

Empowering investors through Voting Choice

BlackRock®

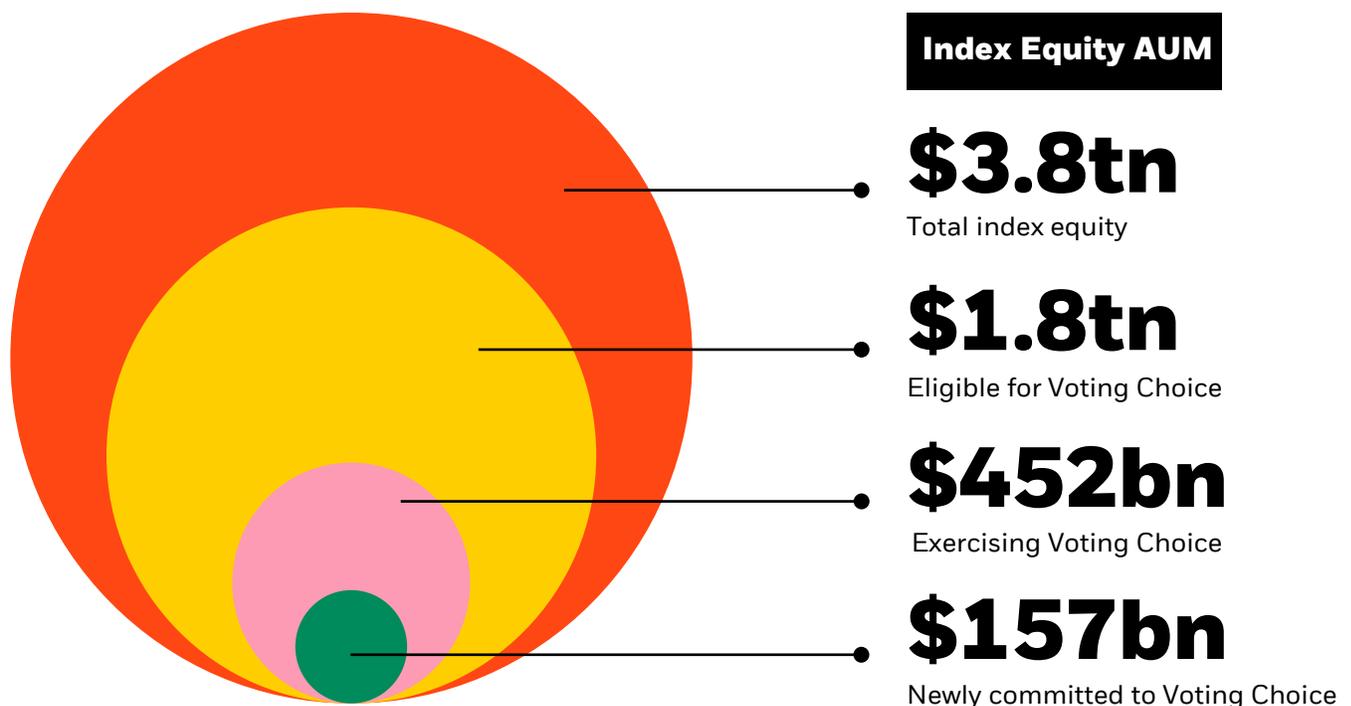
November 2022

- Over the past five decades, innovation and technology have led to greater choice and democratization in investing strategies, structures, and products.
- Today more than 100 million people can choose among thousands of low-cost, high-quality choices across asset classes and markets.
- BlackRock believes that greater choice should extend to shareholder proxy voting.
- We announced BlackRock Voting Choice one year ago to make proxy voting easier and more accessible for eligible clients and are committed to a future where every investor can participate in shareholder voting.

BlackRock Voting Choice, an industry first and a proprietary offering, enables institutional clients to participate in voting decisions where legally and operationally viable.

As of Q3 2022

Clients participating in BlackRock Voting Choice as of Sep 30



Source: BlackRock. Client funds participating in BlackRock Voting Choice are as of September 30, 2022; AUM are as of September 30, 2022. Index assets include index equity assets held in multi-asset fund of funds strategies. Note: Newly committed Voting Choice AUM includes pooled fund clients that have elected BlackRock Voting Choice options 1, 2, or 3 and separate account clients that have elected BlackRock Voting Choice options 2 or 3. Certain institutional pooled funds that implement Systematic Active Equity (SAE) strategies are now also eligible for BlackRock Voting Choice but are not displayed in the chart. Eligible SAE institutional pooled funds and separate accounts amount to \$90bn in eligible Voting Choice assets. All currency shown in USD.

Eligible for BlackRock Voting Choice

47%

Almost half of all BlackRock index equity assets are eligible

95%

of our institutional index equity assets are eligible

650+

global funds are eligible

60mn+

people participate in pension plans that are eligible

Eligible client assets electing to participate in BlackRock Voting Choice

25%

of eligible assets are held by clients who have elected to participate in BlackRock Voting Choice

\$295bn

in Institutional Index Equity SMA client AUM that control their own voting

\$157bn

are newly committed after just nine months of eligibility¹

These clients can choose from four options:²

01

Clients exercise control over their voting

This option gives institutional clients in certain pooled vehicles the ability to apply their stewardship preferences in a consistent way across a broader share of their overall portfolio allocation, and to exercise a high degree of control over the decision-making process and the voting implementation.

02

Clients take a hybrid approach to voting

This option gives institutional clients in separately managed accounts (SMAs) (but not pooled vehicles) the ability to exercise their voting decisions on the topics or at the companies that matter most to them. The client can choose to leave all other voting decisions to the manager's discretion.

