

Socially and Environmentally Responsible Practices Survey

BlackRock Financial Management, Inc.

Please note: As part of our commitment to an open and transparent government, your completed survey will be posted in its entirety in electronic format on Treasury's Web site at <http://www.patresury.org>,

A. Women and Ethnic Minority Query

Firm Practices

1. Please detail the employee diversification of your firm, emphasizing executive and management positions that have decision-making responsibilities. Count each employee only once, except owners may be counted both as owners and employees if the owner has significant operational responsibilities. If s/he has multiple roles, count the employee in the category where s/he spends the most time.

Data as of June 30, 2010

Position	Ethnic Minority	Women	Female Minority	Other	Total
Owners (and % ownership)*	0	0	0	0	0
Executive Management	49	78	15	7	149
Investment Decision makers	41	32	15	1	89
Investment Professionals	130	153	88	0	371
All other FTE	641	951	536	174	2302
TOTAL	861	1214	654	182	2911

* Our firm's ownership structure is designed to maintain the independence we believe is necessary to retain our commitments to client focus and investment excellence. BlackRock, Inc. (NYSE: BLK) has no single majority stockholder and has a majority of independent directors. Merrill Lynch & Co., Inc., a wholly-owned subsidiary of Bank of America Corporation, The PNC Financial Services Group, Inc. and Barclays PLC own economic interests in BlackRock approximating 34.1%, 24.6% and 19.9%, respectively, with the remainder owned by institutional and individual investors, as well as BlackRock employees.

2. Please describe relevant initiatives and/or policies that assist in recruiting women and minorities to your firm and retaining and promoting those employees in your firm.

BlackRock, Inc. ("BlackRock") has developed and will execute action-oriented programs designed to correct any focus areas identified in Section 8 of this Affirmative Action Program.

The action-oriented programs designed to address focus areas involving Minority and female utilization and distribution, personnel activity, and goal achievement will consist of the following:

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Recruiting

BlackRock uses some of the following means to enhance its Minority/female applicant flow:

- BlackRock will sponsor a networking event in conjunction with the Gateway to Leadership program. Gateway to Leadership is a not-for-profit program, sponsored jointly by the Money Management Institute and the National Association for the Advancement of Colored People (NAACP.) A Managing Director from the firm is a Board member of the Money Management Institute.
- Six pilot schools chosen as a recruitment source for summer interns for 2009, based on criteria such as school ranking and diversity profile. The schools chosen are Georgia Institute of Technology, UCLA, University of Florida, University of Maryland, University of Puerto Rico and University of Texas. Employees who are alumni at the pilot schools will serve as “ambassadors” or liaisons between the students and BlackRock.
- BlackRock will sponsor students from the Prep for Prep program with summer internships. Prep for Prep Program is one of the nation's most successful programs to identify and prepare exceptional students for achievement. The program is designed to develop the leadership potential of able young people from segments of society under-represented in the leadership pool.
- Managing Directors/Directors in leadership positions and key representatives from line management will dedicate time to participate in diversity initiatives. Efforts will be focused on recruiting, retention and a sustained impact that will be positively reinforced by this senior level support.
- All agency search agreements include BlackRock’s equal employment opportunity policy. In addition, requisite job-related information is provided to enable them to recruit qualified persons on a nondiscriminatory basis.
- Review and evaluate job specifications (and/or job descriptions) periodically to ensure that all required criteria are job-related.
- Review job specifications (and/or job descriptions) with members of management involved in recruiting, screening, selection, and promotion.
- Continue to post internally a global diversity statement as follows:

At BlackRock, we aim to:

- Attract and retain a talented workforce that reflects the diverse communities which BlackRock operates
 - Foster a meritocracy in which all employees can develop and be appropriately rewarded
 - Leverage our differences to achieve BlackRock’s business goals by recognizing and utilizing the full potential of each individual
- Include a notice of BlackRock’s equal employment opportunity policy on BlackRock’s intranet, which all employees have access to on a daily basis.

