

Seth P. Bernstein
Chief Executive Officer
AllianceBernstein
501 Commerce Street
Nashville, TN 37203
United States

James Cracchiolo
Chief Executive Officer
Ameriprise Financial, Inc.
707 2nd Avenue South
Minneapolis, MN 55474
United States

Valérie Baudson
Chief Executive Officer
Amundi
91-93 Boulevard Pasteur,
Paris, Ile-de-France, 75015
France

Robin Vince
Chief Executive Officer
BNY Mellon
240 Greenwich Street,
New York, New York, 1028
United States

William Von Mueffling
Chief Executive Officer,
Cantillon Capital Management LLC.
Eagle House - 108-110 Jermyn Treet
London SW1Y 6EE
United Kingdom

Mike Gitlin
Chief Executive Officer
Capital Group
53rd Floor, 333 South Hope Street,
Los Angeles, California, 90071
United States

Walter W Bettinger II
Chief Executive Officer
The Charles Schwab Corporation
3000 Schwab Way,
Westlake, TX 76262
United States

Ken Fisher
Founder, Executive Chairman
Fisher Investments
Plano - 6500 International Parkway
TX 75093
United States

David Booth
Founder and Chairman
Dimensional
Dimensional Place. 6300 Bee Cave Road,
Building One. Austin, TX 78746
United State

Abigail Johnson
Chief Executive Officer
Fidelity Investments (FMR)
245 Summer Street
Boston, MA 02210
United States

Jenny Johnson
Chief Executive Officer
Franklin Resources, Inc
One Franklin Parkway
San Mateo, CA 94403-1906
United States

David Lane
Chief Executive Officer
GEODE Capital Management
100 Summer Street, 12th Floor
Boston, MA 02110
United States

George C.W. Gatch
Chief Executive Officer
J.P. Morgan Asset Management
383 Madison Avenue
New York, NY 10017
United States

Michelle White
Chief Executive Officer
Harris Associate
111 South Wacker Drive Suite 4600
Chicago, IL 60606
United States

Andrew Schlossberg
Chief Executive Officer
Invesco
Midtown Union 1331 Spring Street,
NW Atlanta, GA 30309
United States

António Simões
Chief Executive Officer
Legal & General Group
1 Coleman St, London EC2R 5AA
United Kingdom

Stephen M. Goddard
Founder, Chairman, CIO
The London Company of Virginia
1800 Bayberry Court, Suite 301
Richmond, VA 23226
United States

Michael Roberge
Chief Executive Officer
MFS Investment Management
111 Huntington Avenue
Boston, MA 02199
United States

Michael G. O'Grady
Chief Executive Officer
Northern Trust
50 S LaSalle St
Chicago, IL 60603
United States

Daniel Joseph Houston
Chief Executive Officer
Principal Financial Group Inc.
711 High Street
Des Moines, IA 50392-0150
United States

Ronald P. O'Hanley
Chief Executive Officer
State Street Corp.
One Congress Street, Suite 1,
Boston, Massachusetts, 02114 - US

Robert W. Sharps
Chief Executive Officer and President
T. Rowe Price
100 East Pratt Street
Baltimore, Maryland 21202
United States

Aleksandar Ivanovic
President Asset Management
UBS AG
Bahnhofstrasse 45, 8001 Zurich
Switzerland

Mortimer J. Buckley
Chief Executive Officer
Vanguard Group Inc.
100 Vanguard Boulevard,
Malvern, Pennsylvania, 19355-2331
United States

Deanna J. Santana
Acting Chief Executive Officer
MissionSquare Retirement
777 North Capitol Street, NE, Suite 600
Washington, DC 20002
United States

Jean M. Hynes
Chief Executive Officer
Wellington Management
280 Congress Street
Boston, MA 02210
United States

30 April 2024

Dear CEOs and Fellow BlackRock Shareholders¹:

Subject: BlackRock AGM on May 15, 2024 – “Amend Bylaws to Require Independent Board Chair” (Item 6, Vote “FOR”)

In recent years, the asset management industry has undergone significant transformation, with a shift of capital from active to passive investment, especially in the equity sector, being perhaps one of the most significant trends.

The exponential growth of passive funds/ETFs has undeniably made low-cost investment strategies (including those hard to replicate) accessible to all. In the world of passive investment, portfolio managers and investment analysts have less of a role to play, and relative performance (other than tracking error) is not a differentiating factor. This has made it harder for asset managers to differentiate themselves amongst peers.

A driving force behind this industry transformation has been BlackRock under the leadership of its co-founder, CEO, and Chairman (Mr. Larry Fink). To increase volumes and conquer market shares in the booming passive investment sector, BlackRock was quick to adopt a cutely master-minded commercial strategy centred around new concepts such as corporate stewardship, corporate governance, and social and environmental issues.

These themes suddenly became the centre of BlackRock value’s proposition in a sector when superior analytics, research and performance no longer mattered. This was accompanied by Mr. Fink banging the drum for the importance of stewardship for passive funds, using the argument that “*unlike actively managed funds, which can and do sell the stock of a company they perceive as having poor corporate governance, index funds are the ultimate long- term investors*” (Mr. Fink)². Thus BlackRock claimed to make sustainability a “*new standard for investing*” (Mr. Fink)³.

Today, BlackRock is both the absolute leader in passive investments and the undisputed champion in preaching the messianic role of corporate stewardship.