03

Clients choose from a slate of third-party policies

This option gives institutional clients in both SMAs and certain pooled vehicles the ability to vote in accordance with an off-the-shelf voting policy from third-party proxy advisers, choosing the policy that best aligns with their views and preferences.

04

Clients rely on BlackRock's informed judgment for all voting decisions

This option gives clients the choice to rely on BlackRock for all of their voting decisions. Continuing to rely on BlackRock to exercise voting authority is itself a choice and a deliberate decision by the client to trust BlackRock as a fiduciary asset manager to look after their long-term economic interests.

Source: BlackRock. Client participation data as of September 30, 2022. AUM figures as of September 30, 2022. All currency shown in USD. ¹Newly committed Voting Choice AUM includes pooled fund clients that have elected BlackRock Voting Choice options 1, 2, or 3 and separate account clients that have elected BlackRock Voting Choice options 2 or 3. ²Institutional SMA clients have the opportunity to vote eligible proxies for the companies in which they are invested. Investors in eligible pooled funds will have the opportunity to direct voting on eligible proxies in eligible markets for companies held by the funds. BlackRock will determine eligibility criteria under this program based upon, among other things, local market regulation and practice, cost considerations, operational risk and/or complexity, and financial considerations, including the decision to lend securities. Voting policies shall be consistent with applicable fiduciary standards.

What's new – November 2022

The ongoing expansion of the Voting Choice program reflects BlackRock's commitment to democratize participation in the financial markets by providing clients with one of the industry's broadest range of choices to help them meet their investment objectives.

01

An extension of the voting policies clients can choose from

Participating clients in global SMAs and eligible pooled vehicles can now select one of seven Glass Lewis proxy voting policies, including an upcoming global policy, the Glass Lewis Governance-Focused Policy. These options are in addition to seven Institutional Shareholder Services (ISS) policies that have been available since the launch of BlackRock Voting Choice on January 1, 2022. This broader array of policy choices enables clients to choose a policy that more closely aligns with their investment views and preferences.

02

An expansion of investment strategies eligible

In addition to certain institutional pooled funds tracking index equity strategies, certain institutional pooled funds that implement Systematic Active Equity (SAE) strategies are now also eligible for BlackRock Voting Choice. Rather than tracking an index, SAE investment strategies use a forecasting model and an optimization process to select stocks. The expansion of BlackRock Voting Choice to institutional pooled funds using these SAE investment strategies includes eligible clients representing \$90 billion as of September 30, 2022, in assets under management in both pooled funds and previously eligible SMAs.

03

Aiming to enable investors in select UK mutual funds to exercise choice in the upcoming 2023 proxy voting season

BlackRock has agreed with Proxymity, a digital investor communications platform, to work together on building a solution that aims to offer pass-through technology to enable investors to exercise choice in how their portion of eligible shareholder votes are cast for the upcoming 2023 proxy voting season. BlackRock and Proxymity will share further details on the collaborative efforts in the coming months.

04

An update on continued client adoption; demonstrating desire for expanded proxy voting choices

Since May of this year, the number of index equity clients newly committed to BlackRock Voting Choice has more than doubled. Despite market volatility, newly committed index equity AUM has increased more than 30% in the past six months to \$157 billion as of September 30, 2022, from \$120 billion as of March 31, 2022.³ In total, including SAE, BlackRock equity clients have committed \$472 billion as of September 30, 2022 – or a quarter of eligible assets (\$1.8 trillion⁴) – to voting their own preferences through BlackRock Voting Choice.

Source: BlackRock. Client participation data as of September 30, 2022. AUM figures as of September 30, 2022. All currency shown in USD.

³Newly committed Voting Choice AUM includes pooled fund clients that have elected BlackRock Voting Choice options 1, 2, or 3 and separate account clients that have elected BlackRock Voting Choice options 2 or 3. ⁴Index equity AUM is inclusive of index equity assets held in multi-asset fund of funds strategies.

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The foundation of BlackRock has always been about providing choice to our clients. This extends to proxy voting where we believe every investor should have easy and efficient options to participate in proxy voting if they choose. BlackRock launched BlackRock Voting Choice almost a year ago and today it represents the broadest program of its kind on the market, available to nearly half of our index equity assets under management.”

Salim Ramji

Global Head of iShares and
Index Investments, BlackRock

“

We believe clients should be able to choose if they wish to direct and exercise their preferences around voting themselves – in the same way that many do for other investment decisions, such as asset allocation and portfolio construction. BlackRock, through product innovation and technology, has helped democratize access to financial markets for millions, offering lower cost and greater choice. Now we are doing this for proxy voting too.”

Sandy Boss

Global Head of BlackRock
Investment Stewardship

“

Glass Lewis has built a global reputation for providing industry leading proxy research and a range of proxy voting policy options that investors rely on to meet their governance goals. We are delighted to offer our suite of Thematic Policies, including our Governance-Focused Policy which can be applied across globally listed assets, to BlackRock Voting Choice clients. Our wide breadth of policies enables investors to exercise their voting rights in alignment with their views on how to best drive shareholder value. We are pleased to partner with BlackRock to extend access to the Glass Lewis proxy voting policies through the BlackRock Voting Choice program.”

Dan Concannon

Chief Commercial Officer
at Glass Lewis

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As long-time advocates of shareholder democracy and delivering a more efficient and transparent ecosystem for all, we are proud to be working with BlackRock on their Voting Choice project. The combination of Proxymity’s unrivalled direct-to-issuer connections will enable BlackRock’s community of non-direct investors to cast an independent vote at company meetings. This collaboration, our first in sharing this functionality with the ecosystem, will bring significant benefits to investors, enabling them to access their shareholder rights on assets held within the fund, so they can be seen and heard on the important issues that matter to them.”

Dean Little

CEO and Co-Founder
at Proxymity

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