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- Include a notice of BlackRock's equal employment opportunity policy in all new hire orientation and/or training materials.
- BlackRock will post a notice setting forth its equal employment opportunity policy in conspicuous places available to employees and applicants.
- BlackRock will state that it is an equal opportunity employer in all solicitations and advertisements for employees placed by or on behalf of BlackRock.
- Communicate BlackRock's equal employment opportunity policy to all employees who are involved in the recruiting, screening, selection, promotion, disciplinary and related personnel processes for the purpose of making every good faith effort to ensure that personnel decisions are made without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, status as qualified Covered Veteran ((i) disabled veterans; (ii) veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized; (iii) veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces medal was awarded pursuant to Executive Order No. 12985; (iv) recently separated veterans) or any other bases prohibited by applicable federal, state or local law.
- Promote BlackRock's Talent Referral Program.
- Relative to recruiting at educational institutions, screeners and interviewers are provided with evaluation tools to identify success oriented behavior in order to recruit qualified persons on a nondiscriminatory basis.
- BlackRock's diversity statement is included on the external and internal website.

Career Development

BlackRock uses some of the following programs to provide opportunities for the advancement of Minorities and females:

- BlackRock's tuition reimbursement program is available to all employees.
- BlackRock offers relevant on-the-job training opportunities to all employees, on a regular basis.
- BlackRock currently plans to launch an employee network dedicated to women.
- BlackRock annually reviews promotion criteria and procedures to ensure that promotional decisions are made without regard to race, color, religion, sex, national origin, age, disability, status as a qualified Covered Veteran ((i) disabled veterans; (ii) veterans who served on active duty in the Armed Forces during a war or campaign or expedition for which a campaign badge has been authorized; (iii) veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces medal was awarded pursuant to Executive Order No. 12985; (iv) recently separated veterans), or any other bases prohibited by applicable federal, state or local law.
- BlackRock is committed to a promotion process, which includes well defined promotion criteria, to ensure proper selection of promotion candidates at all levels across the firm that does not discriminate against employees because of status as a

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Covered Group Member. BlackRock's promotion criteria are centered around Behaviors for Success and provide guidelines relating to job performance and scope of position. The Behaviors for Success and promotion criteria are made available to all employees.

- BlackRock offers a variety of learning and development options through our online Learning Management System. The Learning Management System can be accessed by all employees to enroll in classes, track and monitor their training, and view a newsletter which is circulated regularly and includes upcoming training classes.

Community Involvement

BlackRock's community involvement supports the development of qualified females and Minorities and furthers the principles of affirmative action through the following initiatives:

- BlackRock's CEO will serve as the Associate Chair for the Catalyst Annual Dinner, a not-for-profit group which supports the advancement of women's careers.
- A Managing Director will be joining the Career Program Advisory Council (CPAC), a division of Sponsors for Educational Opportunity. CPAC consists of senior executives in the financial services industry.
- BlackRock's Vice Chairman was appointed to the Board of Directors of The Robert Toigo Foundation, a foundation committed to encouraging a greater Minority presence at senior levels across all areas of finance.
- BlackRock makes charitable donations to organizations that support leadership development and employment opportunities among diverse populations in the U.S.
- Executive Leadership of BlackRock will dedicate time to hold seats on boards of directors for organizations that are dedicated to diversity, such as The Robert Toigo Foundation.
- BlackRock will commemorate Black History Month, Women History Month and Hispanic Heritage Month (i.e. guest speakers, intranet communications, lunch and learns.)
- BlackRock will sponsor the Women's Leadership Forum for undergraduate student club leaders.

Vendors and Subcontractors

3. What percentage of your trades utilizes minority/women-owned brokerage firms?

BlackRock does not currently monitor this information.

4. Do you consider women and minority ownership or makeup when hiring vendors/sub-contractors, consultants, advisors or other professional services? If so, how? If not, please explain why you do not.

