

Creating Better Financial Futures for Investors

An Interview with Samara Cohen, Chief Investment Officer of ETF and Index Investments, BlackRock

EDITORS' NOTE Samara Cohen is the Chief Investment Officer of ETF and Index Investments for BlackRock. She leads the teams responsible for delivering the market quality and investment integrity of BlackRock's index funds and iShares ETFs. Cohen is a member of the ETF and Index Investments Management Committee, the firm's Vote Issues Advisory Committee, Global Operating Committee, and Global Executive Committee-Investment Subcommittee. She is a senior sponsor for the firm's Black Professionals Network. Cohen earned a BS in economics and finance from the Wharton School and a BA in theatre arts from the College of Arts and Sciences of the University of Pennsylvania. She earned an MBA from Harvard Business School.

COMPANY BRIEF BlackRock (blackrock.com) is one of the world's leading providers of investment, advisory and risk management solutions. BlackRock is a fiduciary to its clients. The company is investing for the future on behalf of its clients, inspiring its employees, and supporting its local communities.

Will you highlight your role and vision as the first CIO for BlackRock's ETF and Index Investments business?

I'm privileged to oversee one of the industry's largest investment platforms – nearly \$6 trillion in assets across iShares ETFs and BlackRock index funds – and lead a global team of 350 unbelievably talented investment professionals. These portfolio engineers, risk managers, platform architects, market structure developers, and product operating model designers are collectively responsible for delivering market quality and investment performance for over 2,700 portfolios.

Those are big numbers, but what ultimately drives me is what those numbers represent: a globally accessible investment platform that delivers performance and precise index outcomes for millions of people. The ETF ecosystem is highly complex, so our work encompasses everything from developing and implementing best-in-class trading strategies to creating more resilient markets through education and engagements with all the participants.



Samara Cohen

As I like to say, at BlackRock there's nothing passive about how we manage our ETF and index portfolios.

How has your work improved the experience of investors who are saving for big life goals like retirement?

It's hard to overstate the impact of ETFs and index funds on how people save and invest. They help investors conveniently and cost-effectively diversify how they build long-term wealth. With the growth of digital platforms, literally hundreds of millions of

investors access the markets through ETFs in amounts they can afford.

Since the launch of the first index fund over 50 years ago, we have been lowering barriers to make investing easier for everyone. Today, more than 120 million people globally use our products to access markets and build portfolios tailored to their needs, whether it's diversification, income, and more. That's why we're committed to offering the broadest choice and are always innovating.

As we continue to strengthen our capabilities, we're excited to welcome the next 100 million investors.

You mentioned market quality and performance. Is this a differentiator for BlackRock?

We've led the index industry in developing a clear framework for investment performance. At iShares, we measure performance through precision or how well index products deliver index returns consistently over time, and

through market quality, specifically our ETFs' ability to offer liquidity, price discovery, and efficient market access.

Keep in mind that indexes are financial calculations and are not directly investible. Accessing the outcome of a specific index in an investment portfolio has become more challenging as the industry moves towards more customized and complex indexes. Investors who want exposure to those indexes invest in index-tracking mutual funds and ETFs; our aim is to track the performance of the specified index as precisely as possible, in all market conditions.

How is BlackRock leading in the modernization of the industry through ETFs?

The evolution of the bond markets is a great example of BlackRock's leadership in driving market modernization. Twenty years ago, the over-the-counter fixed income market was extremely inefficient and fragmented; bond trades were negotiated privately, and often investors had no way to get real-time price quotes. That changed in 2002, when iShares launched the industry's first bond ETFs, an innovation that helped to break down barriers to fixed income investing by bringing transparent and liquid on-exchange trading to a fragmented and opaque market. For the first time, all investors could efficiently purchase a portfolio of bonds through one ETF – on a stock exchange – at a known price. Today, there are over 1,400 bond ETFs, worth about \$1.6 trillion in AUM globally. That growth has been expedited by electronic trading, the creation of alternative trading venues, and other developments.

