

The BlackRock Culture

An Interview with
Hollie Fagan, Managing Director, BlackRock

EDITORS' NOTE Hollie Fagan is Head of BlackRock's dedicated Registered Investment Advisor Consultant Team. Fagan joined BlackRock in 2010 to lead the iShares National Accounts Team. Additionally, she led the iShares internal sales desk based in Jersey City as well as the iShares Research and Due Diligence Team. Prior to joining BlackRock, Fagan was a managing director with Alliance Bernstein in their Global Business Development Group. She also served as Head of the Financial Institutions Channel. Additionally, she spent 16 years at Merrill Lynch in various retail and institutional roles within the Asset Management (MLIM), Insurance and Managed Solutions business. In her last position, she was the National Sales Manager for Merrill Lynch's Managed Solutions Group with responsibility for managing a team of over 40 sales specialists. Fagan received a B.S., magna cum laude, from the College of New Jersey and an M.B.A., cum laude, from Rutgers University. She holds her series 7, 66, 24, Life & Health Insurance Licenses.



Hollie Fagan

COMPANY BRIEF BlackRock (blackrock.com) is a global leader in investment management, risk management, and advisory services for institutional and retail clients. At March 31, 2016, BlackRock's AUM was \$4.737 trillion. BlackRock helps clients around the world meet their goals and overcome challenges with a range of products that include 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®. As of March 31, 2016, the firm had approximately 13,000 employees in more than 30 countries and a major presence in global markets, including North and South America, Europe, Asia, Australia, the Middle East, and Africa.

Looking back to when you joined BlackRock six years ago, has it been what you expected?

Yes. I spent 16 years at Merrill Lynch and part of that time was in their investment management business, which was subsequently bought by BlackRock in 2006. I didn't come to BlackRock through that acquisition. I left Merrill Lynch to join another firm for a few years and joined BlackRock in 2010 as part of the iShares business just after BlackRock had acquired it.

I remember being at Merrill Lynch when Larry Fink thoughtfully purchased the asset management business and that was BlackRock's entree into retail investment management. Up to that point, they were primarily known for their institutional business, fixed income business, and risk management business, but they hadn't broken into retail until that acquisition.

I remember reading about it at Merrill Lynch at that time and talking to people in the industry; strategically, I felt it was a great deal for BlackRock.

Having left Merrill and not come to BlackRock through that acquisition but having a lot of my colleagues join BlackRock, I always kept abreast of how their careers were progressing and how their business was doing, for no other reason than because I was competing with BlackRock.

I remember admiring BlackRock's acquisition of Barclays Global Investors, which included iShares. Everyone I talked to in the industry felt this would change BlackRock and really put them into a leadership position that very few asset managers could compete with.

I always had a healthy respect for the business that BlackRock had built, not only through the organic growth they had over the years but also through its thoughtful acquisitions, so it was a firm that I knew I wanted to join. Although at the time there was a lot of work to be done to integrate two very large businesses, and I knew the iShares business was very different culturally than the active business, it was still a firm I felt really passionate about being a part of.

How has the business changed since you've been here?

As BlackRock acquired other businesses along the way, they've always done a really great job of integration. Part of that comes from the fact that we all speak the same common language, not only in the way we invest our client's money but also in the way we communicate with one another, which is largely based on the Aladdin platform.

One of the best strategic decisions BlackRock has made with acquisitions is that they migrate new employees onto the Aladdin platform. That means everyone shares a common technology platform and the culture permeates from there.

Would you give an overview of the Registered Investment Advisor business today?

I am head of the RIA business, which represents about \$125 billion in assets that we manage on behalf of our clients. Our strategy is targeted at the larger firms in the industry, those with over \$100M in assets under management, or roughly 4,500 firms. We work with these firms to help them build better portfolios for their clients.

As a result of the depth and breadth of our platform, we take a consultative approach to client engagement. Anything that BlackRock has to offer clients we deliver to our Registered Investment Advisors. This consists of active mutual funds, our iShares ETFs, our QP alternative products, and separately managed accounts as we work with clients to help them build better portfolios for their clients. The other half of the business is focused on retail investor platforms where individual investors can come directly to a website and invest or they can invest through a branch office.

Everyone within BlackRock talks about a clear culture. How hard is it to maintain that culture and keep that edge?

It's something that any small business owner worries about. As they become more successful, they go from being sole operator of everything to having to start to hand over their responsibilities to other people and delegate.

For BlackRock, one of the important foundations is the involvement of so many of the founders who are still in the business today. That is a great help in understanding and maintaining the culture they've built over the years.

Also, they allow the employees, no matter which firm they come from, to be part of the vision that Larry and the executive team have. There are still a number of legacy BlackRock employees at the firm, including the founders. Many of the employees who have joined along the way have come through acquisitions but what bonds everybody together is the common language around our client-first culture and business.

The other common thread is the leadership team's ability to paint a forward-looking picture of what that firm is going to be. The aspiration is to fulfill the responsibility that comes along with being the world's largest asset manager and the fiduciary responsibility we have for all of the investors that we manage money on behalf of. ●