



**BlackRock  
Management  
Committee**

# Business Highlights

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- Diluted earnings per share rose 16% to \$2.36.
- Declared our first-ever quarterly dividend in August.
- Assets under management grew 13% to \$309 billion.
- Realized net new business in excess of \$22 billion.
- More than doubled global bond assets, while increasing total fixed income assets 22% to \$214 billion.
- Strong performance by our small cap teams spurred a 25% rise in domestic equity assets to \$5 billion.
- Expanded our alternative investment platform and increased assets 31% to \$7 billion.
- Increased assets managed for tax-exempt investors worldwide 19% to \$112 billion.
- Total insurance assets under management surged 34% to \$62 billion.
- Assets managed for international clients expanded 27% to \$58 billion.
- Raised \$2.6 billion in new closed-end funds and over \$1 billion in institutional open-end funds.
- Added 14 new assignments in BlackRock Solutions® and grew revenues by 18%.
- Augmented our balance sheet advisory capabilities with the January 2004 addition of Peter Fisher, former under secretary of the U.S. Treasury.
- Began 2004 with strong momentum and a robust new business pipeline across products.

# Financial Highlights

		Years ended December 31,	
<i>(in thousands of dollars, except per share data)</i>	2003	2002	2001
Revenue	\$598,212	\$576,977	\$533,144
Operating Income	228,276	215,139	170,176
Net Income	155,402	133,249	107,434
Net Income Margin	26.0%	23.1%	20.2%
Per Common Share:			
Diluted Earnings	2.36	2.04	1.65
Book Value	11.13	9.78	7.54
Assets Under Management <i>(in millions)</i>	309,356	272,841	238,584

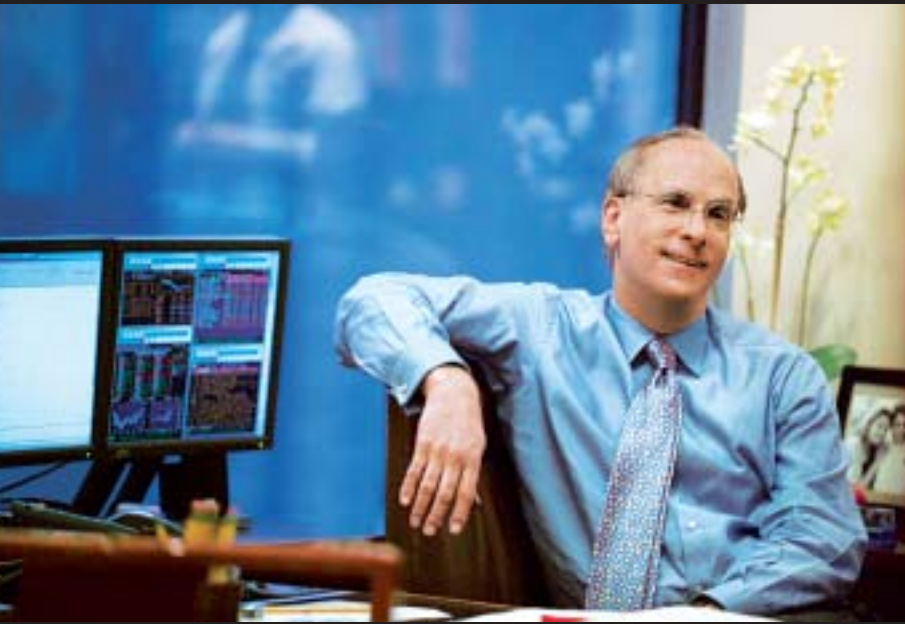
01	\$1.65	\$33,144	\$238,584
02	\$2.04	\$576,977	\$272,841
03	\$2.36	\$598,212	\$309,356

**Diluted Earnings**  
Per Common Share

**Revenue**  
(\$ thousands)

**Assets Under Management**  
(\$ millions)

# Chairman's Letter



February 2004

BlackRock faced strong headwinds coming into 2003, including an anticipated decline in performance fees and the potential for significant outflows in liquidity assets. In addition, the passage of Sarbanes-Oxley foreshadowed increasing operating costs. In spite of these challenges, BlackRock achieved 16% growth in diluted earnings per share to \$2.36, realized 13% growth in assets under management to \$309.4 billion and initiated quarterly dividend payments. We achieved greater diversification in our product and revenue mix, strengthened our resources and enhanced our organization in ways we believe will better prepare us to continue to expand globally, operate on a larger scale and capitalize on future opportunities.

We had many successes during the year. Net new business efforts were favorable on all fronts, reflecting our strong position in established client channels and our growing global presence. We capitalized on increased outsourcing by taxable financial institutions, leading to \$12.5 billion of inflows from insurance companies alone. We expanded our clientele worldwide, raising \$7.3 billion from international investors. Our business with pension plan sponsors remained robust, as we added \$10.2 billion from tax-exempt investors worldwide. Finally, investments in our mutual fund distribution capabilities bore fruit, as we raised \$4.0 billion of mutual fund assets in all channels other than PNC.

Our fixed income business continued to expand, with \$28.4 billion of net new business. Strong growth in global bonds was particularly gratifying, as we had incubated the product for many years. Additional products, such as emerging market debt, are reaching their 3-year track records and should represent opportunities for further growth and diversification over time. Our portfolio management team achieved solid results using the same disciplined approach that has become a hallmark of BlackRock's style. While several firms had outsized returns reflecting greater risk-taking, we remain firmly committed to our disciplined investment process, and new business momentum is as strong as ever.