¹ According to Bloomberg

² <https://www.blackrock.com/corporate/about-us/investment-stewardship/blackrock-voting-choice/proxy-voting-power-of-choice>

³ <https://www.blackrock.com/corporate/investor-relations/2020-blackrock-client-letter>

Our view (which now starts to be more widely shared), is BlackRock is just a champion of messaging, and the hypocritical manner in which it pivots between rhetoric and reality, risks imploding the asset management industry for betraying the fiduciary relationship between asset manager and clients: BlackRock is not only **not** a champion of stewardship in the companies in which it invests but also **not** in its own backyard.

For the reasons explained, BlackRock is a textbook example of bad corporate governance due to an oversized Board (16 directors vs. the S&P500 average of 10.8), low women representation (31% vs. the S&P500 average of 33%), long tenure of directors as a symptom of lack of independence (10 yrs vs. the S&P500 average of 7.8 yrs), low presence of independent directors (81% vs. the S&P500 average of 85%), and above all, **a Chairman who is also the CEO (Mr. Fink) with 'checks and balances' is ensured (!!!) by a lead-independent director (Mr. Murry Gerber) who has been on the Board for 'just' 24 years and more importantly was given very limited powers and authorities to properly exercise its function.**

BlackRock's Board - one of the most exclusive clubs of 'Corporate America' which has recently taken a commercial opportunity to open its door to Saudi Arabia - has even recognized as an independent director the co-founder of BlackRock (Ms. Susan Wagner), who has been with BlackRock since 1988, first as a senior executive and then as a director since 2012. BlackRock could be viewed as a perfect example of the hypocrisy that undermines the credibility of the entire asset management industry, including when it describes performances: "*our ability to adapt, evolve, and grow has generated a total return of 9,000% for our shareholders since our IPO in 1999. That is well in excess of the S&P 500 return of 490% and representative of a business model serving all our stakeholders*" (CEO Larry Fink, 2024 Letter to investors⁴). Mr. Fink omitted to say that the outperformance relative to the S&P500 effectively ceased 15 years ago, subtly implying that it has continued ever since.

The same hypocrisy label could be levelled to the function of corporate stewardship where BlackRock claims that its "*approach to corporate governance can be described as value-focused engagement*" and that its ability in "*executing a value-focused engagement approach requires a sophisticated team, and we have an expert group of corporate governance specialists to review issues and manage the process, including proxy voting*" (BlackRock Larry Fink, 'Dear CEOs Letter', 2012)⁵: said differently, "*BlackRock engages with companies to drive the sustainable, long-term growth that our clients need to meet their goals*" (BlackRock Larry Fink, 'Dear CEOs Letter', 2012)⁶.

The reality is shown to be quite different based on the facts.

⁴ <https://www.blackrock.com/corporate/investor-relations/larry-fink-annual-chairmans-letter#>

⁵ <https://www.blackrock.com/corporate/investor-relations/2012-larry-fink-ceo-letter>

⁶ <https://www.blackrock.com/corporate/investor-relations/2012-larry-fink-ceo-letter>

BlackRock boasts of having voted in a single proxy season (2022-2023) at 18,000 AGMs of 14,100 companies in 69 countries, expressing 171,500 votes. All this with the support of just **70 employees** who may not even know how to vote, let alone who they are voting for. From this perspective, we have no hesitation in considering BlackRock's presence in the shareholding of the companies in which we invest a new form of *'investment risk'*.

Interestingly enough, the UK pension scheme, The People's Pension (TPP), has just warned that it may end relationships with managers that fail to meet its minimum requirements, including stewardship resourcing. This is clear evidence that this issue is starting to be more broadly recognized. The corporate governance/stewardship superiority or the cloak that BlackRock appears to adorn itself with, is reminiscent of Hans Christian Andersen's tale *'The Emperor's New Clothes'*: within the industry, **BlackRock stands naked, indefensible, and shameless.**

With all that being said, at BlackRock's shareholder meeting on the upcoming 15th of May, Bluebell Capital Partners has placed on the agenda (**Item 6**) the motion to appoint, starting from the AGM 2025 - thus, giving the Company ample time to prepare -, an independent Chair, thus separating the roles of Chair and CEO.

Bluebell Capital Partners has published on its website www.bluebellcp.com our [response](#)⁷ to BlackRock's Statement of Opposition complemented by a [presentation](#)⁸ on our proposal to amend BlackRock's bylaws requiring an independent Board Chair (Item 6, BlackRock's 2024 AGM). In practice, the outcome of the ballot will be largely decided by the Asset Management industry itself (i.e. the recipients of this letter), who own the absolute majority of BlackRock's capital on behalf of its clients.

We have already reached out to the stewardship teams of most of your organizations, but we felt it important to inform you personally because this vote is ultimately also a test of the soundness and integrity of our industry and will contribute to its future.

We kindly ask you, as a fiduciary of your own clients, to vote "**FOR**".

⁷ See also: <https://www.sec.gov/Archives/edgar/data/1364742/000201737624000014/bluebellresponseletter.pdf>

⁸ See also: <https://www.sec.gov/Archives/edgar/data/1364742/000201737624000012/bluebellpresentation.pdf>

We are at your complete disposal if you wish to receive further information.

Yours sincerely,



Giuseppe Bivona

Partner and CIO



Marco Taricco

Partner and CIO

CC: David Platero, *Portfolio Manager*