

2015 CORPORATE GOVERNANCE &
RESPONSIBLE INVESTMENT REPORT
VOTING & ENGAGEMENT STATISTICS

BLACKROCK®

This report provides an overview of BlackRock's global approach to Corporate Governance and Responsible Investment and highlights our voting and engagement activities for 2015.

We have filed a report of our proxy votes with the United States Securities and Exchange Commission for the year ended June 30, 2015 for BlackRock's funds. Copies of the reports for that period can be found on our website.

If you would like additional information, please contact:

MICHELLE EDKINS

Global Head
Corporate Governance and Responsible Investment
415-670-6541
michelle.edkins@blackrock.com

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BlackRock Corporate Governance and Responsible Investment 2015 Corporate Engagement and Voting Snapshot

BlackRock, as a fiduciary investor, has a duty to act in our clients' best interests. This includes protecting and enhancing the value of the assets they have entrusted to us. The Corporate Governance and Responsible Investment team contributes to this through the engagements, including proxy voting, we do with the companies in which we invest on their behalf. We believe that good corporate governance—driven by strong board and executive leadership and by sound governance policies—delivers long-term shareholder value and the returns our clients depend on and expect.

The key to effective engagement is constructive and private communication. Engagement allows us to both share our philosophy and approach to investment and corporate governance with companies and to enhance their understanding of our objectives. Equally, it gives us the opportunity to improve our understanding of investee companies and how their governance and management structures support operational excellence and thus sustainable financial performance.

Engagements

We engage with companies for four main reasons:

- ▶ We are preparing to vote at the company's shareholder meeting and need to clarify the information in company disclosures
- ▶ There has been an event at the company that has impacted its performance or may impact long-term company value
- ▶ The company is in a sector or market where there is a thematic governance issue material to shareholder value
- ▶ Our corporate governance risk analysis has identified the company as lagging its peers on environmental, social or governance matters that may impact economic value

ENGAGEMENT* FOR CURRENT YEAR: JULY 1, 2014 TO JUNE 30, 2015†

		Resource Level‡			Focus of Engagement		
Region	Total	Basic	Moderate	Extensive	Environmental	Social	Governance
Americas	669	500	103	66	26	63	661
Asia-Pacific ex-Japan	204	30	109	65	19	23	196
Japan	166	83	53	30	2	12	164
EMEA ex-U.K.	339	292	47	0	33	33	337
United Kingdom	144	106	36	2	10	11	142
Total	1,522	1,011	348	163	90	142	1,500

AS COMPARED TO THE PRIOR YEAR: JULY 1, 2013 TO JUNE 30, 2014†

		Resource Level‡			Focus of Engagement		
Region	Total	Basic	Moderate	Extensive	Environmental	Social	Governance
Americas	575	377	135	62	37	48	573
Asia-Pacific ex-Japan	135	19	82	34	14	15	135
Japan	129	47	53	29	3	9	128
EMEA ex-U.K.	238	151	57	30	7	10	237
United Kingdom	216	169	41	6	17	16	203
Total	1,293	763	368	161	78	98	1,276

Source: ISS Proxy Exchange on July 15, 2015.

* Our regional quarterly reporting on our engagement program can be found on our website.

† The 12-month period represents the SEC reporting period for U.S. mutual funds, including iShares.

‡ Basic engagement is generally a single conversation on a routine matter; moderate engagement is technically more complex and generally involves more than one meeting; extensive engagement is technically complex, high profile and involves numerous meetings over a longer time frame.

Voting

Voting at shareholder meetings is the most broad-based form of engagement we have with companies. It enables investors to provide feedback to the board while encouraging board and management teams to consider and address investor concerns. We take our voting decisions on a case-by-case basis in the context of our published voting guidelines for each region. Our starting position is generally to support management, engaging where we have concerns that the board or management might not be acting in the best long-term economic interests of shareholders such as our clients. We aim to give companies time to respond, recognizing that sometimes governance changes can take many months. We will vote against a company's proposals if we believe that the issue under consideration is clearly not in our clients' economic interests, the company does not wish to engage with us or engagement fails to resolve our concerns.

VOTING* FOR CURRENT YEAR: JULY 1, 2014 TO JUNE 30, 2015†

Region	Number of Meetings Voted	Number of Proposals	% of Meetings Voted Against One or More Management Recommendations	% of Proposals Voted Against Management Recommendation
United States	3,970	31,599	28%	5%
Americas ex-U.S.	2,008	15,065	54%	14%
United Kingdom	907	12,069	13%	2%
EMEA ex-U.K.	2,430	33,215	42%	8%
Japan	2,101	23,315	62%	11%
Asia-Pacific ex-Japan	3,970	32,137	40%	10%
Total	15,386	147,400	40%	8%

AS COMPARED TO THE PRIOR YEAR: JULY 1, 2013 TO JUNE 30, 2014†

Region	Number of Meetings Voted	Number of Proposals	% of Meetings Voted Against One or More Management Recommendations	% of Proposals Voted Against Management Recommendation
United States	3,765	30,926	28%	5%
Americas ex-U.S.	1,687	12,712	47%	11%
United Kingdom	888	11,973	13%	2%
EMEA ex-U.K.	2,444	30,424	43%	7%
Japan	2,194	20,343	58%	12%
Asia-Pacific ex-Japan	3,890	28,182	41%	11%
Total	14,868	134,560	40%	8%

Source: ISS Proxy Exchange on July 15, 2015.