As global equity markets rallied, smaller cap, high beta stocks performed best. All of our small cap composites outperformed their benchmarks for the year, and our large cap core equity fund ranked in the top quartile of its peer group. These results helped drive over \$850 million of new business in these products from institutions and third party distributors, and momentum continues to build. The skewed nature of the market recovery was not favorable for our concentrated, large cap international equity portfolios, which underperformed their benchmarks and suffered outflows. However, we remain confident in the team's capabilities and process, and we continue to believe that they will be rewarded for their conviction as markets inevitably normalize.

BlackRock Solutions continues to flourish, as institutions worldwide seek to enhance their risk management capabilities and realize greater operating efficiencies. In 2003, we increased revenues by 18%. This growth was achieved by completing two new system implementations and adding 14 assignments overall. New functionality was introduced throughout the year, including our global research database, and the new business pipeline remains very active. We continue to build the BlackRock Solutions effort, which we depend on to support our asset management business and increasingly look to as a source of revenue diversification.

Our success depends on our ability to retain and attract talented professionals. In April, we acquired a \$150 million hedge fund of funds business, bringing its founder, Howard Berkowitz, to BlackRock. Howard brings over 30 years of experience in hedge fund investing. In the short time since he joined, we have doubled our fund of fund assets and the team has delivered outstanding investment performance. During the year, we also attracted senior professionals in our insurance, high yield and liquidity efforts, among others. Most recently, we announced that Peter Fisher, former under secretary of the U.S. Treasury, joined BlackRock. Peter's extensive asset/liability management experience in the public sector will greatly augment our ability to work with clients to address a variety of financial challenges.

We recognize that as BlackRock grows, we must be willing to reinvent ourselves and adapt to the evolving needs of our business. During 2003, we took a number of steps to enhance our organization. These included the creation of a portfolio risk management group led by Ben Golub, one of our founding partners, to focus exclusively on our internal risk management needs. We also named Henry Gabbay Chief Administrative Officer of our investment management business, responsible for portfolio compliance and new account set-up processes across the firm. Perhaps most importantly, we created a rotating committee of Managing Directors to help us identify opportunities for organizational improvement, maintain a strong culture and encourage a shared vision and responsibility for the future success of the firm.

The investment management industry is in flux. As the global capital markets continue to expand and diversify, overtaking the financing role of traditional lenders, investors are forced to contend with greater volatility and the need for more sophisticated investment tools. Pension plans and other financial services companies are facing ongoing asset/liability management challenges and paying greater attention to risk management and risk budgeting issues. Mutual fund companies are under increased scrutiny as the regulatory investigations continue, the SEC proposes expanded regulations and higher corporate governance standards, and Congress considers whether legislation is needed in addition to regulation.


These are not easy issues, nor do they lend themselves to quick fixes. We need a regulatory framework that recognizes that **all** investors are equally reliant on the integrity of both the capital markets and their investment managers. It is, therefore, critical to ensure that **all** investors are treated equitably through, among other things, sound trade allocation policies, disciplined operational processes, fair pricing and appropriate disclosure. In short, we fully support reforms that help ensure that investment managers fulfill their fiduciary obligations to **all** clients — individuals and institutions alike, whether invested in mutual funds, alternative investments or custom portfolios.

Whatever form the final measures take, we can be certain that the cost of doing business will continue to increase. Having endured three years of adverse equity markets and facing new cost burdens, many in our industry are re-evaluating their business models. We believe that BlackRock will have numerous strategic opportunities in this environment. We will pursue those that represent a strong cultural and business fit and offer compelling value creation opportunities for our shareholders.

2003 was a year of milestones for BlackRock. We surpassed \$300 billion in assets under management. We crossed the \$200 billion mark in fixed income assets, solidifying our position as one of the premier bond managers in the world. Our organization approached 1,000 employees worldwide. We declared our first quarterly dividend, and BlackRock celebrated its 15th anniversary. Of course, we are very proud of these accomplishments. Yet, we remain more focused than ever on our mission to serve our clients, build our platform and create value for our shareholders. All of the founding partners continue to be affiliated with BlackRock, and the next generation is more engaged than ever in helping us manage the firm and lay the foundation for the future.

Events in the industry over the past year have underscored the importance of culture, corporate ethics and individual integrity. I believe that our success is directly attributable to our team approach and the efforts and dedication of our employees. I do not mean to suggest that we are perfect, but I do know that if we can sustain our “culture of excellence,” we will continue to differentiate BlackRock. In addition, I am acutely aware of how fortunate we are to have an outstanding Board of Directors. We rely on them for their guidance on countless matters and place extraordinarily high value on their candor, independence and knowledge of our business. Above all, our future rests on our ability to serve our clients. I remain convinced that the best way to create value for our shareholders is to continually strive to exceed our clients’ expectations and earn their trust. We dedicate our efforts every day to those goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurence D. Fink". The signature is fluid and cursive, with a large, stylized initial "L".

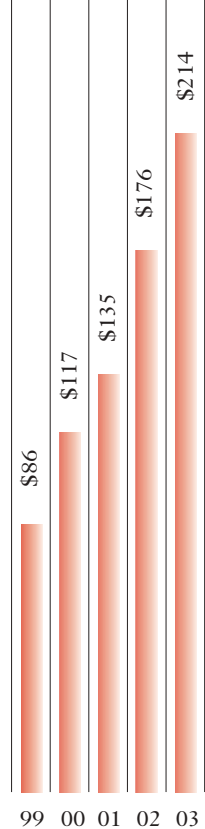
Laurence D. Fink  
*Chairman and CEO*



# Fixed Income



**Fixed Income**  
Assets Under Management  
(\$ in billions)



Fixed income remains the cornerstone of BlackRock's business, representing 69% of total assets under management at year-end 2003. During the year, fixed income assets grew 22% to \$214.4 billion. Net new business exceeded \$28.4 billion, with inflows in all product categories and from all client channels. We expanded our capabilities across sectors, adding depth to our high yield, corporate credit, international and insurance teams. We also established a portfolio risk management group to enhance our focus on, and use of, risk management capabilities in our investment management activities. We believe that these initiatives will strengthen our efforts and enable us to further expand and diversify our fixed income product mix over time.

