As a fiduciary, we invest on our clients’ behalf to help them meet their investment objectives.

Our focus is on understanding and managing investment risk, anticipating our clients’ needs, and supporting them in achieving their long-term investment goals.

**Our investment approach is informed by three principles:**

**Client choice.**
We start with the client.

**Performance.**
We seek the best risk-adjusted returns within the mandates clients give us.

**Research.**
We underpin our work with research, data, and analytics.

We apply those same principles to sustainability and the low-carbon transition.
Client choice.
We start with the client.

Our role is to listen to and deliver choice for our clients. Our clients choose their investment objectives, and they look to BlackRock to meet their needs. We offer them choices across a wide range of index, active, and whole portfolio solutions.

Our clients have a variety of goals and preferences. Many are asking how to mitigate risk and capture opportunities associated with sustainability-related trends such as the low-carbon transition. Some want to increase their exposure to the transition (we offer thematic funds, broad exposures, and private markets); some want to align their portfolios with a net zero pathway (we offer whole portfolio solutions, product choice, and transparency about measurement and alignment); and some want to achieve impact or sustainable outcomes in addition to financial return (we offer impact funds) or to limit exposure to specific sectors (we offer screened funds or bespoke design implementations). Some choose not to invest in products or strategies that have sustainable investment objectives (we offer a wide range of solutions across asset classes and investment styles).

For Aladdin® clients, we offer the option to integrate climate analysis into their investment and risk management processes, if they choose.

BlackRock’s role is to offer choice to help meet our clients’ objectives, transparency into how those choices could impact portfolios, and our research-based perspective on how structural trends could impact asset prices and investments over time. We continue to innovate for and with clients, responding to client demand. For eligible institutional clients and products, we offer Voting Choice so clients can vote shares held in their portfolios, if they choose.

Performance.
We seek the best risk-adjusted returns within the mandates clients give us.

As a fiduciary, we manage material risks and opportunities that could impact client portfolios. To do this, we analyze dozens of investment risks – including credit risk, market risk, and sustainability risks such as climate risk. We assess which of these risks are material – depending on the strategy, investment, and time horizon – and what they could mean for economic growth, financial prospects, and financial markets.

We evaluate the extent to which these risks are reflected in current market prices. Structural shifts, such as the low-carbon transition, can be underappreciated by financial markets and are not always reflected in current prices. This can open up opportunities for investors.

Our investment decisions are driven by a fiduciary duty to our clients to seek to deliver the best risk-adjusted returns for client portfolios, within the scope of the mandates they give us.
Research.
We underpin our work with research, data, and analytics.

Research informs our investment approach and product innovation. To seek the best risk-adjusted returns for our clients, we research major structural trends shaping the economy, markets, and asset prices. We assess how these trends could affect long-term value and how they could unfold over time.

One of the trends we research is the transition to a low-carbon economy. We research it because we see it having implications for macroeconomic trends, such as inflation, company financial prospects and business models, and portfolios. Physical climate change continues to create financial risk and affect asset prices. Government policy, technological innovation, and consumer and investor preferences are driving a material economic transformation to a lower-carbon world, creating investment risks and opportunities. BlackRock’s research assessment is that companies positioning themselves to benefit from these shifts can improve their earnings outlook relative to others over time. And, our research shows that an orderly transition would result in higher economic growth compared with no climate actions, and would create a more constructive macro environment for financial returns for our clients overall.

Carbon-intensive companies play a crucial role in the economy. The world will need traditional energy sources to meet growing energy demand under any plausible transition path. As the low-carbon transition unfolds, companies that are aligning their business models with decarbonization – particularly in industries such as steel, metals, utilities, and mobility – could offer some of the most attractive investment opportunities in the transition to a low-carbon economy.

BlackRock is proud of the work we are doing to help our clients achieve their investment objectives. We put our clients’ interests first. The money we manage belongs to them.
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