* Our regional quarterly reporting on our engagement program can be found on our website.

† The 12-month period represents the SEC reporting period for U.S. mutual funds, including iShares.

Proposals on which shareholders are asked to vote fall into ten categories. The vast majority of proposals are related to the election of directors and board governance matters. This is not surprising given the important role played by directors representing and protecting shareholder interests. The proposals on which BlackRock votes against management vary from market-to-market but tend to be related to takeover protections and capitalization. We also support certain shareholders proposals, seeking improvements in corporate governance practices.

VOTES AGAINST MANAGEMENT BY PROPOSAL TYPE FOR CURRENT YEAR: JULY 1, 2014 TO JUNE 30, 2015*

	Global		United States	Americas ex-U.S.	United Kingdom	EMEA ex-U.K.	Japan	Asia-Pacific ex-Japan
	Total Number of Proposals Voted	% of Proposals Voted Against Management Recommendation	% of Proposals Voted Against Management Recommendation					
Management Proposals								
Anti-Takeover Related	1,245	18%	6%	35%	0%	43%	99%	7%
Capitalization	12,441	17%	5%	49%	2%	16%	8%	17%
Election of Directors and Related Proposals	77,121	7%	5%	7%	1%	5%	10%	8%
Non-Salary Compensation	12,442	16%	7%	17%	7%	25%	23%	21%
Mergers, Acquisitions, and Reorganizations	6,413	12%	2%	5%	3%	4%	13%	16%
Routine Business	34,343	5%	2%	14%	1%	5%	1%	5%
Shareholder Proposals								
Compensation	176	5%	7%	0%	0%	0%	0%	5%
Corporate Governance	189	17%	32%	0%	0%	11%	17%	7%
Election of Directors and Related Proposals	1,862	7%	28%	4%	81%	1%	3%	0%
Miscellaneous	390	6%	7%	0%	67%	5%	4%	5%

Source: ISS Proxy Exchange on July 15, 2015.

* The 12-month period represents the SEC reporting period for U.S. mutual funds, including iShares.

PROPOSAL TERMINOLOGY EXPLAINED:

Management Proposals

Anti-Takeover Related—Concerning shareholders' rights and corporate takeover defenses.

Capitalization—Resolutions involving changes to company share capital.

Election of Directors and Related Proposals—Election of directors, supervisors and commissioners (in international markets), and other board governance provisions.

Non-Salary Compensation—Executive compensation, equity-based compensation to directors, approval of policy and special, non-salary compensation.

Mergers, Acquisitions, and Reorganizations—Major corporate transactions and reorganization activities.

Routine Business—Procedural matters and meeting formalities, as mostly seen in international markets.

Shareholder Proposals

Compensation—Compensation, perquisites, and other executive compensation policies.

Corporate Governance—Key corporate governance matters affecting shareholders rights including governance mechanisms and related article/bylaw amendments.

Election of Directors and Related Proposals—Elections to the board of directors, and other governance provisions related to the board.

Miscellaneous—Resolutions regarding social, ethical and environmental matters that may have an impact on company operations.

AS COMPARED TO THE PRIOR YEAR: JULY 1, 2013 TO JUNE 30, 2014*

	Global		United States	Americas ex-U.S.	United Kingdom	EMEA ex-U.K.	Japan	Asia-Pacific ex-Japan
	Total Number of Proposals Voted	% of Proposals Voted Against Management Recommendation	% of Proposals Voted Against Management Recommendation					
Management Proposals								
Anti-Takeover Related	1,235	23%	5%	20%	0%	60%	99%	8%
Capitalization	9,934	19%	3%	37%	2%	14%	15%	32%
Election of Directors and Related Proposals	71,861	7%	4%	5%	1%	5%	11%	9%
Non-Salary Compensation	12,180	14%	7%	11%	6%	23%	26%	21%
Mergers, Acquisitions, and Reorganizations	5,187	8%	1%	4%	2%	4%	9%	12%
Routine Business	30,807	5%	2%	18%	0%	4%	1%	5%
Shareholder Proposals								
Compensation	138	3%	5%	0%	0%	0%	0%	0%
Corporate Governance	131	23%	40%	50%	0%	22%	0%	0%
Election of Directors and Related Proposals	2,266	3%	13%	6%	15%	1%	9%	1%
Miscellaneous	293	7%	18%	5%	0%	0%	20%	3%

Source: ISS Proxy Exchange on July 15, 2015.

* The 12-month period represents the SEC reporting period for U.S. mutual funds, including iShares.

To learn more about how we are shaping global governance and protecting our clients' assets, visit www.blackrock.com

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