Growth in our global bond products, which more than doubled to \$12.0 billion, was particularly notable. This success was complemented by net new business of \$11.9 billion in targeted duration accounts, including insurance, defined contribution and mutual fund portfolios, \$8.1 billion in core bond products and \$2.5 billion in sector-specific strategies, such as mortgage, municipal, high yield and TIPS mandates. Diversification was also achieved across client channels, with \$9.4 billion of net inflows from international investors, \$8.0 billion from U.S. taxable investors, \$7.3 billion from U.S. tax-exempt investors and \$3.8 billion from individual and institutional mutual fund investors.

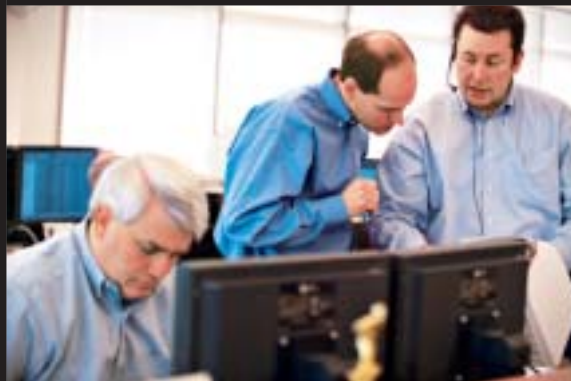
Investment performance is, and always will be, the most important barometer of future business growth. For the one, three and five years ended December 31, 2003, 75% or more of our fixed income composites outperformed their benchmarks and 80% or more of our taxable bond funds achieved returns in excess of their Lipper peer group medians.\* These results reflect our intense focus on achieving strong investment performance consistent with our investment process and risk management discipline.

Numerous industry trends are favorable for BlackRock. Pension plan rebalancing out of bonds into stocks, which led to more than \$19 billion of outflows over the past 3 years, abated and began to reverse as global stock markets recovered. Defined benefit plan sponsors are funding shortfalls and allocating a portion of contributions to fixed income. Defined contribution plan sponsors are adding investment options, increasingly unbundling asset management and plan administration services. Insurance companies continue to actively outsource investment management, a trend we expect to extend to other financial institutions as well.

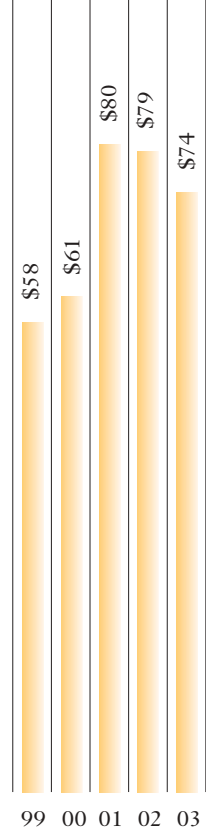
Our ongoing success in fixed income is a direct reflection of our team effort. Professionals across the firm, including portfolio management, account management, operations, administration, compliance and BlackRock Solutions, work together to provide unparalleled service to our clients. Our collective efforts have enabled us to achieve compound annual growth of 27% over the past 5 years. We believe that we are well positioned to build upon our past accomplishments and to capitalize on new opportunities to expand and diversify our fixed income business in 2004.

\* See performance notes on inside back cover.

# Liquidity



**Liquidity**  
Assets Under Management  
(\$ in billions)



BlackRock is a leader in liquidity management with \$74.3 billion under management at December 31, 2003, representing 24% of our total assets under management. Although assets declined 5% from 2002, average assets were down only 2% and BlackRock maintained its position as the eighth largest institutional money market fund manager in the nation. During the year, we added resources in liquidity sales and marketing and enhanced cross-selling efforts, which we believe will enable us to expand market share in 2004.

Net outflows of \$6.6 billion in institutional money market funds partially reversed the \$14.3 billion of inflows that followed the Federal Reserve’s rate cut in November 2002. Additional outflows of \$1.4 billion in retail money market funds reflected asset reallocations in the face of historically low yields. In contrast to these adverse flows, improved cross-selling efforts helped generate \$327 million of net new business in separate accounts, and favorable stock market conditions led to \$3.5 billion of net inflows in securities lending portfolios.

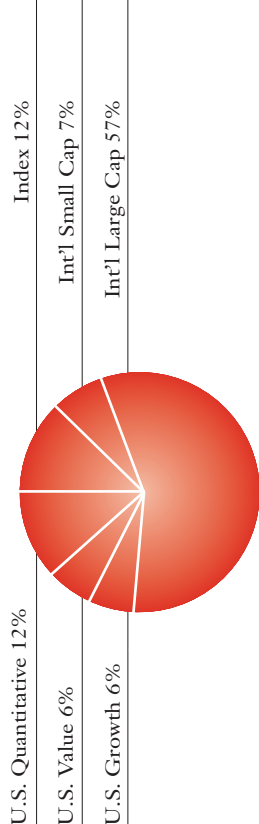
Investment performance remained competitive, with all liquidity funds ranked in the top two Lipper quartiles, and 90% or more of all institutional funds ranked in the top Lipper quartile, for the one, three and five years ended December 31, 2003.\* Importantly, these results were achieved without compromising our conservative investment philosophy, which emphasizes credit quality and liquidity over yield. Our investment process brings together highly experienced professionals, sophisticated risk analytics customized for the needs of the liquidity business and broad global credit research capabilities.