Corporate Services Strategic Sourcing is committed to seeking out suppliers who can provide high quality, low cost products and services. Corporate Services recognizes the need to expand

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opportunities to qualified Minority, Women-owned and Disadvantaged Business Enterprises (MWDDBE). In 2008, the Sourcing team increased MWDDBE participation by 10%.

The Sourcing team expects to provide meaningful opportunities to small, minority and women-owned business by:

- Actively seeking out and developing mutually beneficial business relationships with qualified and certified companies as well as companies with strong potential to become qualified
- Increasing the amount of business awarded to qualified companies
- Supporting agencies and organizations that help minority, women-owned, and disadvantaged businesses establish contacts and form relationships throughout the corporate community
- Requesting a percentage of minority, women-owned and disadvantaged business participation from any majority vendor who bids on corporate contracts
- Identifying opportunities where minority, women-owned, and disadvantaged vendors might act as second tier suppliers to the company's primary contractors

5. Please provide any other information you feel may be relevant or may help Treasury understand your approach to employee and vendor/subcontractor diversification.

For specific assignments, BlackRock has worked with our clients to increase or meet certain levels of emerging firm participation. We would be willing to work with the PA Treasury to meet their women and minority-owned firm utilization. As an example, we sourced and utilized a minority-owned technology maintenance firm to work on an assignment that BlackRock Solutions was chosen to manage. We can also utilize a minority-owned marketing product and fulfillment firm and work with other corporate vendors to include women and minority-owned firms as second-tier vendors.

B. Environmental/Sustainability Query

Firm Practices

1. Please provide information related to your firm's policy/initiatives/efforts with respect to environmentally responsible and sustainable practices.

BlackRock is a premier provider of investment management, risk management and advisory services. In the provision of all our services we strive to adhere to good environmental practices. We are committed to the future of our clients and employees and we are committed to environmental sustainability.

Our employers are actively working together to reduce the firm's carbon footprint, reduce energy consumption, recycle, and utilize sustainable materials to participate in the global environmental protection effort.

We take our environmental responsibility seriously and will continue to demonstrate this through our plans and actions in the following categories.

- **Carbon Impact**

BlackRock worked with the Edinburgh Centre for Carbon Management (ECCM) to assess emissions from October 2006 to September 2007. This has determined our carbon footprint and informed our carbon reduction strategy.

A key part of the carbon reduction strategy is to reduce reliance on energy generated from fossil fuels through energy conservation and the development and use of renewable energy

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sources. BlackRock's London and Edinburgh teams currently use renewable energy and we are investigating similar purchases in other office locations.

We regularly assess other opportunities to help us achieve our goal of becoming carbon neutral.

- **Resource Conservation**

BlackRock seeks to adopt practices which lead to improvements in environmental performance. We regularly assess the impacts of our business activities on the environment to prioritise the implementation of efficiency improvements. We have begun a comprehensive audit of all consumables purchased worldwide to ensure that the lifecycle of products we buy has a minimal environmental impact.

BlackRock also recognises the environmental impact of business travel. We are working with our car service providers to equip their fleets with energy efficient vehicles. We are also evaluating the way we travel and the carriers we use to maximise opportunities for resource conservation. We encourage our employees to think environmentally about their corporate travel, utilise audio/video conferencing technology and limit air travel to business critical needs.

- **Building and Corporate Services**

With over 60 offices in 21 countries, a significant percentage of BlackRock's environmental goals will be realised through the implementation of sustainable methods for the operation and maintenance of our existing facilities. BlackRock understands that we are in a position to leverage and/or influence our service providers to be more environmentally proactive in their activities. By working with our providers, we have initiated the following programmes to reduce the environmental impact of our facilities:

BlackRock is committed to the principles of Green Building best practices in the construction, operation and maintenance of our facilities. We liaise with landlords and service providers to implement a comprehensive set of standards and guidelines for existing and new facilities.

