023 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 December 31, 2023 for each account or fund in the asset class shown without adjustment for overlapping management of the same account or fund. Fund performance reflects the reinvestment of dividends and distributions.

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