Consistently competitive performance is not the only factor attracting our impressive roster of clients, including corporate and municipal treasurers, banks and bank trust departments, broker dealers and insurance companies. As part of our ongoing effort to better serve our clients, we provide a variety of proprietary tools to make investing in BlackRock Liquidity Funds™ (formerly, BlackRock Provident Institutional Funds) easy and efficient. In addition to our client call center, which handled approximately half of all trade orders in 2003, we offer MutualADVANTAGE™, which gives clients real-time access to their accounts via the Internet. We also have developed interfaces that provide access to our funds through several institutional investment portals, and CashManager™, a PC-based cash sweep program for banks that offer cash management services.

BlackRock’s liquidity flows in 2003 reflected the prevailing rate environment. Outflows materialized, as expected, when yields on money market funds and direct investments came back into line during the first quarter. Throughout the year, however, the Federal Reserve maintained its accommodative stance while waiting for clear evidence of an overheating economy or inflationary pressures. Any shift in the Fed’s policy in 2004 will likely cause significant outflows in institutional money market funds in favor of direct investments. Accordingly, we remain cautious about the volatility of liquidity flows in the coming year.

\* See performance notes on inside back cover.





### Equities

Assets Under Management  
(\$13.7 billion at 12/31/03)

Global equity markets rallied sharply in 2003 following three years of negative returns. Performance within the markets was mixed, however, with smaller capitalization, higher risk stocks performing best worldwide. The skewed nature of the market recovery impacted our results for the year, as small cap portfolios outperformed large cap products. For the year, BlackRock's equity assets increased \$257 million to \$13.7 billion at year-end. Most importantly, we ended the year with strong momentum in our domestic equity effort and signs of improvement in our international equity products.

Domestic equity assets grew \$1.0 billion to \$5.0 billion at December 31, 2003. During the year, net new business raised from institutional investors and through external distributors totaled \$712 million, which was overwhelmed by \$748 million of outflows from PNC-related clients following the private bank's shift to open architecture. Importantly, the positive new business efforts spanned our client base, including institutional separate account and fund investors as well as the successful offering of our first equity closed-end fund.

Significantly, strong investment results are supporting new business momentum. All of our domestic small cap equity composites outperformed their benchmarks, and all of the corresponding funds ranked in the top half of their Lipper peer groups in 2003.\* In addition, our quantitative equity team, which joined the firm in February 2003, quickly implemented their models and rigorous investment process in the management of our domestic large cap portfolios. Their efforts enabled our large cap core equity fund, BlackRock Funds Select Equity Portfolio, to achieve top quartile performance within its Lipper peer group for the year.\*

Our global opportunities team achieved strong performance for the year in international small cap products, attracting net inflows from a variety of institutional investors worldwide. The market environment was exceptionally difficult, however, for our large cap international equity portfolios. These products performed poorly on a relative basis and, as a result, redemptions outpaced market gains. International equity assets ended the year down \$760 million to \$8.7 billion. We remain convinced, however, that as markets return to more normal conditions, these large cap portfolios will again be rewarded for consistency of the style and process that have enabled our Edinburgh-based team to produce an exceptional long-term track record.

Going into 2004, performance in our large cap international equity products appears to have stabilized and we have strong momentum in our domestic equity business, including a robust pipeline of new business opportunities. Further, as each of the newer teams gain more seasoning on BlackRock's platform and demonstrates their ability to deliver strong performance, we will be able to more effectively roll out their products to a larger universe of prospective investors and pursue greater cross-selling opportunities.

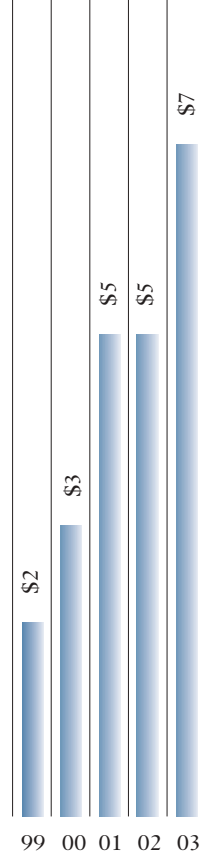
# Equities



# Alternatives



**Alternatives**  
Assets Under Management  
(\$ in billions)



During 2003, we continued to expand our alternative investment platform, adding resources and diversifying our product mix. At year-end, alternative investments included hedge funds, fund of funds, high yield and real estate debt products. During the year, assets increased 31% to \$6.9 billion. We continue to believe that managing alternative investments alongside long-only portfolios is beneficial and, accordingly, we will pursue opportunities to expand these offerings over time.

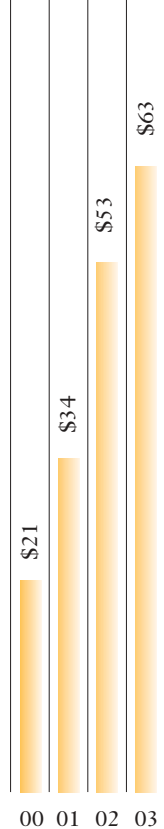
Hedge fund assets increased 21% to \$1.9 billion at year-end. Our global fixed income hedge fund realized positive returns in 2003, and is expected to overtake its high water mark during 2004. In early 2003, we introduced a municipal hedge fund that seeks to achieve attractive after-tax returns. During the year, we raised \$142 million principally from high net worth investors. We continue to experience strong investor demand for this strategy, and we are optimistic that we will achieve further growth in this product in 2004.