While it is impossible to eliminate the production of waste in the workplace, BlackRock has a comprehensive recycling policy to collect waste and recycle as much of it as possible back to productive use.

In BlackRock-owned properties and those locations where we can influence the landlord, we are implementing "green" cleaning practices that make use of environmentally preferable cleaning products and cleaning regimes that result in reduced waste generation and energy consumption.

Where possible BlackRock uses new, higher efficiency technologies for lighting and selects the most energy efficient appliances. We follow a policy of retro-commissioning in our facilities, directly through our LEED-EB6 programme and in co-operation with our landlords in leased facilities.

- **Education**

To educate ourselves, our affiliates and those doing business with us, BlackRock will implement a series of educational programmes for our employees and develop an intranet site to support their efforts.

BlackRock's Sustainability Contribution Highlights:

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- BlackRock London received a Gold Commendation Award in the 2007 City Clean Awards, given to the top 30 companies out of 1,000 participating in the City of London Corporation initiative to achieve a clean environment through good waste management.
- BlackRock follows Green Building Council Leadership in Energy and Environmental Design (LEED) practices in our construction projects:
 - BlackRock Seattle is currently striving to achieve Silver LEED Commercial Interiors certification.
 - BlackRock Delaware is currently seeking LEED Commercial Interiors certification upon the completion of its 400 Bellevue build-out project.
- BlackRock currently offers a recycling program at each office for mixed paper, confidential waste, and other office waste products.
- BlackRock London and BlackRock Edinburgh have engaged electricity suppliers to provide each office with electricity generated 100% from renewable sources
- BlackRock Delaware has recycled 96% of office products and materials, including carpet, wood, metal, and drywall, discarded during the build-out of 400 Bellevue Parkway.
- BlackRock employs environmentally considerate supplies, including environmentally-friendly cleaning supplies, in the operation and maintenance of its facilities.
- BlackRock London has set all multi-functional printer devices to default to double-sided printing for paper conservation.
- BlackRock's Green Tip of the Week helps inform employees on how they can contribute by providing sustainability ideas for daily use within the office workspace.

Vendors and Subcontractors

2. **Do you consider the environmental or sustainable practices of vendors and subcontractors in hiring decisions? If so, how? If not, please explain why you do not.**

We value the environmental and sustainable practices of vendors with whom we do business. As it pertains to real estate and hardware providers we do consider their environmental footprint in the selection process. In fact, we are currently working on a number of initiatives to reduce our overall environmental impact.

Investment Decisions

3. **Do you consider environmental / sustainability issues when making investment decisions? If so, how? If not, please explain why you do not.**

We include in our processes any factor that in our judgment will affect share prices, which includes the financial impact of non-financial factors. These may include, but are not limited to, management quality in areas such as health and safety, employee relations, product liability and development, mitigation of risk (eg physical risks, reputational risk, regulatory risk and legal risks), and general responsiveness to societal expectations. These risks may come from climate change, social trends, consumer behaviour, or government intervention.

4. **Are there specific sectors or industries that you are likely to over or underweight due to climate risk or opportunity? If so, which ones?**

BlackRock currently manages \$217bn (as at 31 March 2010) of client assets which have some form of restriction based on an aspect of responsible Investment.

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We consider socially responsible investing in a number of ways, including through: green technology investments (eg the BGF New Energy Fund and New Energy Investment Trust); a sustainability policy in our global real estate platform (eg energy efficiency); and in our fundamental equities research, where risk and opportunity are taken into account when researching equities.

In fundamental fixed income, we remain underweight in utilities that are heavy on coal, unless there is explicit state regulatory support in the eventual enactment of carbon legislation (such as utilities in Ohio like Ohio Power).

We also have three iShares funds in EMEA relating to this area. They are: Global Clean Energy; Global Timber & Forestry; and Global Water funds. These funds are index trackers with sector-driven methodologies and do not explicitly test or screen the inherent sustainability in each of the companies included in the funds.