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This is truly the democratization of investing: individuals, wealth advisors, active asset managers, and large insurers all use bond ETFs for convenient, low-cost exposure to global bonds and to easily recalibrate their portfolios. We believe the industry will grow even further, and project global bond ETF AUM will reach \$5 trillion by 2030.

How do you describe BlackRock's culture and how critical is culture to the firm's success?

I'm what BlackRock refers to as a "boomerang" – I joined the firm right out of college, a few years after its founding, left for business school, and eventually rejoined 18 years later. That gap showed me that while the firm constantly evolves, our purpose-driven culture and deep sense of responsibility to clients have remained the same.

BlackRock was founded by a group of market experts who were determined to put clients' needs first and who wanted to use their passion for understanding and managing risk to help create better financial futures for investors. This is very much the heart of BlackRock's culture today – this mindset has driven the firm's growth over the past three decades and will determine the path ahead.

How important is it for BlackRock to build a diverse and inclusive workforce?

At BlackRock, we recognize that we have the best chance of serving our clients if our teams reflect our wide pool of investors. We also believe that a culture and mindset of diversity, equity, and inclusion can only happen if it's embedded into everything we do. So, our DEI

strategy focuses on our talent and culture as well as on our role as a fiduciary for our clients, our policy advocacy, and our contributions to our local communities. And of course, the firm has advocacy networks for differently abled, LGBTQ+, veteran, and Latinx employee groups and allies. I'm a senior sponsor of our Black Professionals Network.

Welcoming diverse perspectives was an essential part of my own journey at BlackRock. I knew next to nothing about ETFs when I was approached to help build the firm's ETF infrastructure. The firm took a leap of faith by seeing my potential and how my experiences could bring a different lens to growing our business.

I'm committed to paying that forward. In my own hiring, I identify team members based on their unique experiences and potential.

Do you feel that there are strong opportunities for women to grow and lead in the industry?

I started my career in an industry dominated by men. While the journey to diversity is a constant work in progress, I strongly believe there are great opportunities and a significant need for women to sit around decision-making tables. When I was applying for my first job out of college, I applied and interviewed at BlackRock where three of the firm's fifteen partners were women. In 1993, that was a rare statistic. I remember being inspired to follow in their footsteps and learn from them to figure out what I wanted to do.

Female representation is what initially drew me to BlackRock, and it's key to showing women they can do the same and be successful. Today, there are even more

resources, including professional networks and mentorships. Personally, over the past three decades, I've been championing women and others who feel like they don't "fit in" with our industry. I'm proud to say I lead a majority female leadership team and I hope to grow it even further.

What do you see as BlackRock's responsibility to the communities it serves and to being a force for good in society?

BlackRock is committed to helping our clients and our communities experience financial well-being and navigate long-term risks and opportunities. Millions of people invest through us to build savings that serve them throughout their entire life, including teachers, nurses, and factory workers, many of whom were financially impacted by COVID-19.

Our work to enable financial well-being naturally extends to our philanthropic mission. The BlackRock Foundation, created in 2020 to help bolster social impact efforts, focuses on unlocking economic opportunities for underserved populations. Since its creation, the Foundation has committed \$50 million in COVID-19 relief to impacted communities to cultivate financial security for a larger and more diverse group of people. It has also launched major projects like the Emergency Savings Initiative, a cross-sector program that helps people living on low- to moderate-incomes gain access to and increase usage of proven savings strategies and tools.

What advice do you offer to young people beginning their careers during this unprecedented time?

First, to those interested in joining an industry, but worry that they don't see enough leaders who look like them, I would say: Find your purpose and lean into your passion – we will all be better for it. Your experiences are unique, and they will bring value to your organization.

Second, people who recently started their careers have had an unconventional experience, joining the workforce remotely. While the digital environment allows us to connect seamlessly beyond our physical location, it may have also barred newcomers from building meaningful relationships. To remedy this, I urge them to reach out to not only peer mentors, but also to leaders across their networks to find a sponsor since these connections will be critical in helping them navigate the new environment they've entered. ●

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