In April 2003, BlackRock acquired HPB Management, founded by hedge fund veteran, Howard Berkowitz, who joined BlackRock to lead our hedge fund of funds business. Since the acquisition, we have doubled assets under management to over \$300 million. Investment strategy for these products leverages the firm’s capital markets expertise, risk management platform and extensive network of contacts in the financial community to source managers, conduct research, construct portfolios and manage risk. Performance was exceptional in 2003 and new business momentum continues to build.

Our high yield alternative investments consist of six collateralized debt obligations (CDOs) totaling \$2.9 billion, including \$342 million raised in 2003. During the year, we strengthened our resources in this area, adding global credit and high yield investment professionals to the fixed income team to further support our management of these products, other high yield accounts and holdings in our broader fixed income portfolios. Additional CDOs will be offered from time to time to target opportunities in the high yield debt and bank loan markets.

Assets managed in real estate debt products increased \$696 million to \$1.8 billion at December 31, 2003. The growth in these assets resulted principally from additional investments in our mezzanine portfolios and the restructuring of our real estate investment trust. To enhance investment strategy implementation and better leverage our capital markets and risk management expertise, we have integrated our real estate and fixed income portfolio management teams and are expanding their resources. In 2004, we expect to offer a second real estate mezzanine fund and are considering other business development opportunities.





**BlackRock Solutions  
and Investment Accounting**  
Revenue  
(\$ in millions)

BlackRock Solutions continues to expand as institutional investors heighten their focus on investment and operational risk management. In 2003, we added 14 new assignments and increased revenues by 18% to \$58.7 million. New business included 2 system outsourcing contracts and 12 risk management assignments. Importantly, BlackRock Solutions’ revenue mix improved substantially in 2003, as a number of short-term assignments that we completed in 2002 were replaced by longer-term relationships.

Investment system outsourcing continues to be the most important driver of BlackRock Solutions’ growth. Our investment system, Aladdin®, is a fully integrated portfolio management system that facilitates front, middle and back office efficiency. Developed to support BlackRock’s asset management business, Aladdin is now used by leading institutions, including pension plans, insurance companies, corporations and foundations, to support their direct investment activities. The depth of our analytical capabilities, breadth of security coverage, range of processing tools and automated compliance controls differentiate our system. Clients choose BlackRock Solutions for these features, as well as the significant efficiencies gained from the work process reengineering associated with an Aladdin implementation. We completed two additional system implementations in 2003 and have another in progress.

Our risk management services include risk reporting, advice and hedge execution. These services leverage the analytical capabilities embedded in Aladdin, as well as industry and capital markets expertise throughout the firm. We have a particularly strong presence among mortgage banks, reflecting our unique ability to help these clients address the complex risks associated with origination and servicing. We also provide risk management services to a growing number of commercial banks, pension plans and insurance companies, and are witnessing increased interest from institutions worldwide who want to enhance their ability to monitor and manage their investment risks. Newer offerings include our Web-based pre-trade analytics tool, AnSer®, and investment accounting services which, when combined with investment and risk management, comprise a comprehensive solution for insurance companies.

In January 2004, we significantly expanded our balance sheet advisory capabilities with the addition of former under secretary of the U.S. Treasury Peter Fisher. Mr. Fisher will lead a new Advisory Services Group, which will leverage his broad public sector asset/liability management expertise with our capital markets and BlackRock Solutions capabilities to help clients address a variety of financial challenges.

BlackRock continues to rely on BlackRock Solutions’ systems and analytical capabilities to support our asset management business. As the regulatory environment evolves, institutions worldwide are increasingly focused on sound risk management practices and the ability to satisfy the demand for greater transparency. We have benefited from these developments and we expect interest in BlackRock Solutions’ products and related services to continue to grow in the coming years.

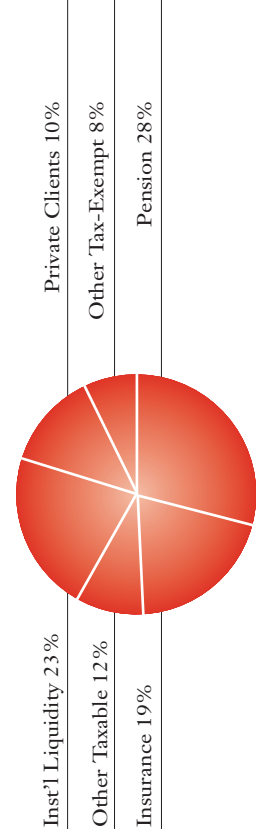
# BlackRock Solutions



# Our Clients



**Our Clients**  
Assets Under Management  
(\$309 billion at 12/31/03)



BlackRock's marketing and client service efforts continue to differentiate the firm. In 2003, net new business of \$22.5 billion fueled a 13% increase in assets under management to \$309.4 billion. Over the past five years, net new business has accounted for 80% of the total increase in assets managed. At year-end, we managed \$222.6 billion, or 72% of total assets under management, on behalf of 455 separate account clients in 34 countries. Institutions and individuals invested in our fund families – BlackRock Funds, BlackRock closed-end funds, BlackRock Liquidity Funds and BlackRock Global Series – account for the remaining \$86.8 billion, or 28%, of assets under management.