The climate change-related factors that BlackRock takes into account in our investment analysis include:

- Regulatory changes (eg emissions trading, standards)
- Climate change opportunities (eg government incentives for renewable energy)
- Physical impacts (eg flooding or other extreme weather events, changes in temperature)
- Risk of litigation

5. How do you obtain information about climate risk and environmental factors?

Within BlackRock, the regional corporate governance teams keep abreast of social and environmental issues affecting companies through reviewing external research, attending relevant industry seminars on key topics such as carbon emissions and global labour standards, and participating in SEE and governance-related forums.

In addition to the work of our governance and responsible investment team, every fundamental investment professional at BlackRock is charged with evaluating possible SEE and governance risks and opportunities for an industry or company as they consider potential economic issues related to their investments.

BlackRock uses a number of research providers to enhance its own in-house research and information sources. These include a range of products provided by the MSCI business RiskMetrics Group, as well as Glass Lewis, EIRIS [Asset4] and SRI-focused analysis published by investment banks, specialist consultancies and NGOs.

6. Have you adopted the United Nations Principles for Responsible Investing? (<http://www.unpri.org/>). If not, are you in the process of evaluating, or would you consider evaluating adoption of the United Nations Principles for Responsible Investing?

BlackRock became a signatory in 2008 and has adopted the United Nations Principles for Responsible Investment, actively working to raise awareness of the Principles across our Portfolio Management and Global Client Groups. As at 31 December 2009, BlackRock managed \$200bn of client assets with restrictions based on an aspect of responsible Investment.

Please detail any other information you feel may be relevant or helpful for Treasury to understand your approach to evaluating the significance of environmental and sustainability issues in making investment decisions.

C. Pennsylvania Commitment Query

Please provide numbers detailing the firm and client presence in Pennsylvania.

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Example:	PA	Total
Headquarters	0	0
Offices	1	2
Employees	12	24
Clients HQ in PA	30	75

BlackRock has one office with 17 professionals in Pennsylvania.

Please detail any other information you think relevant regarding the extent of your business contacts or activities in Pennsylvania.

D. Geopolitical Risk

1. How do you take geopolitical risk into account when making investment decisions? If so, how? If not, please explain why you do not.

Not applicable. The Fundamental Core Bond strategy invests within the US.

2. Do you currently have in place policies that prohibit or limit investment in companies doing business with countries identified as state sponsors of terrorism by the U.S. State Department? If so, please provide those policies.

BlackRock, Inc. and its U.S. subsidiaries, including the investment advisers, the public and private investment companies sponsored by BlackRock, and BlackRock Investments, Inc., a registered broker-dealer, (separately, "BlackRock entities" and together, "BlackRock") are subject to certain legal requirements imposed on financial institutions to detect and report potential money laundering activities. It is BlackRock's policy to endeavor to prevent, detect, and report money laundering and terrorist financing activities. To this end, the policies, procedures, and guidelines set forth in our Anti-Money Laundering Program (AML Program) have been adopted by the Boards of Directors/Trustees (the Board) or Senior Management of the various BlackRock entities, as appropriate.

This AML Program is intended to provide guidance to BlackRock personnel about BlackRock's obligations under regional anti-money laundering and anti-terrorist financing regulations. The detailed procedures ultimately utilized by BlackRock employees to comply with this program may vary depending on such factors as the nature and domicile of the client, the extent of the client's international activities and the characteristics of the account the client opens with BlackRock. Any questions about how to handle a particular situation should be directed to Bart Battista who is BlackRock's Anti-Money Laundering Compliance Officer (AMLCO), to any Deputy AMLCO or to any member of BlackRock's Legal and Compliance Department. Compliance with this AML Program is of the utmost importance. Compliance failures could subject BlackRock and its employees to civil and/or criminal penalties, and willful or knowing violations of this program will subject an employee to disciplinary action, up to and including termination.