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NEW BLACKROCK INVESTOR PULSE SURVEY— INVESTING IN A LOW YIELD ENVIRONMENT: INVESTORS WORRIED ABOUT THE FINANCIAL REALITIES OF LONGEVITY

More Than Six in 10 Concerned About Having Enough Retirement Income, More Than Half Worried About Outliving Savings

Investors More Concerned with Keeping their Money “Safe” than Looking for New, Income-Generating Returns

Action Needed: "Invest with a New Strategy," With More Flexibility and a Long-Term Perspective

New York, May 7, 2013 – Investors today say they are generally confident about their investing future – but worry that they will not be able to manage the financial realities of longer retirements, according to a new "Investor Pulse" survey released by BlackRock, Inc. (NYSE: BLK).

- Three quarters (74 percent) of investors polled said they are confident that their long-term investment strategy will allow them to reach their goals.
- Sixty-two percent of investors polled also said they are concerned about having enough income from investments to live comfortably in retirement and 54 percent agreed that "I'm worried about outliving my savings."

The survey also indicates that many investors are not looking closely at investment options that could make a considerable difference in achieving a financially secure retirement.

"People are living longer than ever before, dramatically altering the financial challenges of retirement," said Rob Kapito, BlackRock President. "Increased longevity is a blessing, but it's an expensive one because that translates into the need for a bigger retirement nest egg and access to secure, retirement-long income."

"As our survey suggests, many Americans simply won't have the money they need to enjoy their longer lives if they don't start investing differently," he said.

The BlackRock poll of 451 investors (defined as having investable assets of \$50,000 or more) was conducted from April 12 to April 14, 2013 by GfK, one of the world's leading research companies. The margin of error for the telephone poll is +/- 4.6 percentage points.

The Urgency of Income

With interest rates near historic lows, the level of income, or return, that investors are able to generate from their portfolios has become an urgent topic. The need is particularly acute for retirees without steady employment income, since increased life expectancy potentially increases the level of investment return that such investors require to maintain their financial security.

- The income need notwithstanding, 73 percent of investors agreed that "keeping my money safe is more important to me than trying to generate returns."

"Investors have long relied on such traditional investments as Treasury bond funds as a safe way to protect and grow their money. For 30 years it worked, with Treasuries delivering annual returns of up to 8 percent," said Frank Porcelli, Managing Director and Head of BlackRock's US Wealth Advisory Business.

"However, if interest rates rise or inflation picks up, the traditional bond funds investors once thought were risk free could lose money," Porcelli noted. "The fact is that trying to 'play it safe' with traditional government bond funds is actually much more risky than many investors realize," he said.

Investors Recognize New Approaches Are Required – But Many Aren't Taking Action

Many investors recognize the need to look beyond traditional bond funds and adopt new investment approaches for income – but it is not clear that they are taking action.

- Just over half (54 percent) of those polled agree bonds are a riskier investment today than they were 10 years ago, and about 57 percent indicate they've hesitated to invest in them as the market has changed.
- Yet, more than half (56 percent) say that identifying the bond investments that are right for them will not be a focus at all over the next year.

There is similar uncertainty on the income front generally.

- About seven in 10 investors surveyed (72%) say they have given "serious thought to how increased longevity affects my need for investment income," and about six in 10 say they need to improve the diversification of their income-generating investments.
- Yet only about 20 percent of investors say identifying better income-generating investments will be a major focus for them over the next year. Forty-three percent say it will be only a minor focus, and 36 percent say it will not be a focus at all.

Investors also are generally reluctant to consider opportunities in new asset classes and to look beyond the U.S.

- Only about four in 10 of those polled say they would consider investing "in new strategies and different parts of the world" (43 percent), and about six in 10 (62%) say that investing outside of the U.S. is too risky. Only about three in 10 agree that better opportunities exist in bonds outside the U.S. than in domestic bonds.
- Just 46 percent indicate that they are thinking about increasing their focus on dividend-paying equities.

The Need to Cast a Wider Net, Over the Long Term

The survey's findings also suggest that many investors are generally uncertain about including stocks in their investment mix.

- Just over half of investors (52%) agreed that "I am concerned that, so far this year, the stock market has gone up too far, too fast."
- About 52 percent disagreed that the "recent strong performance of the stock market has made me more comfortable with investing in stocks."

"What investors need to do today is not dismiss any asset class, but instead maintain a highly flexible approach that enables their investments to move freely to wherever the opportunities exist – in stocks, bonds and beyond – around the globe," said Porcelli. "For investors, this should include looking for investments in places that perhaps they've never looked before – combining a wider variety of active, index and multi-asset strategies in portfolios built for these times."

A long-term investment outlook is also key.

- More than eight of 10 investors polled (84%) said they are more focused on the long term than the short term.
- Yet, 57 percent agreed that "I want my money to grow, but can't handle the market's ups and downs."

"Investors need to hold their investments long enough to see the benefits, even through the market's inevitable ups and downs. Risks come with short-term thinking and sitting on the sidelines in cash," Kapito said.

"Though the markets remain uncertain, attractive opportunities are emerging all the time," he said. "Investors can take advantage – and make critical progress toward securing their financial future – through portfolios built with the support of experienced investment professionals and a solid understanding of today's market realities."

About BlackRock

BlackRock is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide. At March 31, 2013, BlackRock's AUM was \$3.936 trillion. BlackRock offers products that span the risk spectrum to meet clients' needs, including active, enhanced and index strategies across markets and asset classes. Products are offered in a variety of structures including separate accounts, mutual funds, *iShares*® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through *BlackRock Solutions*®. Headquartered in New York City, as of March 31, 2013, the firm has approximately 10,600 employees in 30 countries and a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at www.blackrock.com.