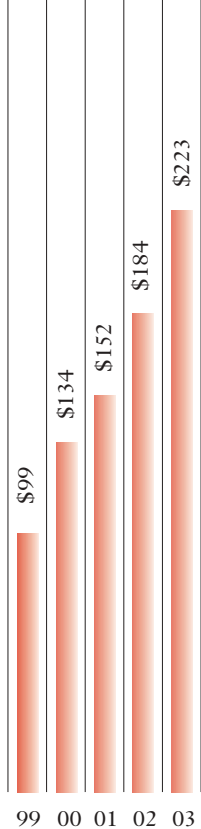
Our culture of teamwork and excellence focuses all employees on serving our clients. We pride ourselves on the quality and longevity of our relationships, and we are extraordinarily gratified to have celebrated our tenth anniversary with 27 clients. Sixty one clients have entrusted us with assets in excess of \$1 billion, and more than 225 clients have multiple investment and/or risk management assignments with BlackRock. We expect cross-selling to expand further as we continue to realize benefits from our 2002 consolidation of all marketing and client service on a unified platform.

Assets managed for U.S. clients increased 11% year-over-year to \$250.9 billion at December 31, 2003. Net new business in long-dated portfolios totaled \$19.0 billion, which was partially offset by a \$3.9 billion decline in liquidity products. Institutional investors choose BlackRock for a wide variety of separate accounts and, increasingly, for the liquidity and diversification available in our institutional funds offerings. Private clients utilize our open-end and closed-end funds as well as, when applicable, our wealth management services and alternative investment offerings. Over the past five years, our domestic business has grown at a 15% compound annual rate, and we believe we will be able to continue to expand market share across a broad universe of domestic investors.

Our global presence continues to expand, as evidenced by the 27% year-over-year increase in assets managed for clients domiciled outside the United States. At December 31, 2003, assets managed for international investors totaled \$58.5 billion, representing 19% of BlackRock's assets under management. Professionals based in New York, Tokyo, Hong Kong and Edinburgh are responsible for international business development and client service. Their efforts, together with those of our strategic partners in Japan and Australia, helped us realize net new business of \$7.3 billion during 2003 from 67 international investors in 26 countries. These clients, which include pension plans, insurance companies, banks, central banks and others, choose BlackRock for a wide variety of global and other fixed income portfolios, offshore liquidity funds, equity accounts and alternative investments. Over the past five years, our international business has grown at a 52% compound annual rate, and we believe we will continue to expand as we add resources and enhance our name recognition throughout the world.

Tax-exempt clients represent our largest client segment worldwide with \$112.3 billion under management at year-end 2003, or 36% of BlackRock's total assets under management. Assets managed for tax-exempt investors, including pension





**Separate Accounts**  
Assets Under Management  
(\$ in billions)

plans, foundations, endowments and other non-profit organizations, grew 19% during the year. BlackRock has benefited from a number of trends among tax-exempt institutions. Defined benefit plan sponsors continue to consolidate their fixed income investments with fewer managers. Plan contributions are being allocated in part to fixed income and the three-year long rebalancing trend out of bonds into stocks has abated and is beginning to reverse. Defined contribution plans represent a growing opportunity, as sponsors increasingly unbundle asset management and plan administration and participants seek greater investment choice. Finally, as our product line expands, we are better able to serve foundations, endowments and others that focus heavily on equity and alternative investments.

At December 31, 2003, BlackRock managed \$95.3 billion of separate account assets for taxable clients, including insurance companies, corporations, banks and high net worth individuals. Assets managed for insurance companies represented 62% of this total, with \$12.5 billion of net new business in 2003 driving a 34% increase in insurance assets to \$59.2 billion, or 19% of BlackRock's total assets under management. Insurance companies often turn to BlackRock for a range of services that combine investment management with BlackRock Solutions' risk management and investment accounting capabilities. Services are tailored to take into consideration a wide variety of asset/liability management issues, including GAAP, tax, regulatory and rating agency considerations. Our clientele includes reinsurance companies and life, health and property and casualty insurers, who are increasingly outsourcing all or a portion of their investment management. We expect this trend to continue and to extend to other financial institutions as well, and we believe BlackRock is well positioned to capitalize on these opportunities.

Institutional money market fund assets, which are managed on behalf of both taxable and tax-exempt investors, declined \$6.6 billion, or 11%, to \$53.7 billion at year-end 2003. These outflows, which were anticipated industry-wide following the Federal Reserve's discount rate cut in November 2002, were mitigated somewhat by net inflows of \$327 million in separate accounts and \$3.5 billion in security lending portfolios. BlackRock retained its position as the eighth largest institutional money market fund manager in the nation, and our expanded liquidity team is focused on building market share over time.

Private clients are served through 40 open-end funds with assets of \$18.4 billion and 49 closed-end funds with assets of \$14.0 billion at year-end. Net new business totaled \$2.0 billion during 2003, with \$4.0 billion raised from institutions and through third party intermediaries offset in part by \$2.0 billion of net outflows from PNC-related clients. During 2003, we raised 6 new closed-end funds totaling \$2.6 billion in assets, including our first equity closed-end fund. We have made substantial investments in our fund sales effort, which includes 41 wholesalers, and have increased resources to support direct sales of our institutional funds products. These investments began to bear fruit in 2003 and we expect to be able to build momentum in fund sales in the coming years.

# Our Clients Cont'd



# Board of Directors

**Laurence D. Fink** <sup>(2,4)</sup>  
Chairman and Chief Executive Officer  
BlackRock, Inc.  
Chairman, Executive Committee  
Director since 1998

**William O. Albertini** <sup>(1)</sup>  
Former Executive Vice President and  
Chief Financial Officer  
Bell Atlantic Global Wireless, Inc.  
Chairman, Audit Committee  
Director since 2003

**William S. Demchak**  
Vice Chairman and Chief Financial Officer  
The PNC Financial Services Group, Inc.  
Director since 2003

**Murry S. Gerber** <sup>(1)</sup>  
President and Chief Executive Officer  
Equitable Resources, Inc.  
Director since 2000

**James Grosfeld** <sup>(1,3,4)</sup>  
Former Chairman and Chief Executive Officer  
Pulte Corporation  
Director since 1999

**David H. Komansky** <sup>(3)</sup>  
Former Chairman and Chief Executive Officer  
Merrill Lynch & Co., Inc.  
Director since 2003

**William C. Mutterperl**  
Vice Chairman  
The PNC Financial Services Group, Inc.  
Director since 2003

**Frank T. Nickell** <sup>(2,3)</sup>  
President and Chief Executive Officer  
Kelso & Company  
Chairman, Compensation Committee  
Director since 1999

**Thomas H. O'Brien** <sup>(4)</sup>  
Former Chairman and Chief Executive Officer  
The PNC Financial Services Group, Inc.  
Chairman, Nominating and Governance Committee  
Director since 1999

**James E. Rohr** <sup>(2,3,4)</sup>  
Chairman and Chief Executive Officer  
The PNC Financial Services Group, Inc.  
Director since 1998

**Ralph L. Schlosstein**  
President  
BlackRock, Inc.  
Director since 1999

**Lawrence M. Wagner** <sup>(1,2,3)</sup>  
President and Chief Executive Officer  
The Hillman Company  
Director since 1999

*Committees:* 1. Audit  
2. Executive  
3. Compensation  
4. Nominating and Governance

# Managing Directors

**Laurence D. Fink**  
Chairman and  
Chief Executive Officer  
**Ralph L. Schlosstein**  
President  
**Robert S. Kapito**  
Vice Chairman  
**Paul L. Audet**  
Chief Financial Officer  
**Robert P. Connolly, Esq.**  
General Counsel  
**Anne F. Ackerley**  
**Scott M. Amero**  
**Keith T. Anderson**  
**Howard P. Berkowitz**  
**Peter R. Fisher**  
**Henry Gabbay, Ph.D.**  
**Bennett W. Golub, Ph.D.**  
**Charles S. Hallac**  
**Michael C. Huebsch**  
**Kevin Klingert**  
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**Albert B. Morillo**  
**Barbara G. Novick**  
**Susan L. Wagner**

**Gordon Anderson, CA**  
**Wayne J. Archambo, CFA**  
**Hiroyuki Arita**  
**Thomas S. Bain, CISM**  
**Nigel Q.D. Barry**  
**Ara A. Basil**  
**Robert T. Bass**  
**Bartholomew A. Battista**  
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**David E. Byrket, CFA**  
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**Laurence J. Carolan**  
**J. Stewart Carracher**  
**Scott J. Condron**  
**R. Andrew Damm**  
**John J. Davis**  
**William G. De Leon**  
**Richard M. Duff III**  
**Joseph Feliciani, Jr.**  
**Thomas M. Fortin**  
**Jeffrey J. Gary**  
**Yury G. Geyman**  
**Louis J. Gitlin**  
**Robert L. Goldstein**  
**Andrew Gordon**

**Susan C. Heide, Ph.D.**  
**Frederick W. Herrmann, CFA**  
**Zion Hillely**  
**Richard K. Hoerner, CFA**  
**Kevin D. Holt, CFA**  
**Craig Horvath, CFA**  
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**Douglas B. Waggoner**  
**Neil D. Wagner**  
**Daniel R. Waltcher**  
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**Alfred Weinberger**  
**Mark J. Williams**  
**Mark D. Winer, Ph.D.**  
**Adam D. Wizon**  
**Sree Sudha Yerneni**  
**William F. Zola**

# Corporate Information

## Corporate Headquarters

BlackRock, Inc.  
40 East 52nd Street  
New York, NY 10022  
(212) 754-5560

## Stock Listing

BlackRock, Inc.'s class A common stock is traded on the New York Stock Exchange under the symbol BLK. BlackRock's class B common stock is not included for listing or quotation on any established market. At the close of business on February 18, 2004, there were 495 class A common stockholders of record and 32 class B common stockholders of record.

## Internet Information

Information on BlackRock's financial results and its products and services is available on the internet at [www.blackrock.com](http://www.blackrock.com).

## Financial Information

BlackRock makes available, free of charge, through its website at [www.blackrock.com](http://www.blackrock.com), under the heading "Investor Relations/Financial Information and SEC Filings," its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. Further, BlackRock will provide, free of charge to each stockholder upon written request, a copy of BlackRock's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports. Requests for copies should be addressed to Joseph Feliciani, Managing Director, BlackRock, Inc., 40 East 52nd Street, New York, NY 10022. Requests may also be directed to (212) 409-3519 or via e-mail to [joseph.feliciani@blackrock.com](mailto:joseph.feliciani@blackrock.com). Copies may also be accessed electronically by means of the SEC's home page on the internet at [www.sec.gov](http://www.sec.gov).

## Inquiries

Individual stockholders should contact stockholder relations at (212) 409-3441 or via e-mail at [invrel@blackrock.com](mailto:invrel@blackrock.com).

Analysts and institutional investors should contact Paul L. Audet, Chief Financial Officer, at (212) 409-3555 or via e-mail at [paul.audet@blackrock.com](mailto:paul.audet@blackrock.com).

News media representatives and others seeking general information should contact Brian Beades at (212) 754-5596 or via e-mail at [brian.beades@blackrock.com](mailto:brian.beades@blackrock.com).

## Annual Stockholders Meeting

All stockholders are invited to attend the BlackRock annual meeting on Tuesday, May 11, 2004, beginning at 9:00 a.m., local time. The meeting will be held at the New York Palace Hotel, 455 Madison Avenue, New York, NY 10022.

## Common Stock Prices

The table below sets forth by quarter the range of high and low sale and quarter-end closing prices for BlackRock class A common stock.

2003	High	Low	Close
First Quarter	\$45.40	\$39.58	\$43.54
Second Quarter	\$48.56	\$43.20	\$45.04
Third Quarter	\$52.35	\$43.60	\$49.00
Fourth Quarter	\$53.63	\$48.73	\$53.11
2002			
First Quarter	\$46.26	\$40.90	\$44.60
Second Quarter	\$47.35	\$40.45	\$44.30
Third Quarter	\$46.42	\$40.00	\$41.42
Fourth Quarter	\$41.28	\$34.30	\$39.40

## Dividend Policy

The declaration of and payment of dividends by BlackRock are subject to the discretion of our Board of Directors. BlackRock is a holding company and, as such, our ability to pay dividends is subject to the ability of our subsidiaries to provide cash to us. The Board of Directors will determine future dividend policy based on our results of operations, financial conditions, capital requirements and other circumstances. In addition, because we are a consolidated subsidiary of PNC, federal banking restrictions on payments of dividends by PNC Bank may apply to us.

## Registrar and Transfer Agent

Mellon Investor Services LLC  
85 Challenger Road  
Ridgefield Park, NJ 07660  
(800) 851-9677

## Other Corporate Office Locations

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# Performance Notes

Past performance is no guarantee of future results.

Mutual Funds: Performance data assumes the reinvestment of dividends and capital gains distributions and reflects the performance of the Institutional Class, with the exception of the BlackRock Funds Government Income Portfolio, which reflects the performance of the Investor B Class. BlackRock waives fees, without which performance would be lower. Investments in BlackRock Funds and BlackRock Liquidity Funds are neither insured nor guaranteed by the U.S. government. Relative peer group performance is based on quartiles from Lipper Inc. Lipper rankings are based on total returns with dividends and distributions reinvested and do not reflect sales charges. Funds with returns among the top 25% of a peer group of funds with comparable objectives are in the first quartile and funds with returns in the next 25% of a peer group are in the second quartile. Some funds have less than five years of performance.

Fixed Income Portfolios of BlackRock Funds: The Core Bond Total Return and Core PLUS Total Return Portfolios are in the Intermediate Investment Grade Debt Lipper peer group and the Low Duration Bond Portfolio is in the Short Investment Grade Debt Lipper peer group. The Managed Income Portfolio is in the Intermediate Investment Grade Debt Lipper peer group and the Intermediate Bond Portfolio is in the Short-Intermediate Investment Grade Debt Lipper peer group. The High Yield Bond Portfolio is in the High Current Yield Lipper peer group and the GNMA Portfolio is in the GNMA Lipper peer group. The Intermediate Government Portfolio is in the Intermediate US Government Lipper peer group, the Government Income Portfolio is in the General US Government Lipper peer group and the International Bond Portfolio is in the International Income Lipper peer group.

BlackRock Liquidity Funds: TempFund and TempCash are in the Institutional Money Market Lipper peer group, and Federal Trust Fund and FedFund are in the Institutional U.S. Government Money Market Lipper peer group. T-Fund and Treasury Trust Fund are in the Institutional U.S. Treasury Money Market Lipper peer group. MuniCash and MuniFund are in the Institutional Tax-Exempt Money Market Lipper peer group. California Money Fund and New York Money Fund are in the California Tax-Exempt and New York Tax-Exempt Money Market Lipper peer groups, respectively.

Money Market Portfolios of BlackRock Funds: The Money Market, U.S. Treasury Money Market and Municipal Money Market Portfolios are in the Institutional Money Market, Institutional U.S. Treasury Money Market and Institutional Tax-Exempt Money Market Lipper peer groups, respectively. The New Jersey Municipal Money Market, Ohio Municipal Money Market and Pennsylvania Municipal Money Market are in the New Jersey Tax-Exempt Money Market, Ohio Tax-Exempt Money Market and Pennsylvania Tax-Exempt Money Market Lipper peer groups, respectively. The North Carolina Municipal Money Market and Virginia Municipal Money Market Portfolios are in the Other States Tax-Exempt Money Market Lipper peer group. As with other money market funds, there is no assurance that BlackRock Liquidity Funds or the money market portfolios of BlackRock Funds will maintain a stable net asset value of \$1.00 per share.

Equity Portfolios of BlackRock Funds: The Small Cap Growth Equity and Small Cap Value Equity Portfolios are in the Small Cap Growth and Small Cap Core Lipper peer groups, respectively. The U.S. Opportunities Portfolio is in the Mid Cap Core Lipper peer group. The Select Equity Portfolio is in the Large Cap Core Lipper peer group.

Composites Performance: Results do not reflect the deduction of management/advisory fees and other expenses, which will reduce a client's return. For example, assuming an annual gross return of 8% and an annual management/advisory fee of 0.25%, the net annualized total return of a composite would be 7.74% over a 5-year period. Frank Russell Company is the source of peer universe data for fixed income and equity composites. Some BlackRock composites have less than five years of performance.